

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

**UNSTARRED QUESTION NO. 5670.
TO BE ANSWERED ON WEDNESDAY, THE 6TH APRIL, 2022.**

PROMOTION OF STARTUPS

5670. SHRI VISHNU DATT SHARMA:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether specific efforts are being made to promote Startups, specifically in quantum key distribution, blockchain, Artificial Intelligence, Internet of Things, data analytics and machine learning fields;
- (b) if so, the details thereof; 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, 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 66,810 in FY 2021-22 (as on 28th 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.

Furthermore, DPIIT has recognized startups which are spread across 56 diversified sectors. More than 4,500 Startups have been recognized in sectors relating to emerging technologies such as Internet of Things (IoT), robotics, artificial intelligence, analytics, etc. Sector-wise number of startups recognized, is placed at **Annexure-I**.

The Government has also operationalized 26 Centres of Excellence (CoEs) in diverse areas of national interest for driving self-sufficiency and creating capabilities to capture new and emerging technology areas. These domain specific CoEs are being established pan India with the participation of the

Central Government, Software Technology Parks of India (STPI), State Government(s), industry partnership and venture capital firms. These CoEs act as important enablers to promote innovation in emerging technologies.

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.

ANNEXURE-I

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE LOK SABHA UNSTARRED QUESTION NO. 5670 FOR ANSWER ON 06.04.2022.

Sector wise number of recognized Startups as on 28th March 2022

Sector	Number of Recognized Startups
Advertising	529
Aeronautics Aerospace & Defence	585
Agriculture	3074
AI	1323
Airport Operations	6
Analytics	537
Animation	67
AR VR (Augmented + Virtual Reality)	368
Architecture Interior Design	369
Art & Photography	217
Automotive	1260
Biotechnology	139
Chemicals	519
Computer Vision	200
Construction	2337
Dating Matrimonial	54
Design	510
Education	4457
Enterprise Software	1329
Events	278
Fashion	801
Finance Technology	2094
Food & Beverages	3055
Green Technology	1582
Healthcare & Lifesciences	6191
House-Hold Services	451
Human Resources	1268
Indic Language Startups	166
Internet of Things	1229
IT Services	8374
Logistics	211
Marketing	1390
Media & Entertainment	1069
Nanotechnology	114
Non- Renewable Energy	1324
Not Specified	1297
Other Specialty Retailers	468
Others	1373
Passenger Experience	5
Pets & Animals	164

Professional & Commercial Services	3331
Real Estate	533
Renewable Energy	1775
Retail	1611
Robotics	390
Safety	209
Security Solutions	696
Social Impact	446
Social Network	536
Sports	326
Technology Hardware	2070
Telecommunication & Networking	649
Textiles & Apparel	875
Toys and Games	103
Transportation & Storage	1127
Travel & Tourism	1051
Waste Management	298
Grand Total	66810

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE LOK SABHA UNSTARRED QUESTION NO. 5670 FOR ANSWER ON 06.04.2022.**Programs Launched under Startup India initiative**

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

1. **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.
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 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.
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 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.
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 startups exhibited 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 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.
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.
