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STANDING COMMITTEE ON FINANCE
(2020-21)

SEVENTEENTH LOK SABHA

MINISTRY OF FINANCE (DEPARTMENTS OF ECONOMIC AFFAIRS AND REVENUE) AND MINISTRY OF COMMERCE (DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE)

[Action taken by the Government on the recommendations contained in Twelfth Report (17th Lok Sabha) on the subject 'Financing the Startup Ecosystem']

THIRTY-FOURTH REPORT

सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

August, 2021 / Sravana, 1943 (Saka)

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Presented to Lok Sabha on 03.08.2021

Laid in Rajya Sabha on 03.08.2021

सत्यमेव जयते

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** Not appended in the cyclostyled copy*

COMPOSITION OF STANDING COMMITTEE ON FINANCE (2020-21)

Shri Jayant Sinha - Chairperson

MEMBERS

LOK SABHA

2. Shri S.S. Ahluwalia
3. Shri Sukhbir Singh Badal
4. Shri Subhash Chandra Baheria
5. Shri Vallabhaneni Balashowry
6. Shri Shrirang Appa Barne
7. Dr. Subhash Ramrao Bhamre
8. Smt. Sunita Duggal
9. Shri Gaurav Gogoi
10. Shri Sudheer Gupta
11. Vacant
12. Shri Manoj Kishorbhai Kotak
13. Shri Pinaki Misra
14. Shri P.V Midhun Reddy
15. Prof. Saugata Roy
16. Shri Gopal Chinayya Shetty
17. Dr. (Prof.) Kirit Premjibhai Solanki
18. Shri Manish Tewari
19. Shri Parvesh Sahib Singh Verma
20. Shri Rajesh Verma
21. Shri Giridhari Yadav

RAJYA SABHA

22. Vacant
23. Shri A. Navaneethakrishnan
24. Shri Praful Patel
25. Dr. Amar Patnaik
26. Shri Mahesh Poddar
27. Shri C.M. Ramesh
28. Shri Bikash Ranjan
29. Shri G.V.L Narasimha Rao
30. Dr. Manmohan Singh
31. Smt. Ambika Soni

SECRETARIAT

1. Shri Vinod Kumar Tripathi - Joint Secretary
2. Shri Ramkumar Suryanarayanan - Director
3. Shri Kulmohan Singh Arora - Additional Director
4. Ms. Yugma Malik - Committee Officer

INTRODUCTION

I, the Chairperson of the Standing Committee on Finance, having been authorized by the Committee, present this Thirty-fourth Report on action taken by Government on the Observations / Recommendations contained in the Twelfth Report of the Committee (Seventeenth Lok Sabha) on 'Financing the Startup Ecosystem'.

2. The Twelfth Report was presented to the Hon'ble Speaker on 9 September, 2020 and presented to Lok Sabha / laid on the table of Rajya Sabha on 3 February, 2021. The Action Taken Notes on the Recommendations were received from the Government *vide* their communication dated 23 December, 2020.

3. The Committee considered and adopted this Report at their sitting held on 29 July, 2021.

4. An analysis of the action taken by the Government on the recommendations contained in the Twelfth Report of the Committee is given in the Appendix.

5. For facility of reference, the observations / recommendations of the Committee have been printed in bold in the body of the Report.

NEW DELHI
29 July, 2021
7 Sravana, 1943 (Saka)

SHRI JAYANT SINHA,
Chairperson,
Standing Committee on Finance

REPORT

CHAPTER I

This Report of the Standing Committee on Finance deals with the action taken by the Government on the recommendations/observations contained in their Twelfth Report on 'Financing the Startup Ecosystem' pertaining to the Ministry of Finance (Departments of Economic Affairs and Revenue) and Ministry of Commerce (Department for Promotion of Industry and Internal Trade) which was presented to Hon'ble Speaker on 9th September, 2020 and presented to Lok Sabha and laid in Rajya Sabha on 3rd February, 2021.

2. Action taken notes (consolidated) have been received from the Ministry of Finance (Department of Economic Affairs) on 23rd December, 2020 in respect of all the 14 recommendations/observations contained in the Report. The replies have been analyzed and categorized as follows:

(i) Recommendations/Observations that have been accepted by the Government:

Recommendation No. 1, 2, 3, 12 and 14

(Total 5)
(Chapter- II)

(ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies:

Recommendation Nos. 4, 5, and 13

(Total 3)
(Chapter- III)

(iii) Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee:

Recommendation Nos. 7, 9, 10 and 11

(Total 4)
(Chapter -IV)

(iv) Recommendations/Observations in respect of which final replies by the Government are still awaited:

Recommendation No. 6 and 8

(Total - 2)
(Chapter- V)

3. The Committee desire that the replies to the observations / recommendations contained in Chapter-I of this Report may be furnished to them expeditiously.

4. The Committee will now deal with and comment upon the action taken by the Government on some of their recommendations.

Recommendation (Sl. No. 7)

5. The Committee recommend that in line with the global practices, large financial institutions in India should be encouraged to channelise a proportion of their investible surplus into domestic funds which would bring in much-needed additional domestic capital for startup investments. Towards this end, the Committee would recommend the following specific measures:

(i) Pension Fund Regulatory and Development Authority (PFRDA) and National Pension Scheme (NPS) may be encouraged to invite bids from professional fund managers for running a fund-of-funds program. SIDBI would be eligible to participate as well. Further, the removal of restrictions such as the minimum corpus of AIF being an eligibility criteria for pension fund investment and requirement to invest only in listed AIFs, would considerably ease roadblocks for investment by NPS in AIFs. The Committee would also like to recommend that pension funds can start by allocating small percentage of their corpus into AIFs currently and then gradually increase it as they gain more experience.

(ii) Major banks should join hands to float a fund-of-funds. Furthermore, the current exposure limits applicable to banks need to be enhanced and permission be granted to invest in Category III AIFs also.

(iii) Insurance companies (both life and non-life) must be given latitude to invest in fund-of-funds by IRDAI as well as directly in VC/PE funds along with a higher exposure cap. The Committee desire that the Concept note on the issues pertaining to insurers' investments in AIFs by the industry be submitted to Insurance Regulatory and Development Authority of India (IRDAI) at the earliest so that positive measures in that direction can be worked upon quickly. Further, the Committee recommend that investments by insurance companies in AIFs must be carved out under a separate category while calculating the applicable exposure limits and must not be clubbed with other investments under 'unapproved investments'.

(iv) Foreign Development Finance Institutions may also be encouraged to participate with local asset management companies to set up fund-of-funds structure or direct VC/PE funds, particularly in social impact, healthcare and venture/startup sectors.

The Committee believe that these steps will not only infuse more capital in the economy but also help India move closer in achieving some of the Sustainable Development Goals (SDGs) set for the country.

6. In their Action Taken Replies, the Government have stated as under :-

(i) "The National Pension System (NPS) was introduced by Govt. of India for the employees of the Central Government who were recruited on or after 1st January, 2004 as a replacement of Old Pension System (defined benefit scheme). The system has now also been adopted by majority of States for their employees. From 1st April, 2009, NPS was opened for Non-Government sector as well.

Currently, 85% of the Assets Under management (AUM) belong to the Government sector employees including Central and various State Governments.

The investment is made by Pension Funds in accordance with the Investment Guidelines issued by PFRDA into the Government Securities, Corporate Debt and Equity of the listed entities and is valued on mark-to-market basis on Security Level Valuation methodology. A professional valuation agency has been deployed to provide daily valuation of securities based on which the (Net Asset Value) NAV is calculated and published on daily basis by the Pension Funds.

The Investment Guidelines issued by PFRDA for Private Sector subscribers under NPS, allow investment in SEBI Regulated 'Alternative Investment Funds' AIF (Category I and Category II only) as defined under the SEBI (Alternative Investment Fund) Regulations, 2012, within the overall limit of 5% for 'Asset Class A'. The assets held under Asset Class A is currently approx. Rs.50 Cr. with few number of subscribers. The investment in unlisted AIFs may not be feasible due to the valuation and liquidity challenges. It is submitted that the Pension Funds may invest in fund-of-funds operated under SIDBI instead of running a separate fund-of-funds program.

It is also submitted that Pension Fund Managers invest the accumulated corpus of subscribers as per the choice of subscribers and investment in AIF also depends on this factor.

(ii) Investments by Public Sector Banks, such as floating a fund-of-funds would be subject to investment decisions of the institutions concerned which are independent and board driven with functional autonomy in operational matters.

(a) Small Industries Development Bank of India (SIDBI) is managing a Fund of Funds for Start-ups (FFS) with a corpus of Rs 10,000 crore that will invest in Alternate Investment Funds (AIFs) which in turn would invest in start-up businesses.

(b) The current exposure norms for banks with respect to Alternate Investment Funds (AIFs) are as per extant Reserve Bank of India (RBI) guidelines.

In this regard, RBI has states as below:

Investment of a bank in a fund-of-fund jointly with other banks is a commercial decision of a bank. The final investments made by banks in Alternate Investment Funds (AIFs) through fund-of-fund have to be in line with RBI's prudential norms/limits on banks investment in category I/II AIFs and restrictions on investment in category III AIFs as explained below:

I. While banks are free to invest up to 10% of paid up capital of a category I and II AIF. They can invest beyond 10% with the prior approval of RBI.

II. Investments by banks in category III AIFs have been specifically prohibited due to the risky nature of the funds and complex trading strategies it employs. Subsidiaries of banks, however, are permitted to invest in category III AIFs up to the minimum regulatory requirement for sponsors/managers.

(iii) AIFs are part of "Other Investments" considering the risk profile, liquidity, maturity profile and information available for assessing the investment proposal at upfront. IRDAI Investments-Master Circular has permitted investments into AIFs with an exclusive limit of 3% of funds in case of Life Insurers and 5% of investment Assets in case of General Insurers. It is submitted that, even as a part of Other Investments, there is enough headroom for AIF investments as at 30th June, 2020.

IRDAI informed that it is yet to receive the concept note from IVCA with respect to the compliance of Sec 27E of insurance Act, 1938.

(iv) As regards FDFIs participation through setting up fund-of-funds structure or direct VC/PE funds, it may be mentioned that as per SEBI (Alternative Investment Funds) Regulations, 2012, registration may be granted to any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which is a privately pooled investment vehicle which collects funds from investors, whether Indian or foreign, for investing it in accordance with a defined investment policy for the benefit of its investors, subject to satisfaction of other eligibility requirements.

Foreign DFIs/ Pension Funds and Institutional Investors are free to invest in AIVs including AIFs. Several models have been adopted by FIIs including direct investment in startups, setting up AIFs, investing in VC/PE funds such as NIIF, setting up their own platform companies, setting up InVITs etc. A write-up on different categories of AIFs has been attached at Annexure-I."

7. The Committee would like to reiterate that in order to bring in the much-needed additional domestic capital for startup investments, large financial institutions such as pension funds, insurance companies and banks in India should be encouraged to channelize proportions of their investible surplus into domestic funds. The Committee note the current regulations governing contributions in alternative asset classes and desire that these be eased so that successful global models may be replicated in India and greater capital may be mobilized across the economy. The Committee are of the opinion that the domestic institutions need not shy away from taking exposure and may utilize the large pools of domestic capital as investment sources in the country. Moreover, the strong returns being generated by the dozens of domestic unicorns should be

made available to domestic investors as well and not simply be captured by foreign institutions.

Recommendation (Sl. No. 9)

8. The Committee would like to point towards the need for Alternate Investment Funds to be allowed to be listed on capital markets, thereby creating permanent source of capital for the startup ecosystem. The Committee desire that the proposal on 'Mid-Market Permanent Capital Vehicles/ Permanent Capital Vehicles' be pursued further and proposal in this regard be submitted by industry representatives to the Ministry so that necessary action can be taken on this front. Also, the need to create more domestic Development Financial Institutions (DFIs) on the lines of International Finance Corporation (IFC) and The German Investment and Development Company (DEG) should be emphasized for financing various sectors of the economy. Further, allowing for University endowments to invest into AIFs can prove to be highly beneficial in the long run to bring the economy on the trajectory of sustained growth.

9. In their Action Taken Replies, the Government have stated as under :-

" Currently, there are four All India Financial Institutions (AIFIs) established through Acts of Parliament that serve a role akin to Development Financial Institution (DFI) in their respective sector as mentioned below:

(i) **Small Industries Development Bank of India (SIDBI)** is the principal financial institution for the promotion, financing and development of industry in the small-scale sector and co-ordinates the functions of the institutions engaged in the promotion, financing or developing industry in the small-scale sector.

(ii) **National Bank for Agriculture and Rural Development (NABARD)** provides and regulates credit and other facilities for the promotion and development of agriculture, small scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas with a view to promoting integrated rural development and securing prosperity of rural areas.

(iii) **Export Import Bank of India (EXIM Bank)** provides financial assistance to exporters and importers, and functions as the principal financial institution for co-ordinating the working of institutions engaged in financing export and import of goods and services with a view to promoting the country's international trade.

(iv) **National Housing Bank (NHB)** operates as a principal agency to promote housing finance institutions both at local and regional levels and provides financial and other support to such institutions.

In addition, India Infrastructure Finance Company Limited (IIFCL), a wholly-owned Government of India company set up in 2006, provides long-term financial assistance to viable infrastructure projects. IIFCL is amongst the most diversified public sector infrastructure lender in terms of eligible infrastructure sub-sectors and product offerings.

Budget Speech 2019-20 had proposed to set up an expert committee to study the current situation relating to long-term finance and past experience with development finance institutions, and recommend the structure and required flow of funds through development finance institutions. Thereafter, DFS has been in the process of deliberation for setting up a DFI to finance the sector specific needs.

SEBI is in receipt of a preliminary proposal from the AIF industry for introduction of Permanent Capital Vehicles (PCVs). The proposal was discussed in brief in the 16th meeting of AIPAC held on November 03, 2020 wherein it was decided that a Working Group of AIPAC shall deliberate and submit a detailed proposal on PCVs.

University/ Educational Trusts could be set up as Trusts under Indian Trust Act, 1882. As per Section 20 of this Act, a trust is also allowed to undertake 'any investment' as far as instrument of trust/trust deed is authorizing such kind of investment. Since this freedom has already been given to trusts, there is no bar on them and Trusts can choose to invest in AIF via explicitly including it in their trust deeds."

10. The Committee take note of the measures undertaken by Department of Financial Services and Securities and Exchange Board of India (SEBI) to create Development Financial Institutions (DFIs) to finance sector specific needs and examination of proposal for introduction of Permanent Capital Vehicles (PCVs) respectively. The Committee urge that the above mentioned measures be materialised at the earliest in a time bound manner. Further, the Committee reiterate the need for Alternate Investment Funds to be allowed to be listed on capital markets, thus creating a permanent source of capital for startup ecosystem.

Recommendations (Sl. No. 10)

11. The Committee desire that the sectors in which Foreign Venture Capital Investor (FVCIs) are allowed to invest should be expanded to include all sectors where Foreign Direct Investment (FDI) is permitted, as this route provides a flexible investment framework and hence will be able to attract significant capital in the economy. The Committee feels that this inflow of capital will play a significant role in boosting the economy. The Committee are also of the opinion that since foreign investors/ pooling vehicles are allowed to invest in equity capital or instruments which are compulsorily convertible into equity under the FDI route, there is now a need to allow issuance of hybrid securities, which bear characteristics of both debt and equity under the FDI route, at least for a limited period to enhance the fund-raising capabilities of the companies to raise capital at commercially suitable terms in this difficult time.

12. In their Action Taken Replies, the Government have stated as under :-

> "Foreign Venture Capital Investor (FVCI) is an investor entity incorporated outside India and registered with SEBI in accordance with the provisions of SEBI (Foreign Venture Capital Investor) Regulations, 2000.
>
> With respect to sectors in which FVCIs are allowed to invest, vide circular dated October 20,2016, RBI has specified the following sectors in which SEBI registered FVCIs are allowed to invest:
>
> (i) biotechnology;

(ii) IT related to hardware and software development;

(iii) nanotechnology;

(iv) seed research and development;

(v) research and development of new chemical entities in pharmaceutical sector;

(vi) dairy industry;

(vii) poultry industry;

(viii) production of bio-fuels;

(ix) hotel-cum-convention centres with seating capacity of more than three thousand;

(x) Infrastructure sector: The term "Infrastructure Sector" has the same meaning as given in the Harmonised Master List of Infrastructure sub-sectors approved by Government of India vide notifications issued from time to time.

(xi) Equity or equity linked instrument or debt instrument issued by an Indian 'startup' irrespective of the sector in which the startup is engaged.

The said provisions were subsequently included in Schedule VII of Foreign Exchange Management (Non-debt Instruments) Rules, 2019 notified by the Department of Economic Affairs, Ministry of Finance."

13. The Committee would like to be apprised of the reasons as to why sectors where Foreign Venture Capital Investors (FVCIs) are allowed to invest is limited to the eleven sectors as listed by RBI and the reasons for the apprehensions in not expanding FVCI to all sectors where FDI is permitted. As earlier recommended, the Committee reiterate their stand on issuance of hybrid securities bearing characteristics of both debt and equity under the FDI route, which they believe will enhance the fund-raising capabilities of the companies to raise capital at commercially suitable terms atleast during this difficult period.

Recommendation (Sl. No. 11)

14. Given that the Indian economy is reeling under the post COVID – 19 crisis and various sectors need capital to recover, the Committee recommend that the exemption for income on investments made before 31 March, 2024, subject to the investment being held for a period of at least 36 months as incentivised in the Finance Act, 2020, should be provided to long-term and patient capital invested across all sectors.

15. In their Action Taken Replies, the Government have stated as under :-

> "Finance Act, 2020 has provided exemption to income from dividend, capital gains and interest of wholly owned subsidiaries of Abu Dhabi Investment Authority, specified Sovereign Wealth Fund and Pension Funds for investment made in infrastructure sector. In this regard, it may be noted that the exemption is restricted to infrastructure sector because infrastructure sector is crucial for rapid economic development and forms the backbone of sustainable growth. Further, given the long gestation period and high capital requirements, a shortfall of capital in the sector was observed and therefore a need was felt to provide for incentive to attract investment in the infrastructure sector to lead the country on the path of becoming USD 5 trillion economy. Further, to broaden the scope of this incentive, the definition of the infrastructural sector has already been broadened vide notification dated 6th July, 2020. Extending the benefit to all sectors would result into loss of focus on the capital starved infrastructure sector as the foreign funds would be more interested in investing sectors having high returns and less gestation period.
>
> In view of the above, the recommendation of Committee is not feasible at this point."

16. **The Committee understand the importance of infrastructure sector and the need for channelizing funds towards it, but in the same vein importance of long term and patient capital investments across other sectors also needs to be taken into account, as other sectors also need capital to recover/revive and can be equally crucial players for rapid economic development and sustainable growth.**

The Committee thus opine that instead of broadening the definition of infrastructural sector, an exhaustive list of sectors be issued and exemption for income on investments made before 31st March, 2024, subject to the investment being held for a period of atleast 36 months as incentivized in the Finance Act, 2020 be extended to all sectors in which long term and patient capital is invested into. Moreover, these tax benefits were only meant for regulated Collective Investment Vehicles (CIV) such as Angel Funds, Alternate Investment Funds (AIFs) and Investment Limited Liability Partnerships (LLPs). Thus the chances of tax evasion, opaque valuations and low compliance are very, very low.

Mutual funds are already benefiting from low and transparent Long Term Capital Gains (LTCG) rates. By taxing CIVs at a much higher rate, the Government is simply steering away money from startups to mature, listed companies. Further, foreign investors are also not paying such high tax rates since they are operating from low-tax jurisdictions. The net result is that our startups do not get sufficient funding and the returns that are generated from our unicorns are being captures by foreign investors. India needs to become Aatmanirbhar in financing our startup ecosystem and these policies are not advancing that objective at all. The Committee proposes that the Government seriously reconsiders its policy framework for financing the startup ecosystem.

Annexure I

Different categories of AIFs

Applicants can seek registration as an AIF in one of the following categories, and in sub-categories thereof, as may be applicable: [Ref. Regulation 3(4) of SEBI (AIF) Regulations, 2012]

1. Category I AIF:
    - o Venture capital funds (Including Angel Funds)
    - o SME Funds
    - o Social Venture Funds
    - o Infrastructure funds
2. Category II AIF
3. Category III AIF

Category I AIF: AIFs which invest in start-up or early stage ventures or social ventures or SMEs or infrastructure or other sectors or areas which the government or regulators consider as socially or economically desirable and shall include venture capital funds, SME Funds, social venture funds, infrastructure funds and such other Alternative Investment Funds as may be specified. [Ref. Regulation 3(4)(a)]

Category II AIF: AIFs which do not fall in Category I and III and which do not undertake leverage or borrowing other than to meet day-to-day operational requirements and as permitted in the SEBI (Alternative Investment Funds) Regulations, 2012. [Ref. Regulation 3(4)(b)] Various types of funds such as real estate funds, private equity funds (PE funds), funds for distressed assets, etc. are registered as Category II AIFs.

Category III AIF: AIFs which employ diverse or complex trading strategies and may employ leverage including through investment in listed or unlisted derivatives. [Ref. Regulation 3(4)(c)] Various types of funds such as hedge funds, PIPE Funds, etc. are registered as Category III AIFs.

*** Angel Fund:** "Angel fund" is a sub-category of Venture Capital Fund under Category I Alternative Investment Fund that raises funds from angel investors and invests in accordance with the provisions of Chapter III-A of AIF Regulations.

In case of an angel fund, it shall only raise funds by way of issue of units to angel investors. "Angel investor" means any person who proposes to invest in an angel fund and satisfies the conditions specified in AIF Regulations.

Minutes of the Fourteenth sitting of the Standing Committee on Finance (2020-21)
The Committee sat on Thursday, the 29th July, 2021 from 1430hrs. to 1500 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Jayant Sinha – Chairperson

LOK SABHA

2. Shri S.S. Ahluwalia
3. Shri Vallabhaneni Balashowry
4. Shri Shrirang Appa Barne
5. Shri Manoj Kishorbhai Kotak
6. Shri Pinaki Misra
7. Shri Gopal Chinayya Shetty
8. Dr. (Prof.) Kirit Premjibhai Solanki
9. Shri Manish Tewari
10. Shri Rajesh Verma

RAJYA SABHA

11. Shri A. Navaneethakrishnan
12. Dr. Amar Patnaik
13. Shri Mahesh Poddar
14. Shri C.M. Ramesh
15. Shri G.V.L Narasimha Rao

SECRETARIAT

1.	Shri Vinod Kumar Tripathi	-	Joint Secretary
2.	Shri Ramkumar Suryanarayanan	-	Director
3.	Shri Kulmohan Singh Arora	-	Additional Director
4.	Shri Kh. Ginlal Chung	-	Under Secretary

3. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. Thereafter, the Committee took up the following draft reports for consideration and adoption:

(i) Thirty-second Report on the subject 'Implementation of Insolvency and Bankruptcy Code-Pitfalls and solutions' of the Ministry of Corporate Affairs.

(ii) Thirty-third Report on Action Taken by the Government on Recommendations contained in 68th Report (Sixteenth Lok Sabha) on subject 'Banking Sector in India - Issues, Challenges and the Way Forward with specific reference to NPAs/ Stressed Assets in Banks/Financial Institutions' of the Ministry of Finance (Department of Financial Services).

(iii) Thirty-fourth Report on Action Taken by the Government on Recommendations contained in 12th Report on 'Financing the Startup Ecosystem' of the Ministry of Finance (Departments of Economic Affairs and Revenue) and Ministry of Commerce (Department for Promotion of Industry and Internal Trade).

(iv) Thirty-fifth Report on Action taken by the Government on the recommendations contained in 25th Report on Demands for Grants (2021-22) of the Ministry of Finance (Departments of Economic Affairs, Expenditure, Financial Services, and Investment and Public Asset Management).

(v) Thirty-sixth Report on Action taken by the Government on the recommendations contained in 26th Report on Demands for Grants (2021-22) of the Ministry of Finance (Department of Revenue).

(vi) Thirty-seventh Report on Action taken by the Government on the recommendations contained in 27th Report on Demands for Grants (2021-22) of the Ministry of Corporate Affairs.

(vii) Thirty-eighth Report on Action taken by the Government on the recommendations contained in 28th Report on Demands for Grants (2021-22) of the Ministry of Planning.

(viii) Thirty-ninth Report on Action taken by the Government on the recommendations contained in 29th Report on Demands for Grants (2021-22) of the Ministry of Statistics and Programme Implementation.

After some deliberations, the Committee adopted the above draft Reports with some modifications and authorised the Chairperson to finalise them and present the Report to Parliament.

The Committee then adjourned.

A verbatim record of the proceedings has been kept.

APPENDIX

(Vide Para 4 of the Introduction)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE TWELFTH REPORT OF SEVENTEENTH LOK SABHA ON 'FINANCING THE STARTUP ECOSYSTEM' PERTAINING TO THE MINISTRY OF FINANCE (DEPARTMENTS OF ECONOMIC AFFAIRS AND REVENUE) AND MINISTRY OF COMMERCE (DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE)

		Total	% of total
(i)	Total number of Recommendations	14	
(ii)	Recommendations/Observations which have been accepted by the Government (vide Recommendations at Sl.Nos. 11, 2, 3, 12 and 14)	05	35.71%
(iii)	Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies (vide Recommendations at Sl.Nos. 4, 5, and 13)	03	21.42%
(iv)	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee (vide Recommendation at Sl.No. 7, 9, 10 and 11)	04	28.57%
(v)	Recommendations/Observations in respect of which final reply of the Government are still awaited(vide Recommendation at Sl.No. 6 and 8)	02	14.30%