

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE**

LOK SABHA

**UNSTARRED QUESTION NO. 5432.
TO BE ANSWERED ON WEDNESDAY, THE 05TH APRIL, 2023.**

STARTUPS

5432. DR. RAMESH POKHRIYAL “NISHANK”:

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

वाणिज्य एवं उद्योग मंत्री

- (a) the number of startups set up in the country during the last five years;
- (b) the percentage of success of the said startups;
- (c) the State-wise details thereof;
- (d) the steps taken for promotion of entrepreneurship in North Eastern Himalayan States; and
- (e) the results thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सोम प्रकाश)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI SOM PARKASH)**

- (a): The Government with an intent to build a strong ecosystem for nurturing innovation, startups and encouraging private investments in startup ecosystem of the country launched Startup India initiative on 16th January 2016.

As per eligibility conditions prescribed under G.S.R. notification 127 (E) dated 19th February 2019, entities are recognised as ‘startups’ under Startup India initiative by the Department for Promotion of Industry and Internal Trade (DPIIT). Since the launch of Startup India initiative in 2016, DPIIT has recognised 92,683 entities as startups as on 28th February 2023.

The number of startups recognised in the country in the last five years is as under:

Number of entities recognised as startups by DPIIT				
2018	2019	2020	2021	2022
8,635	11,279	14,498	20,046	26,542

- (b) & (c): The regular businesses are often measured by success or failure in a specific number of years of operation, whereas, the startups and scale-ups (established startups) are more accurately measured by failure or success in a particular phase making it difficult to put together a statistic covering all types of new businesses and their failure rate with any level of accuracy. Therefore, the

information with respect to the success or failure of startups is not centrally maintained by the Government.

(d) & (e): Startup India initiative was launched on 16th January 2016 with an objective to build a strong eco-system for nurturing innovation and startups in the country that would drive sustainable economic growth and generate large scale employment opportunities. The details of various programs undertaken by the Government to promote startups across the country under Startup India initiative are at **Annexure-I**.

All the steps taken by Government to promote this initiative are inclusive and are implemented across States, cities, towns and rural areas. In addition, the Government has taken various initiatives, specifically for development of entrepreneurship in North Eastern States. The list of some of these initiatives is at **Annexure-II**.

Sustained Government efforts in this direction have resulted in increasing the number of recognised startups in the North-Eastern States (comprising of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura) from 10 in 2016 to 1,110 in 2023 (as on 28th February 2023).

ANNEXURE REFERRED TO IN REPLY TO PARTS (d) & (e) OF THE LOK SABHA UNSTARRED QUESTION NO. 5432 FOR ANSWER ON 05.04.2023.

Programs Implemented under Startup India initiative

The details of various programs undertaken by the Government to promote startups under Startup India initiative across the country are as under:

- 1 **Startup India Action Plan**: An Action Plan for Startup India was unveiled on 16th January 2016. The Action Plan comprises of 19 action items spanning across areas such as “Simplification and handholding”, “Funding support and incentives” and “Industry-academia partnership and incubation”. The Action Plan laid the foundation of Government support, schemes and incentives envisaged to create a vibrant startup ecosystem in the country.
- 2 **Fund of Funds for Startups (FFS) Scheme**: The Government has established FFS with corpus of Rs. 10,000 crore, to meet the funding needs of startups. DPIIT is the monitoring agency and Small Industries Development Bank of India (SIDBI) is the operating agency for FFS. The total corpus of Rs. 10,000 crore is envisaged to be provided over the 14th and 15th Finance Commission cycles based on progress of the scheme and availability of funds. It has not only made capital available for startups at early stage, seed stage and growth stage but also played a catalytic role in terms of facilitating raising of domestic capital, reducing dependence on foreign capital and encouraging home grown and new venture capital funds.
- 3 **Credit Guarantee Scheme for Startups (CGSS)**: The Government has established the Credit Guarantee Scheme for Startups for providing credit guarantees to loans extended to DPIIT recognized startups by Scheduled Commercial Banks, Non-Banking Financial Companies (NBFCs) and Venture Debt Funds (VDFs) under SEBI registered Alternative Investment Funds. CGSS is aimed at providing credit guarantee up to a specified limit against loans extended by Member Institutions (MIs) to finance eligible borrowers viz. DPIIT recognised startups.
- 4 **Regulatory Reforms**: Over 50 regulatory reforms have been undertaken by the Government since 2016 to enhance ease of doing business, ease of raising capital and reduce compliance burden for the startup ecosystem.
- 5 **Ease of Procurement**: To enable ease of procurement, Central Ministries/ Departments are directed to relax conditions of prior turnover and prior experience in public procurement for all DPIIT recognised startups subject to meeting quality and technical specifications. Further, Government e-Marketplace (GeM) Startup Runway has been developed which is a dedicated corner for startups to sell products and services directly to the Government.
- 6 **Support for Intellectual Property Protection**: Startups are eligible for fast-tracked patent application examination and disposal. The Government launched Start-ups Intellectual Property Protection (SIPP) which facilitates the startups to file applications for patents, designs and trademarks through registered facilitators in appropriate IP offices by paying only the statutory fees. Facilitators under this Scheme are responsible for providing general advisory on different IPRs, and

information on protecting and promoting IPRs in other countries. The Government bears the entire fees of the facilitators for any number of patents, trademark or designs, and startups only bear the cost of the statutory fees payable. Startups are provided with an 80% rebate in filing of patents and 50% rebate in filling of trademark vis-a-vis other companies.

- 7 **Self-Certification under Labour and Environmental laws**: Startups are allowed to self-certify their compliance under 9 Labour and 3 Environment laws for a period of 3 to 5 years from the date of incorporation.
- 8 **Income Tax Exemption for 3 years**: Startups incorporated on or after 1st April 2016 can apply for income tax exemption. The recognized startups that are granted an Inter-Ministerial Board Certificate are exempted from income-tax for a period of 3 consecutive years out of 10 years since incorporation.
- 9 **International Market Access to Indian Startups**: One of the key objectives under the Startup India initiative is to help connect Indian startup ecosystem to global startup ecosystems through various engagement models. This has been done through international Government to Government partnerships, participation in international forums and hosting of global events. Startup India has launched bridges with over 15 countries that provides a soft-landing platform for startups from the partner nations and aid in promoting cross collaboration.
- 10 **Faster Exit for Startups**: The Government has notified Startups as 'fast track firms' enabling them to wind up operations within 90 days vis-a-vis 180 days for other companies.
- 11 **Startup India Hub**: The Government launched a Startup India Online Hub on 19th June 2017 which is one of its kind online platform for all stakeholders of the entrepreneurial ecosystem in India to discover, connect and engage with each other. The Online Hub hosts Startups, Investors, Funds, Mentors, Academic Institutions, Incubators, Accelerators, Corporates, Government Bodies and more.
- 12 **Exemption for the Purpose Of Clause (VII)(b) of Sub-section (2) of Section 56 of the Act (2019)**: A DPIIT recognized startup is eligible for exemption from the provisions of section 56(2)(viib) of the Income Tax Act.
- 13 **Startup India Showcase**: Startup India Showcase is an online discovery platform for the most promising startups of the country chosen through various programs for startups exhibited in a form of virtual profiles. The startups showcased on the platform have distinctly emerged as the best in their fields. These innovations span across various cutting-edge sectors such as Fintech, EnterpriseTech, Social Impact, HealthTech, EdTech, among others. These startups are solving critical problems and have shown exceptional innovation in their respective sectors. Ecosystem stakeholders have nurtured and supported these startups, thereby validating their presence on this platform.
- 14 **National Startup Advisory Council**: The Government in January 2020 notified constitution of the National Startup Advisory Council to advise the Government on measures needed to build a strong ecosystem for nurturing innovation and startups in the country to drive sustainable economic growth and generate large scale employment opportunities. Besides the ex-officio members, the council has a number of non-official members, representing various stakeholders from the startup ecosystem.

- 15 **Startup India: The Way Ahead**: Startup India: The Way Ahead at 5 years celebration of Startup India was unveiled on 16th January 2021 which includes actionable plans for promotion of ease of doing business for startups, greater role of technology in executing various reforms, building capacities of stakeholders and enabling a digital Aatmanirbhar Bharat.
- 16 **Startup India Seed Fund Scheme (SISFS)**: Easy availability of capital is essential for entrepreneurs at the early stages of growth of an enterprise. The capital required at this stage often presents a make-or-break situation for startups with good business ideas. The Scheme aims to provide financial assistance to startups for proof of concept, prototype development, product trials, market entry and commercialization. Rs. 945 crore has been sanctioned under the SISFS Scheme for period of 4 years starting from 2021-22.
- 17 **National Startup Awards (NSA)**: National Startup Awards is an initiative to recognize and reward outstanding startups and ecosystem enablers that are building innovative products or solutions and scalable enterprises, with high potential of employment generation or wealth creation, demonstrating measurable social impact. Handholding support is provided to all the finalists across various tracks viz. Investor Connect, Mentorship, Corporate Connect, Govt. Connect, International Market Access, Regulatory Support, Startup Champions on Doordarshan and Startup India Showcase, etc.
- 18 **States' Startup Ranking Framework (SRF)**: States' Startup Ranking Framework is a unique initiative to harness strength of competitive federalism and create a flourishing startup ecosystem in the country. The major objectives of the ranking exercise are facilitating states to identify, learn and replace good practices, highlighting the policy intervention by states for promoting startup ecosystem and fostering competitiveness among states.
- 19 **Startup Champions on Doordarshan**: Startup Champions program on Doordarshan is a one-hour weekly program covering stories of award winning/nationally recognised startups. It is telecasted in both Hindi and English across Doordarshan network channels.
- 20 **Startup India Innovation Week**: The Government organises Startup India Innovation week around the National Startup Day i.e. 16th January, with the primary goal was to bring together the country's key startups, entrepreneurs, investors, incubators, funding entities, banks, policymakers, and other national/international stakeholders to celebrate entrepreneurship and promote innovation.

ANNEXURE REFERRED TO IN REPLY TO PARTS (d) & (e) OF THE LOK SABHA UNSTARRED QUESTION NO. 5432 FOR ANSWER ON 05.04.2023.**List of initiatives undertaken by the Government specifically for promotion of entrepreneurship in North-Eastern States is as under:**

1. **ASCEND Startup Workshop Series and Women for Startups Workshops:** The Government organized a series of startup workshops - ASCEND (Accelerating Startup Calibre & Entrepreneurial Drive), for the entrepreneurs, aspiring entrepreneurs, and students from North-eastern region. In addition, the workshops are being conducted with a specific focus on women entrepreneurs across the north-eastern states. The workshops were organized during the month of November 2022 and December 2022 in Manipur, Assam, Meghalaya, Mizoram, Arunachal Pradesh, Nagaland, Sikkim, and Tripura. The workshops witnessed participation of over 11,000 ecosystem stakeholders such as government officials, startups, aspiring entrepreneurs, investors, academic institutions, etc.
2. **North-East Region Entrepreneurship & Startup Summit (NERES):** Ministry of Skill Development and Entrepreneurship organised NERES, an entrepreneurship and startup summit aimed at offering a platform to promising startups and aspiring entrepreneurs across North-East Region (NER). The objective of NERES was aimed at stirring up entrepreneurial minds across the NER states and promotes startup entrepreneurs by offering them a platform to pitch their business ideas and also addressing various challenges faced by the startups. The programme provided a platform for aspiring and existing entrepreneurs/startups to participate and showcase their business ideas and plan. It also helped them to learn more about the good practices and network with fellow startups. The programme has paved the way for startups and entrepreneur to seek support from mentors and an ecosystem that support their business growth.
3. **Knowledge Exchange Workshops:** DPIIT organized knowledge exchange workshops for dissemination of good practices and mutual learning among States and UTs.
 - i. In year 2018, two-days knowledge exchange workshops were organized in leading incubators in the country. The workshops offered an opportunity for participating States and UTs to interact with each other, exchange best practices, interact with leading Startups, investors, and incubators. State Government officials from Assam, Tripura, Manipur, and Meghalaya participated in Hyderabad (Telangana). State Government officials from Nagaland and Sikkim participated in workshop in Vishakhapatnam (Andhra Pradesh).
 - ii. In year 2019, State Government officials from Mizoram participated in workshop organized in Maharashtra. State Government officials from Assam, Arunachal Pradesh, and Nagaland participated in workshop organized in Kerala.
 - iii. International Exposure Visits (2019): with the objective to enable the states to understand and assimilate best practices from these international ecosystems and assist in implementation of these practices in their respective ecosystems, visits across two locations – San Francisco, California, and Seattle, Washington in the months of September-October 2019 were organized. Officials from Assam were a part of this delegation.

- iv. In year 2020, a 5-day virtual capacity building program was conducted in June 2021 as part of Knowledge Exchange Week 2021. The workshops saw participation from over 130+ state government officials from 34 States and Union Territories of India, including all the North-Eastern States.
 - v. For the States' Startup Ranking exercise 2022, the Government organised knowledge exchange workshop in Meghalaya (Shillong) in November 2022, wherein the sessions were delivered by eminent speakers from multiple state governments and startup ecosystem stakeholders and saw participation of government officials from across the country including from north-eastern region.
3. **Startup India Yatra Initiative:** Startup India launched Startup India Yatra in 2017 to promote entrepreneurship in rural and non-metro regions across States. Under this program, grassroot Startup aspirants were provided incubation, mentorship, and funding support. As part of the program, bootcamps were organized in tier-2 and tier-3 districts of the state where participants attended ideation workshops and pitch their ideas.

As a part of this initiative, bootcamps were organized in Manipur, Assam, Tripura, Arunachal Pradesh, Meghalaya, Mizoram, and Nagaland. More than 6600 individuals from 44 districts of these 7 states were reached under Startup Yatra. 179 incubation offers were extended along with a funding support of Rs. 20.1 lakhs.

4. **WING:** As a part of DPIIT's program WING - a capacity development program for existing and aspiring women entrepreneurs was conducted in Guwahati, Assam which saw participation from 45 attendees and, in Kohima, Nagaland which saw participation from 114 attendees across two parallel workshops. The participants were given mentoring sessions in the following areas:
- i. Venture Ideation and Business Model Validation
 - ii. Governance: Legal/Compliance
 - iii. Marketing/Branding: Creating differential
 - iv. Finance & Financial Decisions
 - v. Mastering Customer Acquisition Strategy & Scaling-up
5. **Azadi Ka Amrit Mahotsav (Startup Sensitization Training in Meghalaya & Assam):**
- i. **Meghalaya:** To commemorate 75 years of India's Independence, the Central Government and State Government of Meghalaya celebrated Azadi Ka Amrit Mahotsav and collectively hosted a physical training session in Shillong on the 25th September 2021. The session was especially dedicated to the entrepreneurs of Meghalaya. Some of the successful entrepreneurs of the state shared their success stories, focusing on their journey, challenges, and how they overcame it.
 - ii. **Assam:** The Central Government along with State Government of Assam, participated in the Vanijya Utsav celebrations in Assam held on 22nd September 2021 at Guwahati. The Government presented on "Schemes & Benefits for Startups" and further participated in the Startup Bootcamp hosted for the incoming cohort 3.0 of startups chosen by Assam Startup. The Startup Bootcamp was held on 23rd September 2021, Assam Startup Nest. Around 30 startups and more than 100 delegates representing multiple government departments from the state of Assam participated

across both the events. The sessions were instrumental in sensitizing the startups and the delegation present about the programs under the Startup India initiative.

6. **Incubator Capacity Building Engagement (Mizoram):** The Central Government along with State Government of Mizoram organized a consultation session with incubators from Mizoram on 22nd October 2021 as a part of Capacity Building Program.
