

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

**LOK SABHA**

**UNSTARRED QUESTION NO. 103.  
TO BE ANSWERED ON WEDNESDAY, THE 07<sup>TH</sup> DECEMBER, 2022.**

**ESG FOCUSED STARTUPS**

**103. MS. S. JOTHIMANI:**

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

**वाणिज्य एवं उद्योग मंत्री**

- (a) the steps taken/intends to be taken by the Government to encourage more startups in the fields of climate change and agriculture;
- (b) the steps taken/intends to be taken by the Government to support and incentivise Indian startups to be more Environment, Social and Governance (ESG) focussed;
- (c) whether the Government intends to modify education curriculums across school, under-graduate and graduate levels to mandatorily teach ESG concepts and if not, the reasons therefor;
- (d) the rules/guidelines laid down/proposed to be laid down by the Government to prevent companies (especially startups) from greenwashing their activities; and
- (e) the steps taken by the Government to promote Indian ESG ventures and attract international finance?

**ANSWER**

**वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सोम प्रकाश)**

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY  
(SHRI SOM PARKASH)**

- (a), (b) and (e):** The Government with an intent to build a strong ecosystem for nurturing innovation and startups in the country launched Startup India initiative on 16th January 2016.

In order to meet the objectives of the initiative, the Government unveiled an Action Plan for Startup India that laid the foundation of Government support, schemes and incentives envisaged to create a vibrant startup ecosystem in the country. 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”.

Sustained Government efforts in this direction have resulted in increasing the number of recognized Startups from 452 in 2016 to 84,012 in 2022 (as on 30th November 2022).

To encourage startups in the field of climate change, Ministry of New and Renewable Energy (MNRE) supports a scheme “Renewable Energy Research and Technology Development Programme” through various research institutions, startups and industry to enable indigenous technology development and manufacture for wide spread applications of new and renewable energy in efficient and cost-effective manner across the country with the ultimate aim of increasing share of renewables in the energy mix in the country.

MNRE also encourages research and technology development proposals in collaboration with the industry and provides up to 100% financial support to Government/non-profit research organizations and 50% to 70% to industry, startups, private Institutes, entrepreneurs and manufacturing units.

To encourage startups in the field of agriculture, Ministry of Agriculture & Farmers Welfare is implementing programme called Innovation and Agri- Entrepreneurship Development under Rashtriya Krishi Vikas Yojana (RKVY-RAFTAAR) since 2018- 19 with an objective to promote innovation and agri-entrepreneurship by providing financial and technical support for nurturing agri startups in an incubation ecosystem including digital solutions in agriculture. Five Knowledge Partners (KPs) as Center of Excellence and 24 RKVY-RAFTAAR Agribusiness Incubators (RABIs) have been appointed from across the country for implementation of this programme.

Under the Innovation and Agri-Entrepreneurship Development programme, a total of 799 startups in the field of agriculture and allied sectors including agritech startups have been provided technical and financial support.

Besides, the Indian Council of Agriculture Research (ICAR) has been supporting Agri-based startups under the project called National Agriculture Innovation Fund (NAIF) initiated in year 2016-2017. It has two components viz. I. Innovation Fund; II. Incubation Fund and National Coordinating Unit (NCU). Under NAIF scheme, ICAR Agribusiness Incubators provide easy accessibility to new

technologies and other incubation services to startups /entrepreneurs.

In addition to the above, the various measures undertaken by the Government under Startup India initiative to support startups across various fields including climate and agriculture which are placed at **Annexure-I**.

**(c):** As per the Ministry of Education (MoE), the concerns, concepts and issues related to Environment, Social and Governance (ESG) are included in the existing school curriculum. As such, the curricular materials prepared by National Council of Educational Research and Training (NCERT) incorporate such concerns adequately across all subjects at all stages of school education. NCERT has also prepared supplementary materials for students and teachers related to environmental education.

National Education Policy (NEP) 2020 also stresses upon appropriate integration of environmental awareness and sensitivity towards its conservation and sustainable development in school curricula.

MoE also organises Smart India Hackathon and National Innovation Contest which include Environment/ Sustainability and Agriculture as one of the themes for seeking good ideas and innovations from students of higher educational institutions. 75 ideas has been financially supported in different themes having startup potential from various editions of Smart India Hackathon and National Innovation Contest.

**(d):** To address the concern of greenwashing, the Securities and Exchange Board of India (SEBI) has proposed a regulatory framework to regulate ESG Rating Providers (ERPs). SEBI has also constituted an advisory committee for advising on ESG-related matters in the securities market.

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## ANNEXURE-I

### ANNEXURE REFERRED TO IN REPLY TO PARTS (a), (b) AND (e) OF THE LOK SABHA UNSTARRED QUESTION NO. 103 FOR ANSWER ON 07.12.2022.

#### Programs Launched under Startup India initiative

The details of various programs undertaken by the Government to promote startups under Startup India initiative across the country are as under:

1. **Startup India Action Plan**: An Action Plan for Startup India was unveiled on 16<sup>th</sup> January 2016. 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 Action Plan laid the foundation of Government support, schemes and incentives envisaged to create a vibrant startup ecosystem in the country.
2. **Fund of Funds for Startups (FFS) Scheme**: The Government has established FFS with corpus of Rs. 10,000 crore, to meet the funding needs of startups. DPIIT is the monitoring agency and Small Industries Development Bank of India (SIDBI) is the operating agency for FFS. The total corpus of Rs. 10,000 crore is envisaged to be provided over the 14<sup>th</sup> and 15<sup>th</sup> Finance Commission cycles based on progress of the scheme and availability of funds. It has not only made capital available for startups at early stage, seed stage and growth stage but also played a catalytic role in terms of facilitating raising of domestic capital, reducing dependence on foreign capital and encouraging home grown and new venture capital funds.
3. **Credit Guarantee Scheme for Startups (CGSS)**: The Government has established the Credit Guarantee Scheme for Startups for providing credit guarantees to loans extended to DPIIT recognized startups by Scheduled Commercial Banks, Non-Banking Financial Companies (NBFCs) and Venture Debt Funds (VDFs) under SEBI registered Alternative Investment Funds. CGSS is aimed at providing credit guarantee up to a specified limit against loans extended by Member Institutions (MIs) to finance eligible borrowers viz. DPIIT recognised startups.
4. **Regulatory Reforms**: Over 50 regulatory reforms have been undertaken by the Government since 2016 to enhance ease of doing business, ease of raising capital and reduce compliance burden for the startup ecosystem.
5. **Ease of Procurement**: To enable ease of procurement, Central Ministries/ Departments are directed to relax conditions of prior turnover and prior experience in public procurement for all DPIIT recognised startups subject to meeting quality and technical specifications. Further, Government e-Marketplace (GeM) Startup Runway has been developed which is a dedicated corner for startups to sell products and services directly to the Government.

6. **Support for Intellectual Property Protection:** Startups are eligible for fast-tracked patent application examination and disposal. The Government launched Start-ups Intellectual Property Protection (SIPP) which facilitates the startups to file applications for patents, designs and trademarks through registered facilitators in appropriate IP offices by paying only the statutory fees. Facilitators under this Scheme are responsible for providing general advisory on different IPRs, and information on protecting and promoting IPRs in other countries. The Government bears the entire fees of the facilitators for any number of patents, trademark or designs, and startups only bear the cost of the statutory fees payable. Startups are provided with an 80% rebate in filing of patents and 50% rebate in filling of trademark vis-a-vis other companies.
7. **Self-Certification under Labour and Environmental laws:** Startups are allowed to self-certify their compliance under 9 Labour and 3 Environment laws for a period of 3 to 5 years from the date of incorporation.
8. **Income Tax Exemption for 3 years:** Startups incorporated on or after 1st April 2016 can apply for income tax exemption. The recognized startups that are granted an Inter-Ministerial Board Certificate are exempted from income-tax for a period of 3 consecutive years out of 10 years since incorporation.
9. **International Market Access to Indian Startups:** One of the key objectives under the Startup India initiative is to help connect Indian startup ecosystem to global startup ecosystems through various engagement models. This has been done through international Government to Government partnerships, participation in international forums and hosting of global events. Startup India has launched bridges with over 15 countries (Brazil, Sweden, Russia, Portugal, UK, Finland, Netherlands, Singapore, Israel, Japan, South Korea, Canada, Croatia, Qatar and UAE) that provides a soft-landing platform for startups from the partner nations and aid in promoting cross collaboration.
10. **Faster Exit for Startups:** The Government has notified Startups as 'fast track firms' enabling them to wind up operations within 90 days vis-a-vis 180 days for other companies.
11. **Startup India Hub:** The Government launched a Startup India Online Hub on 19<sup>th</sup> June 2017 which is one of its kind online platform for all stakeholders of the entrepreneurial ecosystem in India to discover, connect and engage with each other. The Online Hub hosts Startups, Investors, Funds, Mentors, Academic Institutions, Incubators, Accelerators, Corporates, Government Bodies and more.
12. **Exemption for the Purpose Of Clause (VII)(b) of Sub-section (2) of Section 56 of the Act (2019):** A DPIIT recognized startup is eligible for exemption from the provisions of section 56(2)(viib) of the Income Tax Act.

13. **Startup India Showcase**: Startup India Showcase is an online discovery platform for the most promising startups of the country chosen through various programs for startups exhibited in a form of virtual profiles. The startups showcased on the platform have distinctly emerged as the best in their fields. These innovations span across various cutting-edge sectors such as Fintech, EnterpriseTech, Social Impact, HealthTech, EdTech, among others. These startups are solving critical problems and have shown exceptional innovation in their respective sectors. Ecosystem stakeholders have nurtured and supported these startups, thereby validating their presence on this platform.
14. **National Startup Advisory Council**: The Government in January 2020 notified constitution of the National Startup Advisory Council to advise the Government on measures needed to build a strong ecosystem for nurturing innovation and startups in the country to drive sustainable economic growth and generate large scale employment opportunities. Besides the ex-officio members, the council has a number of non-official members, representing various stakeholders from the startup ecosystem.
15. **Startup India: The Way Ahead**: Startup India: The Way Ahead at 5 years celebration of Startup India was unveiled on 16<sup>th</sup> January 2021 which includes actionable plans for promotion of ease of doing business for startups, greater role of technology in executing various reforms, building capacities of stakeholders and enabling a digital Aatmanirbhar Bharat.
16. **Startup India Seed Fund Scheme (SISFS)**: Easy availability of capital is essential for entrepreneurs at the early stages of growth of an enterprise. The capital required at this stage often presents a make-or-break situation for startups with good business ideas. The Scheme aims to provide financial assistance to startups for proof of concept, prototype development, product trials, market entry and commercialization. Rs. 945 crore has been sanctioned under the SISFS Scheme for period of 4 years starting from 2021-22.
17. **National Startup Awards (NSA)**: National Startup Awards is an initiative to recognize and reward outstanding startups and ecosystem enablers that are building innovative products or solutions and scalable enterprises, with high potential of employment generation or wealth creation, demonstrating measurable social impact. Handholding support is provided to all the finalists across various tracks viz. Investor Connect, Mentorship, Corporate Connect, Govt. Connect, International Market Access, Regulatory Support, Startup Champions on Doordarshan and Startup India Showcase, etc.
18. **States' Startup Ranking Framework (SRF)**: States' Startup Ranking Framework is a unique initiative to harness strength of competitive federalism and create a flourishing startup ecosystem in the country. The major objectives of the ranking exercise are facilitating states to identify, learn and replace good practices, highlighting the policy intervention by states for promoting startup ecosystem and fostering competitiveness among states.

19. **Startup Champions on Doordarshan**: Startup Champions program on Doordarshan is a one-hour weekly program covering stories of award winning/ nationally recognised startups. It is telecasted in both Hindi and English across Doordarshan network channels.
20. **Startup India Innovation Week**: The Government organises Startup India Innovation week around the National Startup Day i.e. 16<sup>th</sup> January, with the primary goal was to bring together the country's key startups, entrepreneurs, investors, incubators, funding entities, banks, policymakers, and other national/international stakeholders to celebrate entrepreneurship and promote innovation.

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