

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

**UNSTARRED QUESTION NO. 149.
TO BE ANSWERED ON WEDNESDAY, THE 2ND FEBRUARY, 2022.**

STARTUP INCUBATION

149. DR. MOHAMMAD JAWED:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Ministry will consider launching a startup incubation focused specifically towards young entrepreneurs in Bihar to improve the economy of the region;
- (b) if so, the details thereof;
- (c) whether startups with good foundational values would be promoted at national level to secure support and funding from nationally-recognized capital growth funds post pre-seed round; and
- (d) if so, the details thereof?

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. The Government has taken various initiatives for setting up incubators to support startups through national level schemes. List of some of the schemes is at **Annexure-I**.
- (c) & (d):** Startup India is a flagship initiative of the Government of India, intended to build a strong eco-system for nurturing innovation and startups in the country to drive sustainable economic growth and generate large scale employment opportunities. Salient features of the Startup India Initiative are at **Annexure-II**.

**ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE LOK SABHA
UNSTARRED QUESTION NO. 149 FOR ANSWER ON 02.02.2022.**

List of the national level schemes for setting up/ supporting Incubators

1. **NITI Aayog AIM** - Atal Innovation Mission (AIM) is Government of India's flagship initiative to create and promote a culture of innovation and entrepreneurship across the length and breadth of our country. The objective of the scheme is to promote and establish incubation centers in India which would support and encourage start-ups in specific subjects/sectors such as manufacturing, transport, energy, health, education, agriculture, water, sanitation, etc and would provide them with necessary infrastructure facilities and other value-added services.
2. **NIDHI - National Initiative for Developing and Harnessing Innovations (NIDHI)** is an umbrella programme conceived and developed by the Innovation & Entrepreneurship division, Department of Science & Technology, Government of India, for nurturing ideas and innovations (knowledge-based and technology-driven) into successful startups. Under NIDHI, one component is setting up TBI (Technology Business Incubators) The objective is to promote new technology/knowledge/innovation-based startups that create jobs, wealth & business in alignment with national priorities.
3. **Technology Incubation and Development of Entrepreneurs (TIDE) 2.0 Scheme:** The enhanced version of TIDE scheme i.e. Technology Incubation and Development of Entrepreneurs (TIDE 2.0) Scheme was initiated in the year 2019 to promote tech entrepreneurship through financial and technical support to incubators engaged in supporting ICT startups using emerging technologies such as IoT, AI, Block-chain, Robotics etc. in seven pre-identified areas of societal relevance.
4. **DBT BioNEST (Department of Biotechnology) (Bioincubators Nurturing Entrepreneurship for Scaling Technologies - BioNEST)** – BioNest was launched by BIRAC (Biotechnology Industry Research Assistance Council) with a vision that focused on fostering the biotech innovation ecosystem in the country. This program provides support to establish bio-incubators either as a standalone entity or as a part of academia.

ANNEXURE REFERRED TO IN REPLY TO PARTS (c) & (d) OF THE LOK SABHA UNSTARRED QUESTION NO. 149 FOR ANSWER ON 02.02.2022.

Salient features of Startup India Initiative

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 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**: Hon'ble Prime Minister unveiled Startup India: The Way Ahead at 5 years celebration of Startup India 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. Hon'ble Prime Minister launched SISFS at Prarambh. 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 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. 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.
