

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

**UNSTARRED QUESTION NO. 4535.  
TO BE ANSWERED ON WEDNESDAY, THE 30<sup>TH</sup> MARCH, 2022.**

**INNOVATIONS IN STARTUPS**

**4535. SHRI S. JAGATHRAKSHAKAN:**

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

**वाणिज्य एवं उद्योग मंत्री**

- (a) whether the Government agrees with the view that Startups need to be mentored and encouraged to cautiously bridge the gap between innovation and urban concerns;
- (b) if so, the steps proposed to be taken by the Government in this regard; and
- (c) if not, the reasons therefor?

**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):** Startups and the entire innovation ecosystem are the engines of growth for any country. Recognizing this aspect, the Government launched Startup India initiative on 16th January 2016 with an aim to build a stronger ecosystem for nurturing India's startup culture that would further drive our economic growth, support entrepreneurship, and enable large-scale employment opportunities.

Sustained Government efforts in this direction have resulted in increasing the number of recognized Startups from 726 in FY 2016-17 to 65,861 in FY 2021-22 (as on 14th March 2022). There is at least one recognized startup from every State and UT and nearly 50% of the recognized startups are from Tier-II and III cities. Recognized startups are spread across over 640 districts and have reported creation of more than 7 lakh jobs.

Assisted by the States' Startup Rankings on Support to Startup Ecosystems, which is primarily an exercise to identify good practices, learn from each other and helping each other in formulation and implementation of policies in true spirit of cooperative federalism, a momentum has been built across states to build favourable policy landscape for startups. Mentorship has been a key pillar of evaluation

under this ranking exercise which has played an important role in enabling mentorship to startups across the country.

To identify the depth, quality and spread of innovation and entrepreneurship in country, the Government instituted the National Startup Awards ('NSA'). The winners of NSA have emerged from Bengaluru, Delhi, Hyderabad Chennai, Mumbai Mysuru, Bhopal, Ernakulam, Gurugram, Kochi, Lucknow, Margao, Sonipat and Tiruvananthapuram etc. The winners and finalists of NSA are also provided handholding support across various pillars including mentorship. The Government under the Startup India initiative also helps Indian startups to connect with global startup ecosystems through various engagement models including enabling global mentorship.

Startups, have actively contributed in Government's flagship programs such as Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Smart Cities Mission, Swachh Bharat Mission, National Heritage City Development and Augmentation Yojana (HRIDAY scheme) to improve urban infrastructure and service provision.

Furthermore, DPIIT has recognized startups which are spread across 56 diversified sectors. More than 20% of these startups are in sectors such as Automotive, Green Technology, Healthcare and Lifesciences, Renewable Energy, etc. Over 4,500 recognized startups are in Sectors like Construction, House-hold Services, Logistics, Real Estate and Transportation and Storage contributing towards urban concerns. Sector-wise number of startups recognized is placed at **Annexure-I**.

In addition to the above, the various measures undertaken by the Government under Startup India initiative are at **Annexure-II**.

**(c):** In view of the above, the question does not arise.

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**ANNEXURE-I****ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE LOK SABHA UNSTARRED QUESTION NO. 4535 FOR ANSWER ON 30.03.2022.**

<b>Sector wise number of recognized Startups as on 14<sup>th</sup> March 2022</b>		
<b>S. No.</b>	<b>Sector</b>	<b>Number of Recognized Startups</b>
1	Advertising	526
2	Aeronautics Aerospace & Defence	579
3	Agriculture	3026
4	Artificial Intelligence (AI)	1315
5	Airport Operations	6
6	Analytics	537
7	Animation	66
8	AR VR (Augmented + Virtual Reality)	367
9	Architecture Interior Design	358
10	Art & Photography	212
11	Automotive	1220
12	Biotechnology	135
13	Chemicals	507
14	Computer Vision	199
15	Construction	2292
16	Dating Matrimonial	53
17	Design	507
18	Education	4386
19	Enterprise Software	1318
20	Events	275
21	Fashion	792
22	Finance Technology	2059
23	Food & Beverages	3002
24	Green Technology	1563
25	Healthcare & Lifesciences	6098
26	House-Hold Services	448
27	Human Resources	1248
28	Indic Language Startups	165
29	Internet of Things	1216
30	IT Services	8280
31	Logistics	209
32	Marketing	1370
33	Media & Entertainment	1056
34	Nanotechnology	114
35	Non- Renewable Energy	1316
36	Other Specialty Retailers	464
37	Passenger Experience	5

38	Pets & Animals	163
39	Professional & Commercial Services	3268
40	Real Estate	526
41	Renewable Energy	1753
42	Retail	1586
43	Robotics	386
44	Safety	207
45	Security Solutions	682
46	Social Impact	438
47	Social Network	532
48	Sports	321
49	Technology Hardware	2037
50	Telecommunication & Networking	642
51	Textiles & Apparel	866
52	Toys and Games	103
53	Transportation & Storage	1115
54	Travel & Tourism	1039
55	Waste Management	288
56	Not Specified	2620
	<b>Grand Total</b>	<b>65861</b>

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**ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE LOK SABHA UNSTARRED QUESTION NO. 4535 FOR ANSWER ON 30.03.2022.**

**Programs Launched under Startup India initiative**

The details of various programs undertaken by the Government to promote startups across the country under Startup are as under:

1. **Startup India Action Plan**: An Action Plan for Startup India was unveiled 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.
2. **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.
3. **Regulatory Reforms**: 51 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.
4. **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.
5. **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.

6. **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.
7. **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 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, Canada, Croatia) that provides a soft-landing platform for startups from the partner nations and aid in promoting cross collaboration.
8. **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.
9. **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.
10. **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.
11. **Startup India Showcase:** Startup India Showcase is an online discovery platform for the most promising startups of the country chosen through various programs for startupsexhibited 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.
12. **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.
13. **Startup India: The Way Ahead:** Startup India: The Way Ahead at 5 years celebration of Startup India was unveiled 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.

14. **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.

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