

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

**UNSTARRED QUESTION NO. 3889.
TO BE ANSWERED ON FRIDAY, THE 04TH APRIL, 2025.**

STARTUP ECOSYSTEM IN HIMACHAL PRADESH

3889. DR. SIKANDER KUMAR:

Will the Minister of **Commerce and Industry** be pleased to state:

- (a) the initiatives taken by Government to bolster and stimulate the growth of the startup ecosystem in Himachal Pradesh;
- (b) whether any measures have been implemented by Government to stimulate Foreign Direct Investment (FDI) inflows;
- (c) if so, the details thereof; and
- (d) the safeguards to mitigate sluggish commercial movement and enhance commercial activities in Himachal Pradesh?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI JITIN PRASADA)**

- (a): The Government launched the Startup India initiative with an intent to build a strong ecosystem for nurturing innovation and encouraging investments in the startup ecosystem. For effective implementation of the Startup India initiative across the country, including the state of Himachal Pradesh, the Government unveiled the Startup India Action Plan comprising schemes and incentives envisaged to create a vibrant startup ecosystem in the country. The Action Plan comprises 19 action items spanning across areas such as “Simplification and handholding”, “Funding support and incentives” and “Industry-Academia partnership and incubation”. The flagship schemes, namely are Fund of Funds for Startups (FFS), Startup India Seed Fund Scheme (SISFS) and Credit Guarantee Scheme for Startups (CGSS) which are aimed to support startups with capital mobilization at various stages of their business cycle.

The Government also implements periodic exercises and programs, including States’ Startup Ranking, National Startup Awards, and Innovation Week, which play an important role in the holistic development of the ecosystem by strengthening regional startup ecosystems across States/UTs. Digital platforms such as the Startup India portal and BHASKAR enable easy access to resources and encourage startup ecosystem collaboration. Sustained efforts by the Government under the Startup India initiative have led to an increase in the number of entities which have been recognized as startups by DPIIT to 1,61,150 as on 31st January 2025, across the country. Specifically, 578 entities have been recognized as startups as of 31st January 2025 in Himachal Pradesh.

(b) & (c): To promote Foreign Direct Investment (FDI), the Government has put in place an investor-friendly policy, wherein most sectors, except certain strategically important sectors, are open for 100% FDI under the automatic route (without government approval). More than 90% of the FDI inflow is received under the automatic route. India continues to open up its economy to global investors by raising FDI limits, removing regulatory barriers, developing infrastructure and improving the business environment.

Further, to ensure that India remains an attractive and investor-friendly destination, the Government reviews FDI policy on an ongoing basis and makes changes from time to time after having intensive consultations with stakeholders, including apex industry chambers, Associations, representatives of industries/groups and other organizations, taking into consideration their views/comments. FDI policy provisions have been progressively liberalized and simplified across various sectors such as Pension, Other Financial Services, Asset Reconstruction Companies, Broadcasting, Pharmaceuticals, Single Brand Retail Trading, Construction & Development, Power Exchanges, e-commerce activities, Coal Mining, Contract Manufacturing, Digital Media, Civil Aviation, etc. In the recent past, reforms in the FDI Policy have been undertaken in sectors such as Defence, Insurance, Petroleum & Natural Gas and Telecom. Brief of FDI Reforms since 2019 is at **Annexure**.

(d): 'Industry' is primarily a State subject. The Union Government supplements efforts of all States/UTs through various measures to enhance commercial activity in the country. The Government of India, through the Department for Promotion of Industry and Internal Trade (DPIIT) and other Central Ministries/ Departments, provides an enabling ecosystem for the overall industrial development of the country through appropriate policy interventions. In addition to on-going schemes of other Ministries/ Departments, this Department has taken various steps for promotion and facilitation of industries across States/UTs, such as Make in India, Start-up India, PM GatiShakti, National Industrial Corridor Programme, Production Linked Incentive (PLI) Scheme, promoting Ease of Doing Business (EoDB) and reducing compliance burden, National Single Window System (NSWS), India Industrial Land Bank, Project Monitoring Group (PMG), liberalization of FDI policy, Indian Footwear and Leather Development Programme (IFLDP) Scheme, etc. An institutional mechanism to fast-track investments has been put in place, in the form of Project Development Cells (PDCs), in all concerned Ministries/ Departments of the Government of India.

ANNEXURE REFERRED TO IN REPLY TO PARTS (b) & (c) OF THE RAJYA SABHA UNSTARRED QUESTION NO. 3889 FOR ANSWER ON 04.04.2025.

Brief – FDI Policy Reforms

Recent FDI Reforms since 2019 are as follows:

2019

- i. 100% FDI under automatic route permitted for sale of coal and other coal mining activities, including associated processing infrastructure like coal washery, crushing etc. Earlier, 100% FDI under automatic route was permitted in coal mining for captive consumption only.
- ii. In the Manufacturing sector, 100% FDI under the automatic route is allowed in contract manufacturing on a Principal to Principal or Principal to Agent basis.
- iii. Single Brand Retail Trading (SBRT)- All procurements made from India by the SBRT entity shall be counted towards local sourcing, irrespective of whether goods procured are sold in India or exported.
- iv. In digital media, 26% FDI has been permitted under the government route for uploading/streaming of News & Current Affairs. Earlier, 49% in TV channels and 26% in Print media already allowed.

2020

- i. 100% FDI permitted in Insurance Intermediaries like insurance brokers, consultants, TPAs, Surveyors and Loss Assessors etc. 49% FDI allowed for insurance companies through automatic route.
- ii. FDI in Air Transport Service permitted up to 100% under automatic route by NRIs. For others the cap for automatic remains at 49% under automatic route and 100% via Government route.
- iii. Press Note-3 - Investment only through Government Route, if the investor entity belongs to any land border sharing country, or if the beneficial owner of such investment resides there or is a citizen of such country. Further, if ownership of any existing or future FDI in an entity in India is transferred so that beneficial ownership falls within this restriction, then such a change will also require Government approval.
- iv. FDI in the defence sector has been allowed up to 74% through the automatic route (from earlier 49%) for companies seeking new industrial licenses. FDI beyond 74% and up to 100% permitted under the Government route.

2021

- i. FDI in Insurance Companies increased from 49% to 74% under the automatic route, and foreign ownership and control were allowed with safeguards.
- ii. Investment by NRI(s) on non- repatriation basis is deemed to be domestic investments at par with residents.
- iii. FDI up to 100% under the automatic route permitted in PSUs of the PNG sector, where the Government has accorded an 'in-principle' approval for strategic disinvestment.
- iv. 100% FDI in Telecom Sector allowed under Automatic Route.

2022

20% FDI allowed in Life Insurance Corporation (LIC) under the automatic route.

2024

The space sector has been liberalized for foreign direct investment in prescribed sub-sectors/activities.

2025

The Union Budget 2025-26 has announced that the FDI limit for the insurance sector will be raised from 74 to 100%. This enhanced limit will be available for those companies, which invest the entire premium in India.