

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

**LOK SABHA**

**STARRED QUESTION NO. 56.  
TO BE ANSWERED ON WEDNESDAY, THE 1<sup>ST</sup> DECEMBER, 2021.**

**STARTUP INDIA SCHEME**

**\*56. SHRI KRUPAL BALAJI TUMANE:**

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

**वाणिज्य एवं उद्योग मंत्री**

- (a) the salient features of the Startup India Scheme;
- (b) the details of the funds sanctioned, allocated and utilized so far in Maharashtra under the said scheme;
- (c) the details of the targets fixed and achievements made so far;
- (d) whether the Government has conducted workshops under this scheme in Maharashtra to encourage women entrepreneurship;
- (e) if so, the details thereof, district-wise; and
- (f) the details of the outcome of these workshops?

**ANSWER**

**वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)**

**THE MINISTER OF COMMERCE & INDUSTRY  
(SHRI PIYUSH GOYAL)**

**(a) to (f):** A Statement is laid on the Table of the House.

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**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF THE LOK SABHA STARRED QUESTION NO. 56 FOR ANSWER ON 1<sup>ST</sup> DECEMBER, 2021.**

**(a):** Sir, Startup India is a flagship initiative of the Government of India, intended to build a strong ecosystem for nurturing innovation and Startups in the country that will drive sustainable economic growth and generate large scale employment opportunities. Salient features of the Startup India Initiative are at **Annexure-I**.

**(b):** Sir, the Government of India as part of Startup India initiative has implemented following schemes to provide financial assistance to startups through Alternative Investment Funds (AIFs) and incubators:

- i. Fund of Funds for Startups (FFS) Scheme
- ii. Startup India Seed Fund Scheme (SISFS)

**Fund of Funds for Startups (FFS) Scheme:** A corpus of Rs. 10,000 Crore has been sanctioned under the FFS Scheme, spread over 14<sup>th</sup> and 15<sup>th</sup> Finance Commission cycles. As of October 2021, Rs. 2291.29 crore has been allocated by DPIIT to Small Industries Development Bank of India (SIDBI), the implementing agency, under this Scheme.

FFS Scheme does not directly provide financial assistance to startups, instead supports SEBI-registered Alternative Investment Funds (AIFs), who in turn invest money in growing Indian startups through equity and equity-linked instruments. AIFs supported under FFS are required to invest at least two times of the amount committed under FFS in startups.

As on 25<sup>th</sup> November, 2021, for the State of Maharashtra, Rs. 1,847.97 crore has been invested by such AIFs, into startups, under the Scheme.

**Startup India Seed Fund Scheme (SISFS):** Rs. 945 Crore has been sanctioned under the SISF Scheme for period of 4 years starting from 2021-22.

As of 25<sup>th</sup> November 2021, Rs. 163.30 crore has been allocated (committed) to 41 incubators selected so far under the Scheme; of which Rs.15 crore has been allocated for incubators from Maharashtra.

40% of total approved commitment is released as part of first installment to a selected incubator. Subsequent installments are released based on submission of proof of achievement of milestones.

As on 25<sup>th</sup> November, 2021, Rs. 2.10 crore has been disbursed to the selected incubators from the State of Maharashtra under the Scheme.

- (c):** Government of India through Startup India initiative aims to empower Startups to grow through innovation, design and entrepreneurship. The key achievements of the initiative are enclosed as **Annexure-II**.
- (d) to (f):** Promoting women entrepreneurship has been a key national agenda for the Government. Out of the 58,000+ DPIIT recognised startups, 46% of them have at-least one-woman director. As Startup India is a national initiative, all it's programs are aimed at fostering innovation and entrepreneurship at a national level. The steps taken under Startup India Initiative to promote women entrepreneurship all over India which are also available for the women entrepreneurs in the State of Maharashtra are at **Annexure-III**.

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**ANNEXURE REFERRED TO IN REPLY TO PART (a) OF THE LOK SABHA  
STARRED QUESTION NO. 56 FOR ANSWER ON 1<sup>ST</sup> DECEMBER, 2021.**

**Salient features of Startup India Initiative**

1. The salient features of Startup India initiative are as under:-

- i. **Startup India Action Plan**: An Action Plan for Startup India was unveiled by the Hon'ble Prime Minister 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.
- ii. **Startup India: The Way Ahead**: Hon'ble Prime Minister unveiled Startup India: The Way Ahead at 5 years celebration of Startup India 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.
- iii. **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. Hon'ble Prime Minister launched SISFS on 16<sup>th</sup> January, 2021. The Scheme aims to provide financial assistance to startups for proof of concept, prototype development, product trials, market entry and commercialization. It will support an estimated 3,600 entrepreneurs through 300 incubators in the next 4 years.
- iv. **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.
- v. **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 Startups subject to meeting quality and technical specifications. Further, Government e-Marketplace (GeM) Startup Runway; a dedicated corner for startups to sell products & services directly to the Government.
- vi. **Self-Certification under Labour and Environmental laws**: Startups are allowed to self-certify their compliance under 6 Labour and 3 Environment laws for a period of 3 to 5 years from the date of incorporation.

- vii. **Income Tax Exemption for 3 years:** Startups incorporated on or after 1st April 2016 can apply for income tax exemption. The recognised 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.
  - viii. **Exemption for the Purpose Of Clause (VII)(b) of Sub-section (2) of Section 56 of the Act:** A DPIIT recognized startup is eligible for exemption from the provisions of section 56(2)(viib) of the Income Tax Act.
  - ix. **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.
  - x. **National Startup Awards:** 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.
  - xi. **International 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 13 countries (Brazil, Sweden, Russia, Portugal, UK, Finland, Netherlands, Singapore, Israel, Japan, South Korea, U.S.A, Germany) that provides a soft-landing platform for startups from the partner nations and aid in promoting cross collaboration.
  - xii. **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 filing of trademark vis-a-vis other companies.
  - xiii. **Faster Exit for Startups:** Ministry of Corporate Affairs has notified Startups as 'fast track firms' enabling them to wind up operations within 90 days vis-a-vis 180 days for other companies.
2. To avail above benefits applicable for eligible startups, the entities that meet the definition as prescribed under [G.S.R. notification 127 \(E\)](#) dated 19<sup>th</sup> February

2019 are eligible to apply for recognition as a 'Startup' under Startup India initiative. As per the said notification, an entity shall be considered as a Startup:-

- i. Upto a period of ten years from the date of incorporation/ registration, if it is incorporated as a private limited company (as defined in the Companies Act, 2013) or registered as a partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) in India.
- ii. Turnover of the entity for any of the financial years since incorporation/ registration has not exceeded one hundred crore rupees.
- iii. Entity is working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation.

Provided that an entity formed by splitting up or reconstruction of an existing business shall not be considered a 'Startup'.

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**ANNEXURE REFERRED TO IN REPLY TO PART (c) OF THE LOK SABHA  
STARRED QUESTION NO. 56 FOR ANSWER ON 1<sup>ST</sup> DECEMBER, 2021.**

**Achievements under Startup India Initiative**

Startup India is a flagship initiative of Government of India launched on 16th January, 2016 with an aim to build a strong ecosystem for nurturing innovation and entrepreneurship to drive sustainable economic growth and generate large scale employment opportunities. Through this initiative the Government aims to empower Startups to grow through innovation, design and entrepreneurship. The major achievements are listed below:

- a) Counted as one of the largest startup ecosystem in the world with more than 58,000 recognized startups. There is at least one recognised startup in every State and UT of India spread across over 631 districts. In addition 30 States and UTs have announced specific Startup Policies to support startups.
- b) Recognised startups have reported over 6.31 lakhs job created with an average of 11 jobs created by each recognised startup.
- c) 49 key regulatory changes to enhance ease of doing business, raising capital and reducing compliance burden have been undertaken by the Government. This includes insurers, EPFO, non-government provident funds, superannuation, and gratuity funds to invest in AIFs, thereby enabling billions of dollars' worth of domestic capital being made available for the Indian startup ecosystem.
- d) Startups recognised under Startup India initiative can self-certify their compliance against the 6 labour laws and 3 environmental laws. 27 states and UTs have implemented the process of self- certification to startups under 6 labour laws. 9 States (Haryana, Madhya Pradesh, Maharashtra, Rajasthan, Gujarat, Uttar Pradesh, Punjab, Uttarakhand, and Delhi) have integrated their portals with Shram Suvidha Portal. Overall, 169 DPIIT recognized Startups have availed the benefits of self-certification.
- e) To enable ease of procurement, Central Ministries/ Departments are directed to relax conditions of prior turnover and prior experience in public procurement for all Startups subject to meeting quality and technical specifications. Further, Government e-Marketplace (GeM) Startup Runway; a dedicated corner for startups to sell products & services directly to the Government, has been launched. As of 3<sup>rd</sup> October, 2021, 11,386 startups had been onboarded on GeM, with 93,908 orders from public entities totaling more than Rs. 4,000 crores.
- f) Government of India has established a Fund of Funds for Startups Scheme (FFS) with corpus of Rs. 10,000 crores, 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 crores is envisaged to be provided over the 14th and 15th Finance Commission cycles based on progress of the scheme and availability of funds. As of 27<sup>th</sup>

October, 2021 SIDBI has committed Rs. 5,894 crores committed to 75 AIFs. Out of which Rs. 7,381 crores have been invested in 517 startups.

- g) Further, to provide financial assistance to startups, Startup India Seed Fund Scheme (SISFS) has been implemented from 1st April 2021. The Scheme has corpus of Rs. 945 Crore that will be divided over the next 4 years for providing seed funding to eligible startups through eligible incubators across India. It will support an estimated 3,600 entrepreneurs through 300 incubators in the next 4 years. The 'Call for Application' for Incubators under the Startup India Seed Fund Scheme was launched on 19th April 2021. As on 16th November 2021, 34 incubators have been selected and a sum of Rs. 135 crores have been approved as grant under the scheme. The 'Call for Application' for Startups was launched on 19th July 2021. As on date, application has been received from 1446 startups under the scheme. 95 Startups have been selected for funding as on 16th November 2021 with a total grant of Rs 9.70 crores..
- h) DPIIT launched Startup India Showcase, an online platform for startups to exhibit their products and services virtually, on 6th October 2020. As on 25<sup>th</sup> November 2021, 151 startups have been onboarded for the Startup India Showcase.
- i) To help connect the Indian startups with the global startup ecosystem, Startup India has launched bridges with over 13 countries (Brazil, Sweden, Russia, Portugal, UK, Finland, Netherlands, Singapore, Israel, Japan, South Korea, U.S.A, Germany) that provides a soft-landing platform for startups from the partner nations and aid in promoting cross collaboration. Some of these key programs include India-Japan Pitching, Indo-Sweden Mentor Connect, among many others.
- j) To enhance the State participation in building their respective startup ecosystem, the States' Startup Ranking Framework was launched in April 2017. It is a first-of-its-kind initiative to harness strength of competitive federalism and create a flourishing startup ecosystem in the country. The third edition of the States' Startup Ranking Framework was launched in December 2020 and contains 7 broad reform areas with 26 Action Points. The evaluation exercise for the third edition is underway.
- k) Startup India launched Startup India Yatra in 2017 to promote entrepreneurship in rural and non-metro regions across States. Under this program, grassroot Startup aspirants were provided incubation, mentorship, and funding support in tier-2 and tier-3 districts of the state where participants attended ideation workshops and pitched their ideas. The Yatra has been conducted across 23 States in 220 districts impacting 78,346 aspiring entrepreneurs. A total of 1,424 incubation offers worth Rs. 105.73 Lakhs have been given to the startups.
- l) DPIIT conceived the National Startup Awards 2020 (NSA 2020) to recognize and reward outstanding startups and ecosystem enablers. With the success of the first edition, NSA 2021 was launched which saw applications from 2,177 startups, 53 incubators and 6 accelerators.
- m) Support is being provided to the finalists of NSA 2020 across 9 key tracks viz. Investor Connect, Mentorship, Corporate Connect, Govt. Connect, International Market Access, Regulatory Support, Benefits under Startup India initiative, Startup Champions on Doordarshan and Startup India Showcase.

- n) DPIIT in partnership with Doordarshan curated a focused program to highlight the innovations in the country. Startup Champions program on Doordarshan was launched on 16th January 2021. It is being telecasted in both Hindi and English across Doordarshan network channels. It is a one-hour weekly program spread over 12 weeks. 12 episodes have been telecasted over past 3 months. The startups which have been part of this program have reported exponential increase in their overall visibility, demand for their products and even investor interest.
- o) For enabling international access and exposure for Indian startup ecosystem, the Government of India has been hosting various international events. Our foreign missions are also playing very active role in creating international bridges and bringing host of opportunities of international market access for our Indians startups.
- p) The provisions of Section 80-IAC of the Income Tax Act provide for a deduction of an amount equal to 100% of the profits and gains derived from an eligible business by an eligible start-up for 3 consecutive assessment years out of 7 years, at the option of the assessee, subject to certain conditions. The Finance Act, 2020 provides for an amendment to section 80-IAC of the Income Tax Act so as to provide that the deduction under the said section 80-IAC shall be available to an eligible start-up for a period of 3 consecutive assessment years out of 10 years beginning from the year in which it is incorporated. This amendment will take effect from 1st April 2021 and will, accordingly, apply in relation to the assessment year 2021-22 and subsequent assessment years. To avail these benefits, a Startup must get a Certificate of Eligibility from the Inter-Ministerial Board (IMB). 406 startups have been granted income tax exemptions till 10th November 2021 under provisions of Section 80-IAC of the Income Tax Act.
- q) DPIIT recognized startups are exempt from tax under Section 56(2)(viib) of the Income Tax Act when such a Startup receives any consideration for issue of shares which exceeds the Fair Market Value of such shares. The startup has to file a duly signed declaration in Form 2 to DPIIT {as per notification G.S.R. 127 (E)} to claim the exemption from the provisions of Section 56(2) (viib) of the Income Tax Act. As of 9th November 2021, with regard to declarations received from entities, furnished in Form 2, intimation regarding receipt of declaration in Form 2 has been mailed in the cases of 4898 entities.

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**ANNEXURE REFERRED TO IN REPLY TO PART (a) OF THE LOK SABHA  
STARRED QUESTION NO. 56 FOR ANSWER ON 1<sup>ST</sup> DECEMBER, 2021.**

**Encouraging Women Entrepreneurship under Startup India  
Initiative**

1. Women-owned business enterprises are playing a prominent role in the society inspiring others and generating more employment opportunities in the country. To promote flow of both equity and debt to women led startups, interactions of such women entrepreneurs with venture funds supported by SIDBI and lending institutions including banks are being organized by inviting applications on the 'Startup India Hub' and inviting selected women entrepreneurs, after a process of screening by experts, to interact with these institutions for both equity/debt funding. Specific and suitable entrepreneurship development programmes for women led startups throughout the country are being designed by ascertaining the training/skilling needs of the target groups. To meet the advisory needs of the start-ups led by women, legal, tax, financial and other service providers are being sought to get them connected with each other through the Startup India Hub.
2. The following steps have been taken under Startup India Initiative to promote women entrepreneurship all over India which are also available for the women entrepreneurs in the State of Maharashtra:-
  - i. 10% of the fund (Rs 1000 crore) in the Fund of Funds operated by SIDBI has been reserved for women led startups, which will have a multiplier effect as Rs 1000 crore would mean overall corpus of Rs 7000 crore. All the AIFs where SIDBI takes equity have been mandated to contribute 20% in businesses which are women led, women influenced and women employment or women consumption centric.
  - 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 mentions in a collated format all the incentives for women entrepreneurs as per the State Startup Policies and has new blogs.

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