

GOVERNMENT OF INDIA
MINISTRY OF SKILL DEVELOPMENT AND ENTREPRENEURSHIP

LOK SABHA
UNSTARRED QUESTION NO. 1052
ANSWERED ON 29.07.2024

ROLE OF STARTUPS IN ECONOMIC DEVELOPMENT

1052. SHRI DILIP SAIKIA:

Will the Minister of SKILL DEVELOPMENT AND ENTREPRENEURSHIP be pleased to state:

- (a) the number of startups operating in the country at present, State/UT-wise details thereof;
- (b) whether the Government is providing any kind of assistance to the youth for launching new startups;
- (c) if so, the details thereof; and
- (d) the role of startups in economic development and employment generation in the country?

ANSWER

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SKILL DEVELOPMENT AND ENTREPRENEURSHIP

(SHRI JAYANT CHAUDHARY)

(a) to (d) The Government of India has taken various initiatives to promote startups across the country. The details of the various initiatives taken by Ministries/Departments of the Government to promote startups are as under:

1. Department for Promotion of Industry and Internal Trade (DPIIT) under Ministry of Commerce and Industry

The Government with intent to build a strong ecosystem for nurturing innovation and encouraging investments launched the Startup India initiative on 16th January 2016. As per eligibility conditions prescribed under G.S.R. notification 127 (E) dated 19th February 2019, entities are recognized as 'startups' under the Startup India initiative by the DPIIT. DPIIT has recognized 1,40,803 entities as startups as on 30th June 2024. The State/Union Territory (UT)-wise details of number of DPIIT recognized startups are placed as **Annexure-I**. For attaining specific objectives, various programs are implemented by the Government under the Startup India initiative. All the steps undertaken by the Government under the initiative are inclusive and are implemented across age-groups, States/Union Territories (UTs), cities, towns, and rural areas. The details of such Government initiatives are placed as **Annexure-II**. Sustained efforts by the Government under the Startup India initiative have led to an increase in the number of recognised startups to 1,40,803 as on 30th June 2024. The recognized startups have reported to have created over 15.5 lakh direct jobs. There are recognized startups from every State and UT of the country.

2. Ministry of Micro, Small & Medium Enterprises (MSME):

Ministry of MSME, through Khadi and Village Industries Commission (KVIC), is implementing Prime Minister's Employment Generation Programme (PMEGP) for assisting entrepreneurs in setting up of new enterprises in the non-farm sector. It aims to provide employment opportunities to traditional artisans/ rural and urban unemployed youth at their doorstep.

PMEGP being a Central Sector Scheme assists General Category beneficiaries with Margin Money (MM) subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to Special Categories such as Scheduled Castes, Scheduled Tribes, OBCs, Minorities, Women, Ex-servicemen, Physically Handicapped, Transgenders, beneficiaries belonging to Northeastern Region, Hill and Border areas, and Aspirational Districts, the Margin Money subsidy is 35% in rural areas and 25% in urban areas. The maximum cost of project is Rs. 50 lakhs in the manufacturing sector and Rs. 20 lakhs in the service sector.

Also, own contribution of beneficiaries under Special Category including women is 05% and 10% for General Category beneficiaries.

Since 2018-19, existing PMEGP/REGP/MUDRA enterprises are also supported based on past good performances with 2nd loan for upgradation and expansion. Under 2nd Loan, maximum project cost admissible for Margin Money (MM) subsidy under Manufacturing sector is Rs. 1.00 crore and for Service sector is Rs. 25 Lakhs. Eligible subsidy on 2nd loan for all categories is 15% of project cost (20% for NER & Hill States).

Since inception i.e., FY 2008-09, more than 9.69 lakh micro enterprises have been assisted with Margin Money subsidy of more than Rs 25,500 Crore providing employment to an estimated ~79 lakh persons. Approximately, 50% of the units are set up by SC/ST/Women and 80% of the units are set up in rural area. During the next 2 years FY (2024-25 to 2025-26), Ministry has a target to set-up 1.6 lakh new enterprises with employment generation potential for 12.8 lakh persons.

PMEGP Performance during the last 5 years in terms of no of Units assisted, Margin money subsidy disbursed and estimated employment generated is as per **Annexure III**.

3. Ministry of Rural Development (MoRD)

Ministry of Rural Development is implementing its flagship scheme Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM). DAY-NRLM aims to reduce poverty by enabling poor households to access gainful self-employment and skilled wage employment opportunities resulting in sustainable and diversified livelihood options for the poor.

The Startup Village Entrepreneurship Program (SVEP) is a sub component of DAY-NRLM. SVEP aims to support entrepreneurs in rural areas to set up local enterprises. The number of enterprises supported under the Start-up Village Entrepreneurship Programme (SVEP) are as per **Annexure IV**.

It is expected that the supported enterprises of 3,02,825 under Start-up Village Entrepreneurship Programme have created an approximate employment of 6,26,848.

4. Department of Science and Technology (DST)

Department Science and Technology (DST), implements an umbrella program NIDHI (National Initiative for Developing and Harnessing Innovations) launched in 2016, which has various components to support innovation and entrepreneurship in academic setups. NIDHI facilitates

setting up of incubation centers throughout the country, which provide handholding support to youth to become budding entrepreneurs and innovators. NIDHI support is also extended for proof of concept (PoC), prototyping, capacity building and early-stage seed fund which help in launching of new startups. This support leads to the development of indigenous technologies, which not only provide tech-based solutions/services for the benefit of the society but also lead to the economic development and employment generation in the country.

5. Ministry of Agriculture and Farmers' Welfare

The details on the number of startups operating in the country at present, State/UT-wise in agriculture and allied sectors supported under “Innovation and Agri-Entrepreneurship Development” under Rashtriya Krishi Vikas Yojana (RKVY) is as per **Annexure V**.

The Government of India is committed to promote agri-startups by providing financial and technical support to agri-startups in agriculture and allied sectors. Ministry of Agriculture and Farmers' Welfare (MoA and FW) is implementing “Innovation and Agri-Entrepreneurship Development” programme under Rashtriya Krishi Vikas Yojana (RKVY) from 2018-19 with an objective to promote innovation and agri-entrepreneurship by providing financial and technical support for nurturing startups ecosystem in the country. So far, 5 Knowledge Partners (KPs) and 24 RKVY Agribusiness Incubators (R-ABIs) have been appointed for training and incubation of agri-startups and implementation of this programme. Under the programme, the financial support upto Rs. 5.00 lakh is provided at the idea/pre seed stage and up to Rs. 25 lakh at the seed stage to entrepreneurs/ startups in the field of agriculture and allied sector to launch their products, services, business platforms, etc. into the market and facilitate them to scale up their products and operations. Start-ups are trained and incubated by these Knowledge Partners (KPs) and RKVY Agribusiness Incubators (R-ABIs) appointed under the programme.

The agri-startups supported under the programme is providing employment generation directly or indirectly and contributing towards economic development in the country.

6. Ministry of Electronics and Information Technology (MeitY)

Start-ups, Innovation and Intellectual Property Rights (IPR) Division under the Ministry of Electronics and Information Technology (MeitY) has undertaken various initiatives and measures to promote a technology-led startups and innovation ecosystem in the country. This proactive approach builds from established best practices designed to strengthen and encourage the overall tech startup development infrastructure by overcoming persistent bottlenecks to work ground-up seamlessly. Some of the major initiatives are:

- i. **Technology Incubation and Development of Entrepreneurs (TIDE) 2.0 Scheme:** TIDE 2.0 Scheme was initiated in the year 2019 to promote tech entrepreneurship through financial and technical support to incubators engaged in supporting Information and Communication Technology (ICT) startups using emerging technologies such as IoT (Internet-of-Things), AI, Block-chain, Robotics etc. The scheme aims to provide comprehensive support to tech-startups in seven thematic areas of national concern by leveraging emerging technologies. The supported thematic areas are Healthcare, Education, Agriculture, Financial Inclusion (including digital payments), Infrastructure and Transportation and Environment and Clean Tech. The Scheme is being implemented

through 51 incubators through a three-tiered structure with an overarching objective to promote incubation activities at Institutes of higher learning and premier R&D organizations. The scheme is envisaged to provide incubation support to approximately 2000 tech start-ups over a period of five years. Under this scheme total of 1235 startups have been supported, State/UT wise details of the startups are given at **Annexure VI**. Further, total of 8556 employment have been generated through these startups under the TIDE 2.0 scheme.

- ii. **GENESIS (Gen-Next Support for Innovative Startups):** MeitY has approved an overarching 'Gen-Next Support for Innovative Startups (GENESIS)' Scheme with a budgetary outlay of Rs. 490 Crore for a duration of 5 years to accelerate and enhance the fast-rising tech startup ecosystem. The Scheme aims to boost the startup ecosystem in Tier-II & Tier-III cities and upcoming towns in the country with emphasis on collaborative engagement among startups, government and corporates. GENESIS envisages further scaling up and sustaining the tech ecosystem especially to discover, support, grow and make successful startups. The scheme aims to directly support 1500+ startups from Tier-II and Tier-III cities.

ANNEXURE I**ANNEXURES REFERRED TO IN REPLY OF PART (a) to (d) OF LOK SABHA UNSTARRED QUESTION No.1052 ANSWERED ON 29.07.2024 REGARDING “ROLE OF STARTUPS IN ECONOMIC DEVELOPMENT”**

The State/UT-wise number of DPIIT recognised startups are as under:

S. No.	State/UT	Number of DPIIT recognised startups
1.	Andaman and Nicobar Islands	59
2.	Andhra Pradesh	2,252
3.	Arunachal Pradesh	38
4.	Assam	1,318
5.	Bihar	2,786
6.	Chandigarh	489
7.	Chhattisgarh	1,517
8.	Dadra and Nagar Haveli and Daman and Diu	53
9.	Delhi	14,734
10.	Goa	520
11.	Gujarat	11,436
12.	Haryana	7,385
13.	Himachal Pradesh	484
14.	Jammu and Kashmir	855
15.	Jharkhand	1,305
16.	Karnataka	15,019
17.	Kerala	5,782
18.	Ladakh	16
19.	Lakshadweep	3
20.	Madhya Pradesh	4,500
21.	Maharashtra	25,044
22.	Manipur	151
23.	Meghalaya	52
24.	Mizoram	32
25.	Nagaland	66
26.	Odisha	2,484
27.	Puducherry	152
28.	Punjab	1,539
29.	Rajasthan	4,960
30.	Sikkim	11
31.	Tamil Nadu	9,238
32.	Telangana	7,336
33.	Tripura	123
34.	Uttar Pradesh	13,299
35.	Uttarakhand	1,138
36.	West Bengal	4,627
	Total	1,40,803

The details of various programs undertaken by the Government to promote startups 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. **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.
3. **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.
4. **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.
5. **Credit Guarantee Scheme for Startups (CGSS):** The Government has established the Credit Guarantee Scheme for Startups for providing credit guarantees to loans extended to DPIIT recognized startups by Scheduled Commercial Banks, Non-Banking Financial Companies (NBFCs) and Venture Debt Funds (VDFs) under SEBI registered Alternative Investment Funds. CGSS is aimed at providing credit guarantee up to a specified limit against loans extended by Member Institutions (MIs) to finance eligible borrowers viz. DPIIT recognised startups.
6. **Regulatory Reforms:** Over 55 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.
7. **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 DPIIT recognised startups subject to meeting quality and technical specifications. Further, Government e-Marketplace (GeM) also facilitates and promotes procurement of products and services by the Government from startups.
8. **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.
9. **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.

10. **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.
11. **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.
12. **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 filling of trademark vis-a-vis other companies.
13. **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.
14. **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 around 20 countries that provides a soft-landing platform for startups from the partner nations and aid in promoting cross collaboration.
15. **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.
16. **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.
17. **National Startup Awards (NSA):** 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. Handholding support is provided to all the finalists across various tracks viz. Investor Connect, Mentorship, Corporate Connect, Government Connect, International Market Access, Regulatory Support, Startup Champions on Doordarshan and Startup India Showcase, etc.
18. **States' Startup Ranking Framework (SRF):** States' Startup Ranking Framework is a unique initiative to harness strength of competitive federalism and create a flourishing startup ecosystem in the country. The major objectives of the ranking exercise are

facilitating states to identify, learn and replace good practices, highlighting the policy intervention by states for promoting startup ecosystem and fostering competitiveness among states.

19. **Startup Champions on Doordarshan:** Startup Champions program on Doordarshan is a one-hour weekly program covering stories of award winning/ nationally recognised startups. It is telecasted in both Hindi and English across Doordarshan network channels.
20. **Startup India Innovation Week:** The Government organises Startup India Innovation week around the National Startup Day i.e., 16th January, with the primary goal was to bring together the country's key startups, entrepreneurs, investors, incubators, funding entities, banks, policymakers, and other national/international stakeholders to celebrate entrepreneurship and promote innovation.
21. **ASCEND:** Under ASCEND (Accelerating Startup Caliber & Entrepreneurial Drive), sensitization workshops on startups and entrepreneurship were conducted for all eight North Eastern States with the objective to capacitate and augment knowledge on key aspects of entrepreneurship and continue efforts towards creating a robust startup ecosystem in these States.
22. **The Startup India Investor Connect Portal** has been co-developed under the Startup India Initiative with SIDBI, serving as an intermediary platform that links startups and investors in order to help entrepreneurs from various industries, functions, stages, regions, and backgrounds in mobilizing capital. The portal has been built with the aim to enable in particular; early-stage startups located anywhere in the country to showcase themselves to leading investors/ venture capital funds.
23. **National Mentorship Portal (MAARG):** In order to facilitate accessibility to mentorship for startups in every part of the country, the Mentorship, Advisory, Assistance, Resilience, and Growth (MAARG) program has been developed and launched under the Startup India Initiative.

Annexure III

PMEGP Performance during the last 5 years in terms of no of Units assisted, Margin money subsidy disbursed and estimated employment generated are as under:

Year	No. of Units Assisted	MM Subsidy (Rs. Crore)	Estimated Employment Generated
FY19-20	66,653	1,950.82	5,33,224
FY20-21	74,415	2,188.80	5,95,320
FY21-22	1,03,219	2,977.66	8,25,752
FY22-23	85,167	2,722.17	6,81,336
FY23-24	89,118	3,093.88	7,12,944

ANNEXURE IV

The No. of enterprises supported under the Start-up Village Entrepreneurship Programme (SVEP) (State-wise cumulative till June 2024) are as under:

S. No.	State/UT	Total Enterprises Supported (cumulative)
1.	Andhra Pradesh	27,631
2.	Arunachal Pradesh	505
3.	Assam	4,840
4.	Bihar	25,994
5.	Chhattisgarh	20,197
6.	Goa	1,398
7.	Gujarat	5,940
8.	Haryana	9,773
9.	Himachal Pradesh	376
10.	Jammu & Kashmir (UT)	3,476
11.	Jharkhand	25,636
12.	Karnataka	1,754
13.	Kerala	32,309
14.	Madhya Pradesh	27,607
15.	Maharashtra	7,146
16.	Manipur	1,695
17.	Meghalaya	954
18.	Mizoram	1,308
19.	Nagaland	4,118
20.	Odisha	15,043
21.	Punjab	3,007
22.	Rajasthan	11,011
23.	Sikkim	371
24.	Tamil Nadu	4,834
25.	Telangana	17,188
26.	Tripura	682
27.	Uttar Pradesh	28,014
28.	Uttarakhand	3,106
29.	West Bengal	16,912
30.	A&N	0
31.	Puducherry	0
Total		3,02,825

ANNEXURE V

The details on the number of startups operating in the country at present, State/UT-wise in agriculture and allied sectors supported under “Innovation and Agri-Entrepreneurship Development” under Rashtriya Krishi Vikas Yojana are as under:

S No.	States and UTs	Total number of startups
1.	Andhra Pradesh	61
2.	Arunachal Pradesh	13
3.	Assam	49
4.	Bihar	48
5.	Chhattisgarh	79
6.	Goa	2
7.	Gujarat	47
8.	Haryana	84
9.	Himachal Pradesh	33
10.	Jammu & Kashmir	24
11.	Jharkhand	7
12.	Karnataka	211
13.	Kerala	97
14.	Madhya Pradesh	68
15.	Maharashtra	226
16.	Manipur	22
17.	Meghalaya	2
18.	Mizoram	25
19.	Nagaland	2
20.	Odisha	61
21.	Punjab	52
22.	Rajasthan	66
23.	Tamil Nadu	137
24.	Telangana	98
25.	Tripura	13
26.	Uttar Pradesh	86
27.	Uttarakhand	32
28.	West Bengal	17
29.	Delhi NCR	41
30.	Andman and Nicobar	1
31.	Chandigarh	3
32.	Pondicherry	1
Total		1708

ANNEXURE VI

State/ UT-wise details of number of startups supported under TIDE 2.0 scheme are as under:

S. No.	Name of the State/UT	Numbers of Start-ups Supported Under TIDE 2.0 Scheme
1.	Andhra Pradesh	79
2.	Assam	8
3.	Bihar	19
4.	Chhattisgarh	10
5.	Gujarat	104
6.	Haryana	11
7.	Himachal Pradesh	18
8.	Karnataka	127
9.	Jammu and Kashmir	4
10.	Kerala	39
11.	Madhya Pradesh	17
12.	Maharashtra	78
13.	NCT-Delhi	53
14.	Odisha	40
15.	Punjab	65
16.	Rajasthan	88
17.	Tamil Nadu	157
18.	Telangana	142
19.	Uttar Pradesh	112
20.	Uttarakhand	25
21.	West Bengal	39
Total		1235
