

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

LOK SABHA

**UNSTARRED QUESTION NO. 2410.
TO BE ANSWERED ON WEDNESDAY, THE 15TH MARCH, 2023.**

CONTRIBUTION OF STARTUPS

2410. SHRI G.M. SIDDESHWAR:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Startups are contributing in areas like rapidly increasing urbanization, smart mobility, digitization of rural India, drone, agriculture and health in the country;
- (b) if so, the details thereof;
- (c) whether the Government proposes to take local Startups to the global level; and
- (d) if so, the details of the efforts made by the Government in this direction?

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) & (b): Startups and the entire innovation ecosystem are the engines of growth for any country. Recognizing this aspect, the Government launched Startup India initiative on 16th January 2016 with an aim to build a stronger ecosystem for nurturing India's startup culture that would further drive our economic growth, support entrepreneurship, and enable large-scale employment opportunities.

Sustained Government efforts in this direction have resulted in increasing the number of recognised startups from 442 in 2016 to 92,683 in 2023 (as on 28th February 2023).

Startups, have actively contributed in Government's flagship programs such as Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Smart Cities Mission, Swachh Bharat Mission, National Heritage City Development and Augmentation Yojana (HRIDAY scheme) to improve urban infrastructure and service provision.

Furthermore, DPIIT has recognised startups which are spread across 56 diversified sectors. More than 15% of these startups are in sectors such as Agriculture, Healthcare & Lifesciences, Automotive, Telecommunication & Networking, Computer Vision, etc. Over 7,000 recognised startups are in sectors like Construction, House-hold Services, Logistics, Real Estate and

Transportation and Storage contributing towards urban concerns. Sector-wise number of startups recognised is placed at **Annexure-I**.

(c) & (d): Under the Startup India initiative, the Government constantly undertakes various efforts for the development and growth of startup ecosystem across the country.

The flagship Schemes namely, Fund of Funds for Startups (FFS), Startup India Seed Fund Scheme (SISFS) and Credit Guarantee Scheme for Startups (CGSS) are supporting startups at various stages of their business cycle to enable startups to graduate to a level where they will be able to raise investments from angel investors or venture capitalists or seek loans from commercial banks or financial institutions. The Government also implements flagship annual exercises and programs including States' Startup Ranking, National Startup Awards and Innovation Week which play an important role in holistic development of the startup ecosystem. The Government through stakeholder consultations seeks regulatory and policy related recommendations for enhancing ease of doing business and reducing compliance burden for startup ecosystem. The Government also facilitates participation and engagement of Indian startup ecosystem at international platforms. Details of such programs implemented under Startup India initiative by the Government to support startup ecosystem across the country are placed as **Annexure-II**.

ANNEXURE-I

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) and (b) OF THE LOK SABHA USTARRED QUESTION NO. 2410 FOR ANSWER ON 15.03.2023

Sector wise number of recognized Startups as on 28th February 2023		
S. No.	Industries	No. of Recognised startups
1	Advertising	673
2	Aeronautics Aerospace & Defence	910
3	Agriculture	4653
4	AI	1580
5	Airport Operations	10
6	Analytics	640
7	Animation	93
8	AR VR (Augmented + Virtual Reality)	485
9	Architecture Interior Design	517
10	Art & Photography	321
11	Automotive	1950
12	Biotechnology	260
13	Chemicals	813
14	Computer Vision	223
15	Construction	3873
16	Dating Matrimonial	81
17	Design	629
18	Education	5962
19	Enterprise Software	1696
20	Events	365
21	Fashion	1279
22	Finance Technology	2930
23	Food & Beverages	4523
24	Green Technology	2046
25	Healthcare & Lifesciences	8691
26	House-Hold Services	633
27	Human Resources	1979
28	Indic Language Startups	269
29	Internet of Things	1428
30	IT Services	11099
31	Logistics	412
32	Marketing	1837
33	Media & Entertainment	1426
34	Nanotechnology	145
35	Non- Renewable Energy	1639
36	Other Specialty Retailers	623
37	Passenger Experience	11
38	Pets & Animals	244
39	Professional & Commercial Services	4506
40	Real Estate	810
41	Renewable Energy	2429
42	Retail	2160
43	Robotics	491
44	Safety	292
45	Security Solutions	972
46	Social Impact	576

47	Social Network	659
48	Sports	453
49	Technology Hardware	2934
50	Telecommunication & Networking	880
51	Textiles & Apparel	1362
52	Toys and Games	215
53	Transportation & Storage	1456
54	Travel & Tourism	1436
55	Waste Management	593
56	Not Specified	3511
	Grand Total	92,683

ANNEXURE REFERRED TO IN REPLY TO PARTS (c) and (d) OF THE LOK SABHA USTARRED QUESTION NO. 2410 FOR ANSWER ON 15.03.2023**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:

- **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.
- **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.
- **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.
- **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.
- **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.
- **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.

- **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.
- **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.
- **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 (Brazil, Sweden, Russia, Portugal, UK, Finland, Netherlands, Singapore, Israel, Japan, South Korea, Canada, Croatia, Qatar and UAE) that provides a soft-landing platform for startups from the partner nations and aid in promoting cross collaboration.
- **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.
- **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.
- **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.
- **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.

- **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.
- **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.
- **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.
- **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.
- **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.
- **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.
- **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.
