

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

LOK SABHA

**UNSTARRED QUESTION NO. 1801.
TO BE ANSWERED ON WEDNESDAY, THE 8TH DECEMBER, 2021.**

STARTUPS

1801. SHRI ARVIND DHARMAPURI:

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

वाणिज्य एवं उद्योग मंत्री

- (a) the details of the programmes launched by the Government to promote startups across the country, State/UT-wise including Telangana;
- (b) the details of schemes implemented in Telangana by the Government in this regard; and
- (c) the details of support provided to women-led Startups in the country, State/UT-wise, including Telangana?

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): To promote startups across all the State/UTs including Telangana, Government of India has launched Startup India initiative in 2016. This initiative aims at building a strong ecosystem for nurturing innovation and Startups in the country. In order to meet the objectives of the initiative, Government has launched various programmes to promote startups across the country, State/UT-wise including Telangana which are at **Annexure-I**.
- (b): The Government of India as part of Startup India initiative has implemented Fund of Funds for Startups Scheme and Startup India Seed Fund Scheme to provide financial assistance through Alternative Investment Funds (AIFs) and incubators.

Fund of Funds for Startups (FFS) Scheme: A corpus of Rs. 10,000 crore has been sanctioned under the FFS Scheme, spread over 14th and 15th Finance Commission cycles. 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

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. 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.

(c): 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. Further, under Startup India Seed Fund Scheme (SISFS), as on 06th December, 2021, 55 women-led startups have been sanctioned financial assistance, out of which 4 startups are from Telangana. Out of these 55 startups, 30 startups have been approved funds of Rs. 1.948 crore, of which Rs. 65 Lakhs is approved to 2 Telangana based startups.

Furthermore, under Fund of Funds for Startups (FFS) Scheme, as on 6th December, 2021, for 83 women led startups, Rs. 1046.05 crore has been invested by the AIFs supported under the FFS Scheme; out of which 1 is from Telangana (Rs. 39.80 crore). 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 Telangana are at **Annexure-II**.

ANNEXURE REFERRED TO IN REPLY TO PART (a) OF THE LOK SABHA UNSTARRED QUESTION NO. 1801 FOR ANSWER ON 08.12.2021.

Programmes launched as part of Startup India Initiative

- i. **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.
- ii. **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.
- 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. 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.
- 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 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.
- 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 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.
- 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 11 countries (Brazil, Sweden, Russia, Portugal, UK, Finland, Netherlands, Singapore, Israel, Japan, South Korea) 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.

**ANNEXURE REFERRED TO IN REPLY TO PART (c) OF THE LOK SABHA
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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 startups 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 Telangana:-
 - 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.
