## IMPACT OF WEB 3.0

**1014. DR. AMEE YAJNIK:**
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Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether Government has collected any data on the number of corporations and Start-ups in Web 3.0 incorporated in India;

(b) the steps taken by Government to prevent "brain-drain" in the Web 3.0 ecosystem as a result of heavy taxation and uncertain regulatory framework;

(c) whether Government is aware of the total value of global investments in Web 3.0, the share of these investments that India is receiving, and the disadvantages India is facing from other competing countries; and

(d) if so, the details of the action taken by Government in this regard?

## ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI RAJEEV CHANDRASEKHAR)

(a):  Ministry of Electronics and Information Technology (MeitY), being the line-Ministry for digital technology, promotes tech startups engaged in developing technology solutions related to societal challenges and pressing issues using emerging technologies including Web 3.0. As per NASSCOM, there are 450+ total number of Web3.0 startups in India, as of 2022. In addition, MeitY is continuing to support the tech startups including those engaged in Web 3.0 technology through the following initiatives:

- **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. The scheme is expected to provide incubation support to approximately 2000 tech start-ups with an overall outlay of Rs. 264 Crore over a period of five years.

- **Domain specific Centres of Excellence:** MeitY has envisaged and 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 are act as enablers and aid in making India an innovation hub in emerging through democratisation of innovation and realisation of prototypes.

- **SAMRIDH Scheme:** Ministry of Electronics and Information Technology (MeitY) has launched the 'Start-up Accelerator Programme of MeitY for Product Innovation, Development and Growth (SAMRIDH)' in August 2021 with an aim to support existing and upcoming Accelerators to further select and accelerate potential software product

based start-ups to scale. The total cost of the scheme is Rs. 99 Crore for a duration of 3 years. A total of 300 startups are to be supported under the SAMRIDH Scheme.

- **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.

- **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 start-ups so as to encourage innovation and recognize the value and capabilities of global IP. Reimbursement provided under the scheme is upto a maximum of Rs.15 lakhs per invention or 50% of the total expenses incurred in filing and processing of patent application upto grant whichever is lesser.

- **GENESIS (Gen-Next Support for Innovative Startups):** Ministry of Electronics and Information Technology (MeitY) has launched an umbrella program Digital India-GENESIS (Gen-Next Support for Innovative Startups) to discover, support, grow and make successful startups in Tier-II and Tier-III cities with emphasis on collaborative engagement among startups, government and corporates for promoting digitization based on the principals of inclusivity, accessibility, affordability, leading to growth in employment and economic outputs.

(b): Through the aforementioned initiatives, MeitY is promoting fast growing startup ecosystem where thousands of entrepreneurs and startups all over the country have been supported and thus, helped in preventing 'brain-drain'. Further, the Government is aware of the emergence of new technologies such as Web 3.0 as future trend of internet. The regulatory challenges of Web3.0 ecosystem are still being understood and learnt by Government all over the world including us.

(c) and (d) Cryptocurrencies and blockchain are the building blocks of Web3.0.As per NASSCOM report, a total of 30.5 Billion USD Venture capital (VC) funding was received in blockchain and cryptocurrency market in 2021 globally with 14.5+ Billion USD VC funding received in the first quarter of 2022.In India, a total of 1.3 Billion USD Web3.0 investments has been made since 2020.Moreover, as the Web 3.0 technology is globally evolving, several challenges are being as well faced by the Web 3.0 startups in India, including high tax bracket for Virtual Digital Assets (VDAs) trading and gains and acceptances of crypto currencies/ assets.

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