

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

**STARRED QUESTION NO. 244.
TO BE ANSWERED ON WEDNESDAY, THE 3RD AUGUST, 2022.**

STARTUP INDIA SCHEME

***244. SHRI AJAY NISHAD:**

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

वाणिज्य एवं उद्योग मंत्री

- (a) the details of main features of the Startup India Scheme;
- (b) the number of registrations made across the country under the scheme from the date of its commencement, State/UT-wise;
- (c) the details of the amount sanctioned, allocated and utilized under the scheme along with the targets set/ achieved, State/UT-wise;
- (d) the names of the five States which have initiated/ made maximum registrations of start-ups in the country; and
- (e) the number of registrations made in Bihar under the scheme during the last two years?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)

**THE MINISTER OF COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)**

(a) to (e): A Statement is laid on the Table of the House

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION No. 244 FOR ANSWER ON 03RD AUGUST, 2022.

- (a): The Government with an intent to build a strong eco-system for nurturing innovation and startups in the country launched the Startup India initiative on 16th January 2016.

In order to meet the objectives of the initiative, the Government unveiled an Action Plan for Startup India that laid the foundation for Government support, schemes and incentives envisaged to create a vibrant startup ecosystem in the country. 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”.

Sustained Government efforts in this direction have resulted in increasing the number of recognized Startups from 471 in 2016 to 72,993 in 2022 (as on 30th June 2022).

There is at least one recognised startup from every State and UT and nearly 50% of the recognised startups are from Tier-II and III cities. Recognised startups are spread across over 649 districts and have reported creation of more than 7.5 lakh direct jobs.

Details of various programs undertaken under Startup India initiative since inception are placed at **Annexure-I**.

- (b): Under Startup India Initiative, entities are recognized by the Department for Promotion of Industry and Internal Trade (DPIIT) as startups as per eligibility conditions prescribed under G.S.R. notification 127 (E) dated 19th February, 2019. As on 30th June 2022, 72,993 entities have been recognised as startups from across the country by the DPIIT. The State/ UT wise number of startups recognition by the DPIIT from the date of commencement of the Startup India initiative is placed at **Annexure-II**.
- (c): Under Startup India Initiative, to provide capital at various stages of business cycle of a startup, the Government is implementing Fund of Funds for Startups (FFS) and Startup India Seed Fund Scheme (SISFS). Both the Schemes are implemented on a Pan-India basis.

The Fund of Funds for Startups Scheme was approved and established in June 2016 with a corpus of Rs 10,000 crore, with contribution spread over the 14th and 15th Finance Commission cycle based on progress of implementation, to provide much-needed boost to the Indian startup ecosystem and enable access to domestic capital.

Under FFS, the Scheme does not directly invest in startups, instead provides capital to SEBI-registered Alternative Investment Funds (AIFs), known as daughter funds, who in turn invest money in growing Indian startups through equity and equity-linked instruments. Small Industries Development Bank of India (SIDBI) has been given the mandate of operating this Fund through selection of suitable daughter funds and overseeing the disbursement of committed capital. AIFs supported under

FFS are required to invest at least 2x of the amount committed under FFS in startups.

As on 30th June 2022, in the FFS, of the corpus of Rs. 10,000 crore, Rs. 7,260 crore has been approved (committed) to the AIFs of which Rs. 2,804 utilised (drawdowns to the AIFs). The State/ UT wise details are placed at **Annexure-III**.

The Startup India Seed Fund Scheme has been approved for the period of 4 years starting from 2021-22. The Scheme aims to provide financial assistance to startups for proof of concept, prototype development, product trials, market entry and commercialization. It is being implemented with effect from 1st April 2021. It is envisaged that a corpus of Rs. 945 Crore will be disbursed over the next 4 years and will support an estimated 3,600 entrepreneurs through 300 incubators.

Under SISFS, as per provisions of the Scheme, the Government has constituted an Experts Advisory Committee (EAC) which is responsible for the overall execution and monitoring of the SISFS. The EAC evaluates and selects incubators for allocation of funds under the Scheme. The selected incubators thereon shortlist the startups based on certain parameters outlined in Scheme guidelines.

As on 30th June 2022, in the SISFS, of the corpus of Rs. 945 crore, Rs. 360.75 crore has been approved to the selected incubators of which Rs. 140.17 crore has been disbursed. The State/ UT wise details are placed at **Annexure-IV**.

- (d): Under Startup India Initiative, entities are recognized by the Department for Promotion of Industry and Internal Trade (DPIIT) as startups as per eligibility conditions prescribed under G.S.R. notification 127 (E) dated 19th February, 2019. As on 30th June 2022, Maharashtra, Karnataka, Delhi, Uttar Pradesh and Gujarat are the top five States/UTs in terms of number of recognised startups.
- (e): From the State of Bihar, a total of 648 entities were recognised as startups in the last two years viz. 2020 and 2021 by the DPIIT as per eligibility conditions prescribed under G.S.R. notification 127 (E) dated 19th February, 2019 (258 entities were recognised as startups in the year 2020 and 390 entities were recognised as startups in the year 2021).

ANNEXURE REFERRED TO IN REPLY TO PART (a) OF THE LOK SABHA STARRED QUESTION No. 244 FOR ANSWER ON 03RD AUGUST, 2022.

Programs Launched under Startup India initiative

The details of various programs undertaken by the Government to promote startups under Startup India initiative across the country 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**: 52 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 recognized 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 15 countries (Brazil, Sweden, Russia, Portugal, UK, Finland, Netherlands, Singapore, Israel, Japan, South Korea, Canada, Croatia, Qatar and UAE) 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.

ANNEXURE-II

ANNEXURE REFERRED TO IN REPLY TO PART (b) OF THE LOK SABHA STARRED QUESTION No. 244 FOR ANSWER ON 03RD AUGUST, 2022.

The State/ UT wise number of startups recognition by the DPIIT from the date of commencement of the Startup India initiative as on 30th June 2022 is as under:

State/ UTs	2016	2017	2018	2019	2020	2021	2022	Grand Total
Andaman and Nicobar Islands	-	1	2	8	5	13	5	34
Andhra Pradesh	4	100	160	176	232	297	164	1,133
Arunachal Pradesh	-	-	2	2	-	4	2	10
Assam	10	34	68	67	119	188	116	602
Bihar	1	47	145	154	258	390	242	1,237
Chandigarh	9	22	26	40	54	69	37	257
Chhattisgarh	11	56	119	160	154	166	118	784
Dadra and Nagar Haveli and Daman and Diu	-	4	1	3	5	12	7	32
Delhi	66	727	1,158	1,378	1,771	2,191	1,345	8,636
Goa	2	19	43	41	67	81	53	306
Gujarat	24	285	442	600	879	1,717	973	4,920
Haryana	27	255	478	702	809	1,063	651	3,985
Himachal Pradesh	-	9	16	29	41	56	53	204
Jammu and Kashmir	2	14	43	38	64	132	82	375
Jharkhand	2	35	85	88	164	191	110	675
Karnataka	61	842	1,184	1,675	1,739	2,144	1,236	8,881
Kerala	25	163	326	653	702	921	487	3,277
Ladakh	-	-	-	-	1	-	2	3
Lakshadweep	-	-	-	-	1	-	-	1
Madhya Pradesh	7	102	289	329	425	558	409	2,119
Maharashtra	86	1,058	1,620	2,129	2,685	3,721	2,220	13,519
Manipur	-	4	7	6	12	37	13	79
Meghalaya	-	-	2	5	-	9	7	23
Mizoram	-	-	2	1	1	2	1	7
Nagaland	1	4	2	2	5	7	3	24
Odisha	4	108	166	184	277	392	198	1,329
Puducherry	-	3	15	10	13	17	14	72
Punjab	7	28	65	93	146	241	136	716
Rajasthan	14	137	241	349	496	620	442	2,299
Sikkim	-	1	-	2	1	3	1	8
Tamil Nadu	49	257	449	609	756	1,103	730	3,953
Telangana	20	312	501	596	802	987	657	3,875
Tripura	-	-	2	7	23	12	18	62
Uttar Pradesh	27	392	776	881	1,377	1,968	1,233	6,654
Uttarakhand	4	43	69	97	114	162	112	601
West Bengal	8	171	271	303	398	686	464	2,301
Grand Total	471	5,233	8,775	11,417	14,596	20,160	12,341	72,993

ANNEXURE-III

ANNEXURE REFERRED TO IN REPLY TO PART (c) OF THE LOK SABHA STARRED QUESTION No. 244 FOR ANSWER ON 03RD AUGUST, 2022.

The details of the amount allocated and utilized under the *Fund of Funds for Startups*, State/UT-wise as on 30th June 2022 are as under:

Name of State/ UT	Total Amount Allocated in Rs. Crore (Committed to the Alternative Investment Funds)	Total Amount Utilised in Rs. Crore (Drawdowns made by the Alternative Investment Funds and Disbursed by SIDBI)
Assam	25	13
Delhi	751	459
Gujarat	100	47
Haryana	111	26
Karnataka	1,701	666
Maharashtra	4,007	1,271
Tamil Nadu	435	246
Telangana	130	76
Total	7,260	2,804

ANNEXURE-IV

ANNEXURE REFERRED TO IN REPLY TO PART (c) OF THE LOK SABHA STARRED QUESTION No. 244 FOR ANSWER ON 03RD AUGUST, 2022.

The details of the amount allocated and utilized under the *Startup India Seed Fund Scheme*, State/UT-wise as on 30th June 2022 are as under:

Name of State/ UT	Total Amount Allocated in Rs. crore (approved to the selected incubators)	Total Amount Utilised in Rs. crore (disbursed to the selected incubators)
Andhra Pradesh	4	0.84
Bihar	3	1.26
Delhi	12	4.20
Goa	11.80	4.956
Gujarat	35	10.50
Haryana	5	-
Himachal Pradesh	5	2.10
Karnataka	39.50	17.535
Kerala	18	9.135
Madhya Pradesh	7	2.94
Maharashtra	40	13.02
Odisha	17	5.88
Puducherry	8	1.26
Punjab	10	4.20
Rajasthan	31.50	11.97
Sikkim	3	1.26
Tamil Nadu	34	12.285
Telangana	34.95	18.459
Uttar Pradesh	27	12.075
Uttarakhand	10	4.20
West Bengal	5	2.10
Total	360.75	140.175
