

**GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION**

**LOK SABHA**

**UNSTARRED QUESTION NO. 4221.  
TO BE ANSWERED ON MONDAY, THE 7<sup>TH</sup> JANUARY, 2019.**

**INDIA VENTURE CAPITAL SUMMIT**

**4221. SHRI S.R. VIJAYAKUMAR:**

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

**वाणिज्य एवं उद्योग मंत्री**

- (a) whether the Department of Industrial Policy and Promotion (DIPP) has hosted the annual start-up India Venture Capital Summit in Goa recently;
- (b) if so, the details thereof along with its aims and objectives;
- (c) the number of participants who have participated in the summit including international start-ups and global fund manager;
- (d) the number of start-ups recognized by the DIPP during the current year i.e. 2018; and
- (e) the steps taken/being taken by the Government to make India as most preferred start-up destination in the world?

**ANSWER**

**वाणिज्य एवं उद्योग मंत्रालय में राज्यमंत्री (श्री सी.आर. चौधरी)**

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY  
(SHRI C.R. CHAUDHARY)**

- (a): Yes, madam, Department of Industrial Policy and Promotion hosted Startup India Global Venture Capital Summit 2018 which was held on 7<sup>th</sup> December 2018 in Goa.
- (b): Startup India Global Venture Capital Summit 2018 was a unique gathering of Global Fund Managers, Limited Partners, Officials from the Government of India and path-breaking startups. The dialogue focused on the huge return-generating potential of India's vast and diverse market monetized through cutting-edge technologies supported by investor-friendly regulations. The objectives of the Summit were:
  - i. Showcasing the opportunities in India by discussing and highlighting sectors that provide a wide array of investible opportunities
  - ii. Increasing capital flow for Indian startups by showcasing high quality tech & non tech Indian startups to the global investor community
  - iii. Fostering ease of doing business by Identifying and discussing issues raised by investor community

- (c):** The event was attended by 30 Startups of which 27 were Indian Startups and 3 Startups were from the United States of America. The number of Indian and foreign Venture Capital funds that attended the summit is given below:

S. No.	Country	Unique Funds
1	India	45
2	Japan	12
3	USA	3
4	China	2
5	Hong Kong	2
6	Korea	1
7	Russia	1
8	Singapore	1
9	Sri Lanka	1

- (d):** 8,993 startups were recognised by Department of Industrial Policy and Promotion during the calendar year 2018.
- (e):** The Government has taken a number of steps to make India the most preferred startup destination in the world. Details are at Annexure I.

**ANNEXURE REFERRED TO IN REPLY TO PART (e) OF THE LOK SABHA UNSTARRED QUESTION NO. 4221 FOR ANSWER ON 7<sup>TH</sup> JANUARY, 2019.**

**Steps taken to make India the most preferred startup destination in the world**

1. Startup India Portal ([www.startupindia.gov.in](http://www.startupindia.gov.in)) is a one-stop platform for all stakeholders (Startups, Investors, Incubators, Accelerators, and Government Agencies, Indian public and foreign academia, Service Providers and public users) in the Startup ecosystem to interact and to collaborate in a highly dynamic environment. The hub provides a collaborative platform for all stakeholders of the Startup ecosystem to have interactive engagement to enhance and bolster the ecosystem.

As on 27th December 2018, 2,86,609 users have registered on Startup India Online Portal which includes 34,521 Startups and 663 Ecosystem Builders comprising of Incubators, Accelerators, Investors, Mentors and Govt Departments. The Startup India online portal hosts the following resources for all Startups and Startup aspirants:

- i. Pro Bono Services: Startup India has a number of partners that are offering their services to startups for free, including cloud credits, software packages, legal guidance, consultancy services, etc.
  - ii. Tools & Templates: Startup India has curated a number of tools that can help startups in scaling up their business, draft a pitch deck and prepare legal contracts.
  - iii. Open Challenges & Programs: Startups can apply for various open programs to get access to cash prizes, incubators, accelerators, market access support, international programs, workshops, events, etc.
2. Startup India has facilitated 668 startups since the launch of the program. The Startup India team also facilitates startups with respect to availing benefits offered under Startup India or in assisting the startup as per their needs and requirements like business advisory, mentorship, providing relevant investor connects etc. As on 27th December 2018, 1,20,360 queries have been addressed by the Startup India Hub. The breakup of the queries addressed is given below:
  - i. 89,070 through call center,
  - ii. 29,490 through email, and
  - iii. 1800 through twitter
3. To promote entrepreneurship in rural and non-metro regions across States, grassroot Startup aspirants are provided incubation, mentorship and funding support through the Startup India Yatra. The programme has been conducted across 15 state. As on date, 75,000 students have been

impacted and 860 incubation offers have been offered through Startup India Yatra.

4. As on 1<sup>st</sup> January 2019, 15,000 Startups have been recognized under the programme. Recognized Startups are eligible for following benefits:

- i. Self-Certification under 6 Labour Laws & 3 Environmental Laws
- ii. Relaxations in Public Procurement Norms
- iii. Faster exit under the Bankruptcy Code
- iv. Rebates on Patent & Trademark filing fees, support from facilitators and expedited examination of Patent application
- v. Income Tax exemption
- vi. Exemption from Income Tax on investments received above fair market value.
- vii. The Inter-Ministerial Board setup by Department of Industrial Policy and Promotion validates Startups for granting tax related benefits. 94 startups have received income tax exemption for 3 out of 7 years.

5. Partnerships- Corporate, International and Government

a) Corporate Partnerships have been established with objective to encourage engagement between Industry and entrepreneurial community. Startup India has launched several partnerships with prominent corporates to provide support to innovative startups. Some of the notable initiatives are:

- i. Uber Exchange under which 6 mentorship sessions were conducted by Global Leaders at Uber. 600 Startups have received mentorship.
- ii. Amazon Launchpad Platform showcases Innovative products of startups on Amazon's online marketplace. Over 500 applications were received from Indian start-ups and over 130 applications were qualified. 30 Indian startups from the first batch have started selling on Amazon Global marketplace.
- iii. Amazon Web Services (AWS) is a cloud services platform offering computing power, database storage, content delivery etc. to help business scale and grow. \$300,000 worth of AWS cloud credits have been disbursed to DIPP recognised startups (free of cost).
- iv. InFinIT20 (Partnership with RBL Bank) is a program offering over 200 hours of mentorship from industry experts and investment opportunity to 20 fintech start-ups.
- v. Zoho is a suite of software applications which include annual subscriptions for ZohoOne costing Rs.2499/year. ZohoOne has been made available to all Startup India Online Portal users for free for a period of 1 year. 230 startups have subscribed to ZohoOne - Hub Partnership.

- b) International Partnerships have been established with the objective to promote exchange of technology and best-practices between Startup ecosystems in India and other countries. Startup India has partnered with ecosystems of countries like Israel, Portugal, Sweden, Japan etc.

The Indo-Israel Innovation challenge was launched by the Hon'ble Prime Ministers of India and Israel (July 2017), calling on Israeli and Indian startups to combine forces to develop solutions for critical problems in the field of agriculture, water and healthcare. The challenge was hosted online and received over 665 applications from Indian innovators and startups. 18 Startups were selected from the challenge and were awarded cash prizes and free of cost incubation.

- c) Startup India collaborated with Ministry of Agriculture and launched an online Agriculture Grand Challenge inviting solutions on 12 problem statements in December 2017. Winners of the challenge have received mentorship, free of cost incubation for a period of 3 months, opportunities to conduct pilot programs and funding support in the form of grants.

6. Startup India Hub works with State Governments and UTs to build local startup ecosystem. Odisha, Goa, Uttarakhand, Assam and Jammu and Kashmir have been provided below mentioned services:

- i. State Startup Ranking Framework Guidance
- ii. Formulating State Startup Policy and Operational Guidelines
- iii. Government Sensitization
- iv. Recommendation on Easing the Regulatory Reforms
- v. Event Support
- vi. Customized Programs and Problem Identification for the State

In order to highlight the achievements made by State governments, to foster competitiveness amongst State governments and to facilitate learning of best practices. The 'State/UT Ranking Framework' was launched by DIPP in February 2018. The framework was spread across 7 areas of interventions with a total of 38 action points. An online portal was also launched, which was instrumental in enabling States seamlessly submit their initiatives across these reform areas.

The entire exercise was conducted for capacity development and to further the spirit of cooperative federalism. Awareness Workshops in all States, Knowledge Workshops in leading incubators, pairing of States for intensive mentoring, international exposure visits to US and Israel and intensive engagement between the States with Startup India team, and Video Conferencing have helped many States initiate effective measures to support Startups.

7. Some of the regulatory compliances liberalized for Startups are given below:
- i. Definition of “eligible business” as stated in Section 80-IAC aligned with Startups definition
  - ii. 25% corporate tax slabs for companies with an annual turnover of less than INR 250 crores
  - iii. Exemption from providing cash flow statement as part of financial statements
  - iv. Startups can borrow up to \$3 million or equivalent per financial year, either in rupees, or any convertible foreign currency or a combination of both, for a minimum average maturity period of three years
  - v. SEBI registered Foreign venture capital investors (FVCI), allowed to invest in equity or equity linked instrument or debt instrument issued by an Indian ‘startup’ irrespective of the sector in which the startup is engaged under automatic route.
8. To encourage and impart fundamentals of entrepreneurship to Startup aspirants and early stage Startups, a 4-week long free-of-cost e-learning program was introduced on web and mobile in English and Hindi on the Startup India portal. As on 27th December 2018, 2,33,278 users have logged in on the Learning and Development Program.

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