

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

**UNSTARRED QUESTION NO. 2017
TO BE ANSWERED ON WEDNESDAY, THE 3RD JULY, 2019.**

PROMOTION OF INNOVATION

2017. SHRIMATI MEENAKASHI LEKHI:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Government has launched any scheme to provide incubators for innovative idea in the country;
- (b) if so, the details thereof including the funds allocated for the purpose;
- (c) whether the Government is planning to invite foreign investments to promote innovation in the country; and
- (d) if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)

**THE MINISTER OF COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)**

(a) & (b): Yes, Sir. Various Government Ministries/Departments viz. Ministry of Human Resource Development (MHRD), Department of Science and Technology (DST), Department of Bio-technology (DBT), NITI Aayog and Ministry of Electronics and Information Technology (MeitY) have launched schemes in this regard. The details of such schemes are as under:

- I. Department of Science & Technology has launched a NIDHI program (National Initiative for Developing and Harnessing Innovations) under which programmes for setting up of incubators, seed fund, accelerators and 'Proof of concept' grant for innovators and entrepreneurs have been launched. Under NIDHI, PRAYAS (Promoting and Accelerating Young and Aspiring innovators & Startups) programme has been initiated in which established Technology Business Incubators (TBI) are supported with PRAYAS grant to support innovators and entrepreneurs with grants for 'Proof of Concept' and developing prototypes. A maximum grant of Rs. 220 lakh is given to a TBI for establishing a PRAYAS Centre which includes Rs.100 lakh for PRAYAS SHALA, Rs. 20 lakh for operational cost of PRAYAS Centre and maximum of Rs. 10 lakh to one innovator for developing prototype. Funding for ten innovators is given to the TBI in a year.

- II. To boost the entrepreneurial spirit in India, the Atal Innovation Mission (AIM), a flagship initiative of NITI Aayog, is supporting two programs for setting up and scaling up of incubation centres. The Atal Incubation Centres (AICs) scheme supports setting up of green field incubation centres that nurture innovative start-up businesses in their pursuit to become scalable and sustainable enterprises. The Established Incubation Centres scheme provides scale-up support to well performing existing incubation centres, referred to as Established Incubation Centers (EICs), where AIM intends to further augment their performance by providing them scale-up support. In both of these schemes, AIM is providing grants of upto INR 10 Crores over a period of 3-5 years.
- III. Ministry of Electronics & Information Technology (MeitY), Government of India has taken various initiatives and measures to encourage entrepreneurs to develop indigenous products in Information and Communications Technology (ICT) domain and also improve innovation-led ecosystem with scheme and programmes to support researchers, start-ups and MSMEs. Technology Incubation and Development of Entrepreneurs (TIDE) Scheme was put in place by MeitY in 2008 to promote innovation by nurturing startups in Information Technology, Communications & Electronics (ICTE) domain. Under the TIDE Scheme, financial assistance is provided to Institutions of Higher Learning to strengthen their Technology Incubation Centres for enabling young entrepreneurs to create technology startup companies for commercial exploitation of technologies developed by them. Enhanced version Technology Incubation and Development of Entrepreneurs (TIDE 2.0) Scheme is to promote tech entrepreneurship through financial and technical support to incubators engaged in supporting ICT startups using emerging technologies such as Internet of Things (IoT), Artificial Intelligence (AI), Block-chain, Robotics etc.
- IV. Biotechnology Industry Research Assistance Council (BIRAC), A Public Sector Undertaking of Department of Biotechnology (DBT) has been promoting incubators in biotechnology sector for innovative idea through following programmes:
- i) BIRAC BioNEST (BIRAC Bio-incubation: Nurturing Entrepreneurs for Scaling up Technology): BIRAC's Flagship programme which creates / supports world-class bio-incubators for startups/ entrepreneurs to provide incubation space, mentor networks, instrumentation facilities, IP and technology management support.

- ii) SEED(Sustaining Enterprise and Entrepreneurship Development) Fund: Equity based funding support of up to Rs. 30 Lakh to startups and enterprises through bio-incubators for scaling up.
- iii) LEAP (Launching Entrepreneurial Driven Affordable Products Fund for Start-ups) Fund: Equity based funding support of up to Rs 1 Cr to startups and enterprises implemented through Incubators for scaling enterprises.

V. Ministry of Human Resource Development is setting up Incubation centers/Research Parks in the institutions of higher learning independently or in conjunction with DBT and DST. Further, DST and MHRD have jointly taken up initiative for establishment of Research Parks, Technology Business Incubators and Startup Centres. The objective of setting up Research Parks is to propel successful innovation through incubation and joint Research and Development (R&D) efforts between academia and industry. Further, through Uchatar Avishkar Yojana(UAY) Government aims to make students more accustomed with the outer world and give them market-oriented mind set.

(c) & (d): No specific proposal to invite foreign investments to promote innovation in the country is under consideration of Department of Industrial Policy and Promotion. However, Government has put in place an investor-friendly policy, wherein except for a small negative list, most sectors are open for 100% FDI under the Automatic route including innovation / R&D, subject to applicable laws/ regulations; security and other conditionalities.

Further, to attract foreign investments in the country, and showcase its diverse market and transformative technology innovations to the Investors across the world, DPIIT organized the Startup India Global Venture Capital Summit on 6th and 7th December 2018, bringing together over 250 participants from over 20 countries across the globe. 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. Multiple sessions and Roundtables were organized for foreign investors with the concerned government stakeholders to understand and solve for the regulatory and policy challenges faced for investments in India.
