



Benefits for Start-ups to be extended for one more year : FM Sitharaman

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In her budget speech Finance minister Nirmala Sitharaman that “ease of doing business” and Tax incentives for start-ups will be extended by one more year. This step will prove to be a boon for the Indian start-up sector.

The tax benefits for the businesses that were earlier decided to be for 3 years will be extended for one more year until March 31 2022. “Start-ups have emerged as a growth driver for the economy. Tax incentives for start-ups increased from three years to four years of incorporation, in view of the pandemic,”- said Sitharaman

Along with this the minister also extended the capital gains tax exemption for start-ups by another year till March 31, 2022.

Start-ups in India had raised a \$42 billion in 2021. During this time, there was a steep rise in the number of Unicorns in India (companies with a valuation of more than 1 billion). Almost 42 new companies became part of this club, taking the tally to 83 unicorns.

The Department for promotion of industry and internal trade (DPIIT) recognises around 61,400. The economic survey states that approximately 14,000 recognised start-ups were added in the year 2021-22.

In the past few years, the growth of Indian start-ups has been truly remarkable, and most of them have been in the IT sector.

As of now, 555 districts in India have at least one new start-up.

The Economic Survey states that Delhi has overtaken Bengaluru as the start-up hub of India on the number of start-ups added between April 2019 and 2022. 5000 start-ups were added in Delhi, 4,514 start-ups were added in Bengaluru between April 2019 and December 2021. Maharashtra is the state with the most number of start-ups with 11,308.



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