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

UNSTARRED QUESTION NO. 1121. TO BE ANSWERED ON WEDNESDAY, THE 26TH JULY, 2023.

STARTUPS

1121. SHRIMATI SANGEETA AZAD:

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state: वाणिज्य एवं उद्योग मंत्री

- (a) whether the number of startups have greatly increased and are being recognized in the country in the last few years;
- (b) if so, the details thereof, sector-wise;
- (c) whether all districts in the country have atleast one startup, particularly in Uttar Pradesh;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to further promote startups and generate more employment opportunities in various sectors in the country?

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): Yes, as a result of sustained Government efforts, the number of recognised startups has increased from 428 in 2016 to 98,119 in 2023 (as on 30th April 2023). The year-wise and sector-wise details of number of startups recognised in the country is placed at **Annexure-I**.
- (c) & (d): Various measures have been undertaken by the Government under the Startup India initiative to encourage and promote innovation and entrepreneurship across the country. As a result, as on 30th April 2023, there is at least one recognised startup in every State and UT spread across over 80% of the districts across the nation. Particularly for the State of Uttar Pradesh, 9,058 entities have been recognised as startups by the DPIIT since 2016 with at least one DPIIT recognised startup in 75 districts of the State. The district-wise details of recognised startups in the State of Uttar Pradesh are placed at **Annexure-II**.
- (e): Under the Startup India initiative, the Government constantly undertake variousefforts for the development and growth of startup ecosystem in the country.

The flagship Schemes namely, Fund of Funds for Startups (FFS), Startup India Seed Fund Scheme (SISFS) and Credit Guarantee Scheme for Startups (CGSS) support startups at various stages of their business cycle to enable startups to graduate to a level where they are able to raise investments from angel investorsor venture capitalists or seek loans from commercial banks or financial institutions. The Government also implements flagship annual exercises and programs including States' Startup Ranking, National Startup Awards and Innovation Week which play an important role in holistic development of the startup ecosystem. The Government also facilitates participation and engagement of the Indian startup ecosystem at international platforms. Details of such programs implemented under Startup India initiative by the Government to support startups in the country are placed as **Annexure-III**.

ANNEXURE-I

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE LOK SABHA UNSTARRED QUESTION NO. 1121 FOR ANSWER ON 26.07.2023

Details of year-wise sector-wise recognized startups over the past few years is as under:

S No.	Sectors	2016	2017	2018	2019	2020	2021	2022
1.	Advertising	0	50	89	113	106	125	136
2.	Aeronautics Aerospace & Defence	0	28	73	97	108	207	331
3.	Agriculture	1	164	304	519	627	1,099	1,540
4.	Al	0	69	212	333	291	324	305
5.	Airport Operations	0	0	0	0	2	3	4
6.	Analytics	0	55	99	108	94	142	108
7.	Animation	0	5	11	13	15	13	28
8.	AR VR (Augmented + Virtual Reality)	0	39	66	90	57	90	115
9.	Architecture Interior Design	0	19	46	66	95	98	157
10.	Art & Photography	0	35	32	39	44	48	96
11.	Automotive	1	80	140	178	258	416	724
12.	Biotechnology	0	0	0	0	11	99	123
13.	Chemicals	0	15	39	60	117	210	293
14.	Computer Vision	0	21	31	42	47	47	31
15.	Construction	1	76	205	344	555	865	1,427
16.	Dating Matrimonial	0	3	8	12	12	14	25
17.	Design	0	51	97	95	118	113	125
18.	Education	0	291	729	761	924	1,294	1,620
19.	Enterprise Software	0	138	230	304	256	286	371
20.	Events	0	21	40	59	62	79	88
21.	Fashion	2	59	109	129	190	240	413
22.	Finance Technology	0	153	228	421	467	589	885
23.	Food & Beverages	0	168	350	529	639	1,005	1,465
24.	Green Technology	1	125	263	379	352	309	502
25.	Healthcare & Lifesciences	44	461	733	980	1,394	1,884	2,548
26.	House-Hold Services	0	39	71	88	112	101	172
27.	Human Resources	0	50	139	209	324	379	710
28.	Indic Language Startups	13	58	0	0	13	61	103
29.	Internet of Things	0	133	257	289	242	222	239

S No.	Sectors	2016	2017	2018	2019	2020	2021	2022
30.	IT Services	1	563	1,334	1,584	1,931	2,200	2,732
31.	Logistics	0	0	0	0	17	168	174
32.	Marketing	0	66	236	261	362	344	451
33.	Media & Entertainment	0	85	161	215	241	266	354
34.	Nanotechnology	0	9	18	24	28	25	37
35.	Non- Renewable Energy	0	11	22	34	400	761	374
36.	Not specified	355	816	5	0	4	0	0
37.	Other Specialty Retailers	0	27	63	71	159	110	152
38.	Others	0	2	0	0	85	979	1,138
39.	Passenger Experience	0	0	0	0	0	4	5
40.	Pets & Animals	0	12	21	29	34	50	81
41.	Professional & Commercial Services	0	185	373	485	777	1,111	1,278
42.	Real Estate	0	34	79	122	124	119	258
43.	Renewable Energy	3	130	275	295	360	510	682
44.	Retail	0	110	236	282	410	406	575
45.	Robotics	0	28	68	92	84	88	112
46.	Safety	0	12	25	34	55	67	80
47.	Security Solutions	0	36	80	101	149	241	295
48.	Social Impact	1	34	61	82	87	133	138
49.	Social Network	0	57	80	124	109	124	136
50.	Sports	0	25	41	66	83	87	118
51.	Technology Hardware	2	141	250	328	550	573	869
52.	Telecommunication & Networking	1	46	101	93	159	184	236
53.	Textiles & Apparel	0	55	93	123	197	307	457
54.	Toys and Games	0	0	0	0	4	79	102
55.	Transportation & Storage	1	96	162	250	285	253	328
56.	Travel & Tourism	1	66	191	263	205	240	365
57.	Waste Management	0	0	0	1	23	198	311
	Grand Total		5,052	8,576	11,216	14,454	19,989	26,522

ANNEXURE REFERRED TO IN REPLY TO PARTS (c) & (d) OF THE LOK SABHA UNSTARRED QUESTION NO. 1121 FOR ANSWER ON 26.07.2023

<u>District-wise Details of Recognized Startups (as on 30th April 2023) from the State of Uttar Pradesh are as under:</u>

S. No.	Districts	Number of Recognized Startups
1.	Agra	292
2.	Aligarh	93
3.	Ambedkar Nagar	5
4.	Amethi	9
5.	Amroha	10
6.	Auraiya	71
7.	Ayodhya	37
8.	Azamgarh	23
9.	Baghpat	23
10.	Bahraich	11
11.	Ballia	19
12.	Balrampur (UP)	2
13.	Banda	15
14.	Barabanki	19
15.	Bareilly	137
16.	Basti	27
17.	Bhadohi	11
18.	Bijnor	33
19.	Budaun	15
20.	Bulandshahr	49
21.	Chandauli	20
22.	Chitrakoot	8
23.	Deoria	28
24.	Etah	6
25.	Etawah	23
26.	Farrukhabad	10
27.	Fatehpur	17
28.	Firozabad	29
29.	Gautam Buddha Nagar	2,839
30.	Ghaziabad	1,294
31.	Ghazipur	31
32.	Gonda	21
33.	Gorakhpur	167
34.	Hamirpur (UP)	13
35.	Hapur	17
36.	Hardoi	15
37.	Hathras	19
38.	Jalaun	14
39.	Jaunpur	31
40.	Jhansi	94

S. No.	Districts	Number of Recognized Startups
41.	Kannauj	21
42.	Kanpur Dehat	27
43.	Kanpur Nagar	431
44.	Kasganj	3
45.	Kaushambi	11
46.	Kheri	18
47.	Kushinagar	17
48.	Lalitpur	10
49.	Lucknow	1,489
50.	Maharajganj	15
51.	Mahoba	9
52.	Mainpuri	18
53.	Mathura	79
54.	Mau	8
55.	Meerut	242
56.	Mirzapur	29
57.	Moradabad	105
58.	Muzaffarnagar	53
59.	Pilibhit	16
60.	Pratapgarh	16
61.	Prayagraj	219
62.	Raebareli	21
63.	Rampur	27
64.	Saharanpur	90
65.	Sambhal	10
66.	Sant Kabir Nagar	12
67.	Shahjahanpur	24
68.	Shamli	11
69.	Shravasti	2
70.	Siddharth Nagar	3
71.	Sitapur	14
72.	Sonbhadra	25
73.	Sultanpur	32
74.	Unnao	29
75.	Varanasi	325
Total		9,058

ANNEXURE REFERRED TO IN REPLY TO PART (e) OF THE LOK SABHA UNSTARRED QUESTION NO. 1121 FOR ANSWER ON 26.07.2023

The details of measures undertaken by the Government to promote startups and generate more employment opportunities in the country:

- 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 diff¬erent 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 filling 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 though international Government to Government partnerships, participation in international forums and hosting of global events. Startup India has launched bridges with over 17 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, EntrepriseTech, 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, Government 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.

- 21. The Startup India Investor Connect Portal has been co-developed under the Startup India Initiative with SIDBI, serving as an intermediary platform that links startups and investors in order to help entrepreneurs from various industries, functions, stages, regions, and backgrounds in mobilizing capital. The portal has been built with the aim to enable in particular; early-stage startups located anywhere in the country to showcase themselves to leading investors/ venture capital funds. Currently, 82 Alternative Investment Funds (AIFs) and more than 1,900 startups have already registered on the platform.
- 22. National Mentorship Portal (MAARG): In order to facilitate accessibility to mentorship for startups in every part of the country, the Mentorship, Advisory, Assistance, Resilience, and Growth (MAARG) program has been developed and launched under the Startup India Initiative.
- 23. ASCEND: Under ASCEND (Accelerating Startup Caliber & Entrepreneurial Drive), sensitization workshops on startups and entrepreneurship were conducted for all eight North Eastern States with the objective to capacitate and augment knowledge on key aspects of entrepreneurship and continue efforts towards creating a robust startup ecosystem in these States.
- 24. Startup20 Engagement Group: As a result of India's belief in startup ecosystem, a Startup20 Engagement Group under India's G20 Presidency has been institutionalised which is working towards harmonisation and cross collaboration amongst the largest global economies. The engagement group acts as the voice of the global startup ecosystem bringing together varied stakeholders on a common platform. The group aims to support startups by enabling synergies between startups, corporates, investors, innovation agencies and other key ecosystem stakeholders internationally and to create global synergies.
