

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

LOK SABHA

**UNSTARRED QUESTION NO. 4808.
TO BE ANSWERED ON WEDNESDAY, THE 29TH MARCH, 2023.**

INDIAN STARTUPS

4808. SHRI L.S. TEJASVI SURYA:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Government has taken any steps to protect Indian startups and assist Indian investors to tide over the Silicon Valley Bank crisis in the USA;
- (b) if so, the details thereof;
- (c) whether this crisis has any lessons for Indian startups and Indian banking system; and
- (d) if so, the details thereof?

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) to (d):** As per the Reserve Bank of India (RBI), India has a well-regulated and well supervised banking sector. Keeping up with the evolving trends in the financial sector, the RBI has suitably strengthened regulation and supervision of the banking and financial sector over the years.

The regulatory steps include, among other things, the implementation of leverage ratio, large exposures framework, guidelines on asset liability management, managing interest rate risk and prudential valuation of investment book of bank, guidelines on securitisation of standard assets, scale-based regulatory (SBR) framework for NBFCs, revised regulatory framework for microfinance, revised regulatory framework for Urban Cooperative Banks (UCBs) and guidelines on digital lending.

Simultaneously, RBI's supervisory systems have been strengthened significantly in recent years through measures which include a unified and harmonised supervisory approach for Commercial Banks, Non-Banking Financial Companies and Urban Co-Operative Banks.

Furthermore, on the stability of the financial sector, the RBI publishes the Financial Stability Report biannually in June/July and December/January, reflecting collective assessment of financial sector regulators and the Ministry of Finance.

Supported by various measures undertaken by the Government to promote funding to startups, many Indian banks have also started catering to startups as a separate client category owing to their unique needs.

The Government has also notified International Financial Services Centres Authority (IFSCA) to develop and regulate financial services, financial institutions and financial products in the International Financial Services Center (IFSC). The mandate of IFSCA is to create a world class international financial center to enable onshoring of the activities that are currently carried out in offshore financial centres by Indian corporate entities.
