

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

LOK SABHA

**UNSTARRED QUESTION NO. 4826.
TO BE ANSWERED ON WEDNESDAY, THE 29TH MARCH, 2023.**

STARTUP INDIA SCHEME

4826. SHRI RAMSHIROMANI VERMA:

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

वाणिज्य एवं उद्योग मंत्री

- (a) the salient features of Startup India Scheme;
- (b) the details of funds sanctioned, allocated and utilized under the above-mentioned scheme in Uttar Pradesh;
- (c) the details of targets set and the achievements made under the scheme in Uttar Pradesh;
- (d) whether the Government has organized any workshop in Uttar Pradesh under this scheme to promote women entrepreneurs; and
- (e) if so, the details thereof, district-wise?

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): The Government, with an intent to build a strong ecosystem for nurturing innovation, startups and encouraging private investments in startup ecosystem of 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 recognised startups in India from 442 in 2016 to 92,683 in 2023 (as on 28th February 2023).

(b) & (c): Under Startup India initiative, to provide capital at various stages of business cycle of a startup, the Government is implementing Fund of Funds for Startups (FFS) and Startup India Seed Fund Scheme (SISFS). Both the Schemes are implemented on a pan-India basis.

The Fund of Funds for Startups Scheme was approved and established in June 2016 with a corpus of Rs 10,000 crore, with contribution spread over the 14th and 15th Finance Commission cycle based on progress of implementation, to provide much-needed boost to the Indian startup ecosystem and enable access to domestic capital. The Scheme is operationalized by Small Industries Development Bank of India (SIDBI).

Under FFS, the Scheme does not directly invest in startups, instead provides capital to SEBI-registered Alternative Investment Funds (AIFs), known as daughter funds, who in turn invest money in growing Indian startups through equity and equity-linked instruments. SIDBI has been given the mandate of operating this Fund through selection of suitable daughter funds and overseeing the disbursement of committed capital. AIFs supported under FFS are required to invest at least 2 times of the amount committed under FFS in startups.

As on 28th February 2023, Rs. 8,590 crore has been committed to 107 AIFs by SIDBI under FFS. Specifically for the State of Uttar Pradesh, the AIFs supported under FFS has invested more than Rs. 300 crore in over 20 startups.

The Startup India Seed Fund Scheme has been approved for the period of 4 years starting from 2021-22 with a corpus of Rs. 945 crore. The Scheme aims to provide financial assistance to startups for proof of concept, prototype development, product trials, market entry and commercialization. The Scheme is implemented from 1st April 2021.

The Experts Advisory Committee (EAC), under SISFS, is responsible for the overall execution and monitoring of SISFS. The EAC evaluates and selects incubators for allocation of funds under the Scheme. As per provisions of the Scheme, the selected incubators shortlist startups based on parameters outlined in Scheme guidelines.

As on 28th February 2023, Rs. 537.25 crore has been approved to 148 incubators by the EAC under SISFS. Specifically for the State of Uttar Pradesh, Rs. 30 crore has been approved by the EAC to 8 incubators and Rs. 16.70 crore has been utilised (disbursed) to the approved incubators. The incubators approved under the Scheme have shortlisted 56 recognised startups from the State of Uttar Pradesh for an approved sum of Rs. 8.88 crore.

(d) & (e): Startup India initiative launched on 16th January 2016 has the mandate to build a stronger ecosystem for nurturing India's startup culture that would further drive our economic growth, support entrepreneurship, and enable large-scale employment opportunities. It, inter alia, assists in strengthening women entrepreneurship, through policies and initiatives, and creation of enabling networks. Details of various program under Startup India initiative, which are gender neutral and implemented on pan-India basis, are placed at **Annexure-I**.

In addition to the above, specifically for the State of Uttar Pradesh, the Government has organised various workshops for promotion and awareness of Startup India initiative and the programs implemented therein in various districts of the Uttar Pradesh such as Gautam Buddha Nagar, Lucknow, Kanpur, Varanasi, etc.

Sustained Government efforts in promoting the culture of entrepreneurship across the country under Startup India initiative have resulted in increasing the number of recognised startups from 442 in 2016 to 92,683 in 2023 (as on 28th February 2023). Out of these, nearly 47% of them have at least one-woman director.

Specifically for the State of Uttar Pradesh, out of the 8,579 DPIIT recognised startups, 4,240 (49.4%) DPIIT recognised startups have at least one-woman director. The district-wise distribution of DPIIT recognised startups having at least one-woman director as on 28th February 2023 is placed at **Annexure-II**.

Further, Government has also taken following measures to promote women entrepreneurship across the country:

- i. To promote flow of both equity and debt to women led startups, 10% of the fund (Rs 1000 crore) in the Fund of Funds for Startups Scheme operated by SIDBI is reserved for women led startups.
- ii. Women Capacity Development Programme (WING) is a unique Capacity Development Program for women-led startups, to identify and support both aspiring and established women entrepreneurs in their startup journeys. The workshops are open to variety of business sectors including Tech, Construction, Product, Machine, Food, Agriculture, Education, etc. The workshops served as a platform for emerging women entrepreneurs and other stakeholders to discuss the key challenges facing women entrepreneurs. WING workshops have created a conducive environment to share best practices and experiences in overcoming challenges and to gain insights learned from the business models adopted in the Indian context. A total of 24 workshops were conducted across 9 States, benefitting more than 1,300 women entrepreneurs.
- iii. Virtual Incubation Program for Women Entrepreneurs were conducted in collaboration with Zone Startups to support 20 women-led tech startups with pro-bono acceleration support for 3 months.
- iv. A webpage dedicated to women entrepreneurs has been designed on the Startup India portal. The page includes various policy measures for women entrepreneurs by both Central and State Governments.
- v. Through its various awareness programmes and capacity building programmes organized by the Government, and through print media and social media platforms, the Government also creates awareness about the existing schemes which support micro, small and medium entrepreneurs, including women entrepreneurs.

Furthermore, assisted by the States' Startup Rankings on Support to Startup Ecosystems, which is primarily an exercise to identify good practices including support to women entrepreneurs, learning from each other and helping each other in formulating and implementing policies in true spirit of cooperative federalism, 31 States and UTs have reportedly notified policies to support startups.

To identify the depth, quality and spread of innovation, inclusivity and diversity, and entrepreneurship in country, the Government instituted the National Startup Awards ('NSA'). The winners of NSA have emerged from Bengaluru, Delhi, Hyderabad Chennai, Mumbai Mysuru, Bhopal, Ernakulam, Gurugram, Kochi, Lucknow, Margao, Sonipat, Tiruvananthapuram etc. All three editions (2020, 2021 and 2022) of NSA had a special award category for Women-led Startups.

The Government has also launched the Women Entrepreneurship Platform (WEP) in 2018 as an aggregator platform with the aim to overcome information asymmetry in the women entrepreneurial ecosystem. By showcasing all existing initiatives and providing domain knowledge it works towards empowering both prospective and present women entrepreneurs.

ANNEXURE-I

ANNEXURE REFERRED TO IN REPLY TO PARTS (d) & (e) OF THE LOK SABHA UNSTARRED QUESTION NO. 4826 FOR ANSWER ON 29.03.2023

Programs Implemented 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 16th 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 14th and 15th 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 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 19th 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 16th 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. 16th 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.

ANNEXURE-II

**ANNEXURE REFERRED TO IN REPLY TO PARTS (d) & (e) OF THE LOK SABHA
UNSTARRED QUESTION NO. 4826 FOR ANSWER ON 29.03.2023**

The district-wise distribution of DPIIT recognised startups having at least one woman director as on 28th February 2023:

Districts of Uttar Pradesh	Number of Recognised Startups
Agra	139
Aligarh	30
Allahabad	82
Ambedkar Nagar	3
Amethi	4
Amroha	2
Auraiya	38
Azamgarh	9
Baghpat	6
Bahraich	4
Ballia	9
Banda	6
Barabanki	8
Bareilly	64
Basti	10
Bhadohi	4
Bijnor	12
Budaun	6
Bulandshahr	21
Chandauli	11
Chitrakoot	5
Deoria	16
Etah	3
Etawah	11
Faizabad	16
Farrukhabad	3
Fatehpur	6
Firozabad	9
Gautam Buddha Nagar	1433
Ghaziabad	680
Ghazipur	14
Gonda	4
Gorakhpur	66
Hamirpur (UP)	4
Hapur	8

Districts of Uttar Pradesh	Number of Recognised Startups
Hardoi	8
Hathras	10
Jalaun	4
Jaunpur	8
Jhansi	42
Kannauj	8
Kanpur Dehat	10
Kanpur Nagar	183
Kasganj	1
Kaushambi	5
Kheri	3
Kushinagar	3
Lalitpur	6
Lucknow	704
Maharajganj	6
Mahoba	2
Mainpuri	1
Mathura	39
Mau	2
Meerut	111
Mirzapur	14
Moradabad	43
Muzaffarnagar	21
Pilibhit	1
Pratapgarh	10
Raebareli	6
Rampur	11
Saharanpur	39
Sambhal	3
Sant Kabir Nagar	1
Shahjahanpur	9
Shamli	3
Siddharth Nagar	1
Sitapur	4
Sonbhadra	10
Sultanpur	9
Unnao	10
Varanasi	143
Grand Total	4,240
