UNSTARRED QUESTION NO. 1746.
TO BE ANSWERED ON WEDNESDAY, THE 13TH DECEMBER, 2023.

PROMOTION OF STARTUPS

1746. SHRI SELVAM G.:
SHRI DHANUSH M. KUMAR:

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:
वाणिज्य एवं उद्योग मंत्री

(a) the details of the steps taken by the Government to encourage and promote 'Startups' in the country;

(b) whether the Government has taken initiative in this regard;

(c) if so, the details thereof;

(d) the details of employment generated by these Startups' during the last three years, State-wise including Tamil Nadu; and

(e) the details of revenue generated by these 'Startups'?

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) to (c): The Government with an intent to build a strong ecosystem for nurturing innovation, encouraging investments launched the Startup India initiative on 16th January 2016.

To create a holistic environment which is conducive for growth, the Government is implementing various programs and schemes specific to promotion of startup ecosystem. The list of such measures undertaken by the Government is placed as **Annexure-I**.

(d): During the last three years viz. 2020, 2021 and 2022, the entities recognised as startups by the Department for Promotion of Industry and Internal Trade (DPIIT) have reportedly created over 6.15 lakh direct jobs. The State/ Union Territory (UT) wise details of the same, including for the State of Tamil Nadu, are placed as **Annexure-II**.

(e): Such information is not centrally compiled by the Government.

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ANNEXURE REFERRED TO IN REPLY TO PARTS (a) to (c) OF THE LOK SABHA UNSTARRED QUESTION NO. 1746 FOR ANSWER ON 13.12.2023.

Details of steps taken by the Government to encourage and promote 'Startups' in 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. **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.

3. **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.

4. **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.

5. **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.

6. **Regulatory Reforms:** Over 55 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.

7. **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) also facilitates and promotes procurement of products and services by the Government from startups.

8. **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.

9. **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.

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. **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.

12. **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.

13. **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.

14. **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 though international Government to Government partnerships, participation in international forums and hosting of global events. Startup India has launched bridges with 20 countries that provides a soft-landing platform for startups from the partner nations and aid in promoting cross collaboration.

15. **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.

16. **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.

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, Government 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.

21. **ASCEND:** Under ASCEND (Accelerating Startup Caliber & Entrepreneurial Drive), sensitization workshops on startups and entrepreneurship were conducted for all eight North Eastern States with the objective to capacitate and augment knowledge on key aspects of entrepreneurship and continue efforts towards creating a robust startup ecosystem in these States.

22. **The Startup India Investor Connect Portal** has been co-developed under the Startup India Initiative with SIDBI, serving as an intermediary platform that links startups and investors in order to help entrepreneurs from various industries, functions, stages, regions, and backgrounds in mobilizing capital. The portal has been built with the aim to enable in particular; early-stage startups located anywhere in the country to showcase themselves to leading investors/ venture capital funds.

23. **National Mentorship Portal (MAARG)**: In order to facilitate accessibility to mentorship for startups in every part of the country, the Mentorship, Advisory, Assistance, Resilience, and Growth (MAARG) program has been developed and launched under the Startup India Initiative.

24. **MeitY Start-up Hub (MSH):** A nodal entity to interconnect deep tech startup infrastructure pan India a 'MeitY Start-up Hub' (MSH) has been set up under Ministry of Electronics & Information Technology (MeitY). MSH is assisting incubators and startups improving their scalability, market outreach, etc. and has also established partnerships with various stakeholders paving the way for an economy built on innovation and technological advancement.

25. **TIDE 2.0 Scheme:** Technology Incubation and Development of Entrepreneurs (TIDE 2.0) Scheme was initiated in the year 2019 to promote tech entrepreneurship through financial and technical support to incubators engaged in supporting ICT startups using emerging technologies such as IoT, AI, Block-chain, Robotics etc. The Scheme is being implemented through 51 incubators through a three-tiered structure with an overarching objective to promote incubation activities at institutes of higher learning and premier R&D organisations**.**

26. **Domain specific Centres of Excellence**: MeitY has operationalised 26 Centres of Excellence (CoEs) in diverse areas of national interest for driving self-sufficiency and creating capabilities to capture new and emerging technology areas. These domain specific CoEs act as enablers and aid in making India an innovation hub in emerging through democratisation of innovation and realisation of prototypes.

27. **Biotechnology Industry Research Assistance Council (BIRAC)**: An industry-academia interface agency of Department of Biotechnology, Ministry of Science & Technology is supporting biotech startups in all biotech sectors including clean energy and emerging technologies. Project based funding is provided to startups and companies for product/technology development under its's key Schemes including Biotech Ignition Grant (BIG), Small Business Innovation Research Initiative (SBIRI) and Biotechnology Industry Partnership Programme (BIPP). Incubation support to the startups and companies is also provided through Bioincubators Nurturing Entrepreneurship for Scaling Technologies (BioNEST) Scheme.

28. **SAMRIDH Scheme**: MeitY has launched the 'Start-up Accelerator Programme of MeitY for Product Innovation, Development and Growth (SAMRIDH)' with an aim to support existing and upcoming Accelerators to further select and accelerate potential software product based startups to scale.

29. **Next Generation Incubation Scheme (NGIS**): NGIS has been approved to support software product ecosystem and to address a significant portion of National Policy on Software Product (NPSP) 2019.

30. **Support for International Patent Protection in E&IT (SIP-EIT) Scheme**: MeitY had initiated a scheme titled "Support for International Patent Protection in E&IT (SIP-EIT) that encourages international patent filing by Indian MSMEs and startups so as to encourage innovation and recognize the value and capabilities of global IP. Reimbursement provided under the scheme is up to a maximum of Rs. 15 lakhs per invention or 50% of the total expenses incurred in filing and processing of patent application up to grant whichever is lesser.

31. **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.

32. **Atal Innovation Mission:** The Atal Innovation Mission (AIM) is a flagship initiative of the Government, set up by NITI Aayog to promote innovation and entrepreneurship across the length and breadth of the country. AIM has established Atal Tinkering Labs (ATLs) with the objective of fostering curiosity, creativity and imagination in young minds and inculcate skills such as design mind-set, computational thinking, adaptive learning, physical computing, rapid calculations, measurements etc.

33. **National Initiative for Developing and Harnessing Innovations (NIDHI):** Department of Science and Technology (DST) had launched an umbrella programme called National Initiative for Developing and Harnessing Innovations (NIDHI) in 2016 for nurturing ideas and innovations (knowledge-based and technology-driven) into successful startups.

34. **Innovations for Defence Excellence (iDEX):** iDEX was launched by the Department of Defense Production, Ministry of Defense, to achieve self-reliance and foster innovation and technology development in Defense and Aerospace by engaging industries such as MSMEs and startups, R&D institutes and academia and providing grants to carry out R&D

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ANNEXURE REFERRED TO IN REPLY TO PART (d) OF THE LOK SABHA UNSTARRED QUESTION NO. 1746 FOR ANSWER ON 13.12.2023.

State/UT-wise number of direct jobs (self-reported) created by recognised startups during the last three years viz 2020, 2021, and 2022 are as under:

S. No.	States/UTs	2020	2021	2022
1.	Andaman and Nicobar Islands	32	72	71
2.	Andhra Pradesh	2,849	2,304	3,067
3.	Arunachal Pradesh	-	31	55
4.	Assam	874	1,408	2,553
5.	Bihar	2,142	3,123	4,519
6.	Chandigarh	355	978	893
7.	Chhattisgarh	1,054	1,710	2,137
8.	Dadra and Nagar Haveli and Daman and Diu	31	136	147
9.	Delhi	17,748	22,389	30,112
10.	Goa	340	494	860
11.	Gujarat	9,300	17,393	23,630
12.	Haryana	10,511	10,306	13,694
13.	Himachal Pradesh	281	344	972
14.	Jammu and Kashmir	457	776	1,314
15.	Jharkhand	1,353	1,374	1,835
16.	Karnataka	23,947	20,864	24,568
17.	Kerala	5,446	7,605	10,307
18.	Ladakh	3	-	32
19.	Lakshadweep	7	-	-
20.	Madhya Pradesh	3,479	6,568	11,502
21.	Maharashtra	29,211	38,504	50,983
22.	Manipur	116	382	309
23.	Meghalaya	-	48	61
24.	Mizoram	2	15	106
25.	Nagaland	32	81	71
26.	Odisha	2,225	3,742	4,526
27.	Puducherry	68	198	233
28.	Punjab	1,710	2,0429	2,318
29.	Rajasthan	4,482	5,608	11,588
30.	Sikkim	2	29	22
31.	Tamil Nadu	7,772	9,690	17,203
32.	Telangana	8,599	9,613	14,249
33.	Tripura	745	95	188
34.	Uttar Pradesh	13,253	18,869	22,794
35.	Uttarakhand	709	1,714	1,684
36.	West Bengal	2,691	6,635	9,353
	TOTAL	**151,826**	**195,527**	**267,956**

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