GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
LOK SABHA
UNSTARRED QUESTION NO. 1836.
TO BE ANSWERED ON WEDNESDAY, THE 13TH DECEMBER, 2023.
GROWTH OF STARTUPS

1836. **SHRI M.K. RAGHAVAN:**
        SHRI M.V.V. SATYANARAYANA:

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

(a)   the total number of registered startups in the country, State/UT-wise;

(b)   whether the ministry has any system to analyse the growth of startups in India and if so, the details thereof;

(c)   whether the ministry has conducted any study on success rate of startups in India like that of USA; and

(d)   if so, the details thereof including the plans envisaged by the ministry for supporting the startups?

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):   Under the Startup India initiative, there is no 'registration' of startups. The Government recognises eligible entities as 'startups' under the initiative. Asper eligibility conditions prescribed under G.S.R. notification 127 (E) dated 19th February 2019, the Department for Promotion of Industry and Internal Trade (DPIIT) has recognised a total of 1,14,902 entities as startups, as on 31st October 2023. The State/UT-wise number of recognised startups is placed as **Annexure-I**.

(b):   Under the Startup India initiative, the Government records and analysesthe growth of recognised startups through specific indicators such as the total number of recognised startups in the country, direct employment generated by the recognised startups, and the geographical coverage of recognised startups across the country. Sustained efforts by the Government under the Startup India initiative have led to an increase in the number of recognised startups from over 300 in 2016 to 1,14,902 in 2023 as on 31st October 2023. The recognised startups have reported to have created over 12.2 lakh direct jobs. There are recognised startups in every State and UT spread across over 80% of the districts across the nation.

(c):   The regular businesses are often measured by success or failure in a specific number of years of operation, whereas the startups and scale-ups (established startups) are more accurately measured by failure or success in a particular phase making it difficult to put together a statistic covering all typesof new businesses and their success or failure rate with any level of accuracy. Therefore, the information with respect to the success or failure of startups is not centrally maintained by the Government.

(d):   Details of the programs implemented by the Government under the Startup India initiative to support and promote the startup ecosystem are placed as **Annexure-II**.

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ANNEXURE REFERRED TO IN REPLY TO PART (a) OF THE LOK SABHA UNSTARRED QUESTION NO. 1836 FOR ANSWER ON 13.12.2023.

The State/UT-wise details of entities recognised as startups by DPIIT as of 31st October 2023 are as under:

S. No	State/UT	Number of Recognised Startups
1.	Andaman and Nicobar Islands	51
2.	Andhra Pradesh	1,806
3.	Arunachal Pradesh	31
4.	Assam	1,057
5.	Bihar	2,186
6.	Chandigarh	398
7.	Chhattisgarh	1,186
8.	Dadra and Nagar Haveli and Daman and Diu	48
9.	Delhi	12,301
10.	Goa	434
11.	Gujarat	9,047
12.	Haryana	6,066
13.	Himachal Pradesh	397
14.	Jammu and Kashmir	656
15.	Jharkhand	1,066
16.	Karnataka	12,394
17.	Kerala	4,885
18.	Ladakh	9
19.	Lakshadweep	3
20.	Madhya Pradesh	3,625
21.	Maharashtra	20,695
22.	Manipur	109
23.	Meghalaya	39
24.	Mizoram	24
25.	Nagaland	47
26.	Odisha	2,045
27.	Puducherry	124
28.	Punjab	1,253
29.	Rajasthan	4,029
30.	Sikkim	10
31.	Tamil Nadu	7,396
32.	Telangana	5,960
33.	Tripura	84
34.	Uttar Pradesh	10,725
35.	Uttarakhand	943
36.	West Bengal	3,773
	TOTAL	**1,14,902**

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ANNEXURE REFERRED TO IN REPLY TO PART (d) OF THE LOK SABHA UNSTARRED QUESTION NO. 1836 FOR ANSWER ON 13.12.2023.

The details of various programs undertaken by the Government under Startup India initiative 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. **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.

3. **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.

4. **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.

5. **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.

6. **Regulatory Reforms:** Over 55 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.

7. **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) also facilitates and promotes procurement of products and services by the Government from startups.

8. **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.

9. **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.

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. **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.

12. **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.

13. **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.

14. **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 20 countries that provide a soft-landing platform for startups from the partner nations and aid in promoting cross collaboration.

15. **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.

16. **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.

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. **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.

22. **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.

23. **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.

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