

Start-up founders discuss taxation, regulatory issues with Commerce Minister

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Minister for Commerce and Industry, Nirmala Sitharaman interacting with start-up founders, in New Delhi. Photo: Ramesh Sharma

BusinessLine

The participants asked the government to allow start-ups that were incorporated before April 1 this year to qualify for tax sops.

New Delhi, July 28:

Founders of twenty eight start-ups including Urbanclap, Practo, Delhivery, Cardekho and Altigreen Propulsions met Commerce & Industry Minister Nirmala Sitharaman on Thursday to discuss concerns related to taxation and regulatory matters.

The participants also asked the government to allow start-ups that were incorporated before April 1 this year to qualify for tax sops.

“We were keen to know their views on how start-ups in the country were doing, their expectations from the government and difficulties they were facing in dealing with various Ministries and Departments,” Sitharaman told the media.

The Minister said the start-ups discussed various issues ranging from taxation, funding, compliance and regulations to the period of relief offered to investors.

“We have also decided to hold sectoral meetings to take care of sector-specific problems. We discussed the problems being faced by online pharmacists (on issues such as what they can sell without prescriptions). Incidentally, this is also a topic of discussion in the Rajya Sabha. We hope to discuss it more specifically in a separate sectoral meeting,” Sitharaman said.

Of the 180 applications from start-ups received by the government that are complete, only 16 applicants are incorporated after April 1 2016 and are eligible for tax benefits.

As per the Finance Act, 2016, start-ups (Companies and LLPs) can get income tax exemption for 3 years in a block of 5 years, if they are incorporated between 1st April 2016 and 31st March 2019.

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