

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

**LOK SABHA**

**UNSTARRED QUESTION NO. 1740.  
TO BE ANSWERED ON WEDNESDAY, THE 8<sup>TH</sup> DECEMBER, 2021.**

**CREATION OF JOBS BY STARTUPS**

**1740. SHRI JYOTIRMAY SINGH MAHATO:  
SHRI RAMESH CHANDER KAUSHIK:  
SHRI MATI NAVNEET RAVI RANA:  
SHRI DILIP SAIKIA:**

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

वाणिज्य एवं उद्योग मंत्री

- (a) the number of jobs created by Startups in various States of the country particularly Haryana, Maharashtra, West Bengal and North-Eastern States including Assam from 2004 to 2014 including their year-wise contribution to gross domestic product; and
- (b) the steps taken by the Government to provide incentive package for the States including Haryana and North-Eastern States especially Assam as well as boost private investment in 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): Startup India is a flagship initiative of Government of India which aims at building a strong ecosystem for nurturing innovation and Startups in the country. This initiative was launched on 16th January 2016. The startups are recognized as per eligibility conditions prescribed under G.S.R. notification 127 (E) dated 19<sup>th</sup> February, 2019. No information on number of jobs created by startups from 2004 to 2014 is maintained by the Department.
- (b): Government of India as part of Startup India initiative has implemented *Fund of Funds for Startups Scheme* and *Startup India Seed Fund Scheme* across all States/UTs to provide financial assistance and boost private investment in the Startups through Alternative Investment Funds (AIFs) and incubators. A corpus of Rs. 10,000 crore has been sanctioned, spread over 14th and 15th Finance Commission cycles. Small Industries Development Bank of India (SIDBI) is the nodal bank under this Scheme. The 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.

Under the Startup India Seed Fund Scheme (SISFS), Rs. 945 crore has been sanctioned for period of 4 years starting from 2021-22. The funds are released to Startups through approved Incubators.

In addition to the above, the Startups can also avail other benefits under the Startup India Initiative as per **Annexure-I**.

Further, Startups in North-Eastern States, including Assam, can also avail benefits of the North East Industrial Development Scheme (NEIDS), notified on 12.04.2018 for a period of 5 years, up to 2022.

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ANNEXURE REFERRED TO IN REPLY TO PART (b) OF THE LOK SABHA  
UNSTARRED QUESTION NO. 1740 FOR ANSWER ON 08.12.2021.

**Benefits under Startup India Initiative**

- i. **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. It will support an estimated 3,600 entrepreneurs through 300 incubators in the next 4 years.
- ii. **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.
- iii. **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.
- iv. **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.
- v. **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.
- vi. **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.
- vii. **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.

- viii. **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.
- 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. **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 11 countries (Brazil, Sweden, Russia, Portugal, UK, Finland, Netherlands, Singapore, Israel, Japan and South Korea) that provides a soft-landing platform for startups from the partner nations and aid in promoting cross collaboration.
- xi. **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.

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