

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

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 2450.  
TO BE ANSWERED ON FRIDAY, THE 13<sup>TH</sup> MARCH, 2026.**

**STARTUP ECOSYSTEM IN PUNJAB**

**2450. DR. VIKRAMJIT SINGH SAHNEY:**

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 Punjab;
- (b) whether any measures have been implemented by Government to stimulate Foreign Direct Investment (FDI) inflows in Punjab;
- (c) if so, the details thereof;
- (d) the number of startups registered, funded and operational in Punjab during the last five years, year-wise; and
- (e) the steps proposed to address regional disparities, access to finance and market linkages for startups in the State?

**ANSWER**

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

- (a): Startup India is an initiative by the Government of India that was launched on 16th January 2016, with an intent to build a strong ecosystem for nurturing innovation, startups and encouraging investments in the startup ecosystem across the country, including in the State of Punjab. As on 31<sup>st</sup> January 2026, 2,368 entities have been recognized as startups from the State of Punjab. Such startups from the State of Punjab have generated over 25,000 direct jobs as on 31st January 2026.
- (b) & (c): Foreign Direct Investment (FDI) Policy does not provide special dispensation to any particular State and is uniformly applicable across the country to benefit all the States. To promote 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 business environment. 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, ecommerce 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, Telecom and Space. A brief of FDI reforms since 2019 are placed as **Annexure-I**.

- (d): The year-wise number of entities recognized as startups from the State of Punjab during the last five years viz. 2021, 2022, 2023, 2024, and 2025 are as follows:

Year	2021	2022	2023	2024	2025
No. of entities recognized as startups	244	294	443	406	566

Under the Startup India initiative, the Government is implementing flagship Schemes such as Fund of Funds for Startups (FFS) and Startup India Seed Fund Scheme (SISFS) to provide funding opportunities for startups across sectors at various stages of their business cycle.

FFS has been established to catalyze venture capital investments and is operationalized by Small Industries Development Bank of India (SIDBI), which provides capital to Securities and Exchange Board of India (SEBI)-registered Alternative Investment Funds (AIFs) which in turn invest in startups. SISFS provides financial assistance to seed stage startups through incubators. SISFS is implemented from 1st April 2021.

The year-wise number of entities selected for support under the flagship schemes from the State of Punjab during the last five years viz. 2021, 2022, 2023, 2024, and 2025 are as follows:

Year	2021	2022	2023	2024	2025
FFS	-	-	-	2	-
SISFS	-	2	18	24	8

As on 31<sup>st</sup> January 2026, 52 recognised startups from the State of Punjab are categorized as closed (i.e., dissolved/struck-off), as per the Ministry of Corporate Affairs (MCA).

- (e): Under the Startup India initiative, the Government unveiled an action plan for startups comprising of schemes and incentives envisaged to create a vibrant startup ecosystem in the country including in the State of Punjab. 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 flagship Schemes under Startup India support startups 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 startup ecosystem. Government also encourages and supports ecosystem led initiatives such as Startup Mahakumbh which serve as a vibrant platform for stakeholders to network and collaborate. Initiatives to improve market access and enable public procurement also support startups in growing and scaling up their businesses have also been undertaken. The Government has also taken various measures to enhance ease of doing business including starting up of business, raising capital, and reducing compliance burden to simplify the regulatory environment and create a conducive business environment.

Further, specifically in the State of Punjab, recognised startups have availed funding and incubation support through the flagship funding schemes under the Startup India initiative. As of 31<sup>st</sup> January 2026, Alternative Investment Funds (AIFs) supported under the Fund of Funds for Startups (FFS) have invested Rs.87.48 crore in startups from Punjab. Under the Startup India Seed Fund Scheme (SISFS), supported incubators have approved Rs. 8.49 crore to startups from Punjab. 66 startups from Punjab have also received certificate of eligibility under Section 80-IAC of the Income Tax Act 1961, to claim a deduction of an amount equal to 100% of the profits and gains derived from eligible business for three consecutive assessment years.

**ANNEXURE REFERRED TO IN REPLY TO PARTS (b) & (c) OF THE RAJYA SABHA  
UNSTARRED QUESTION NO. 2450 FOR ANSWER ON 13.03.2026.**

**FDI Policy Reforms since Year 2019**

**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 Manufacturing sector, 100% FDI under automatic route allowed in contract manufacturing on Principal to Principal or Principal to Agent basis.
- iii. Single Brand Retail Trading (SBRT)- All procurements made from India by 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 government route for uploading/streaming of News & Current Affairs. Earlier 49% in TV channels and 26% 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. FDI in defence sector has been allowed up to 74% through automatic route (from earlier 49%) for companies seeking new industrial licenses. FDI beyond 74% and up to 100% permitted under Government route.

**2021**

- i. FDI in Insurance Companies increased from 49% to 74% under the automatic route and foreign ownership and control allowed with safeguards.
- ii. Investment by NRI(s) on non- repatriation basis are deemed to be domestic investments at par with residents.
- iii. FDI up to 100% under automatic route permitted in PSUs of PNG sector, where 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 automatic route.

**2024**

Eased the FDI policy on Space sector by prescribing liberalized FDI thresholds for various sub-sectors/activities.

**2025**

Clarification on permissibility to issue bonus shares to pre-existing non-resident shareholder(s) by Indian Company engaged in FDI prohibited sectors.

**2026**

FDI limit increased from 74% to 100% for insurance companies investing their entire premium in India.