

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

**UNSTARRED QUESTION NO. 3457.  
TO BE ANSWERED ON TUESDAY, THE 17<sup>TH</sup> DECEMBER, 2024.**

**DEEP TECH STARTUPS**

**3457. SHRI S SUPONGMEREN JAMIR:**

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

**वाणिज्य एवं उद्योग मंत्री**

- (a) whether it is a fact that India is now the world's third largest Deep Tech Hub with 480 new ventures established during 2023;
- (b) the reasons behind the 77 per cent decline in funding for Deep Tech startups during 2023 as compared to 2022 along with the Government's analysis of the funding challenges faced by the sector; and
- (c) the measures proposed by the Government to address the funding crunch and encourage sustained growth in the Deep Tech sector particularly for startups focused on artificial intelligence ?

**ANSWER**

**वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री जितिन प्रसाद)**

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY  
(SHRI JITIN PRASADA)**

**(a) to (c):** The StartUps India initiative, in keeping with the need and importance to develop an inclusive and diversified StartUps ecosystem in the nation, does not create a distinction amongst sectors such as deep tech. StartUps are recognized as per eligibility conditions prescribed under G.S.R. notification 127 (E) dated 19th February 2019, entities under the Startup India initiative by the Department for Promotion of Industry and Internal Trade (DPIIT).

As on 31st October 2024, 1,52,139 entities have been recognised as startups by DPIIT across more than 55 industries. Of these, over 46,000 entities have been recognised as startups across various technology and allied industries which may include deep tech such as Artificial Intelligence (AI), biotechnology, nanotechnology, robotics, technology hardware, and Augmented Reality/Virtual Reality (AR/VR) amongst others.

The Government under the StartUps India initiative, through its flagship Schemes namely, Fund of Funds for StartUps (FFS), Startup India Seed Fund Scheme (SISFS) and Credit Guarantee Scheme for Startups (CGSS), has provided financial assistance to eligible recognised startups across sectors and

through various stages of their business cycle. As on 31<sup>st</sup> October 2024, a total financial assistance of over Rs. 21,000 crore has been mobilized through these flagship Schemes. Specifically, in the years 2022 and 2023, funding of total of over Rs. 6,300 crore has been mobilized for startups through these Schemes.

FFS has been established to catalyze venture capital investments and is operationalized by Small Industries Development Bank of India (SIDBI), which provides capital to Securities and Exchange Board of India (SEBI)-registered Alternative Investment Funds (AIFs) which in turn invest in StartUps. AIFs supported under FFS are required to invest at least two times of the amount committed under FFS in StartUps. As on 31<sup>st</sup> October 2024, Rs. 20,572.14 crore have been invested by FFS supported AIFs in StartUps. Specifically in the years 2022 and 2023, over Rs. 5,800 crore have been invested by FFS supported AIFs in startups of which over Rs. 3,800 crore has been invested in StartUps across various technology and allied sectors such as agri-tech, AI, clean tech, e-commerce, health tech, and space tech.

SISFS provides financial assistance to seed stage StartUps through incubators. SISFS is implemented from 1st April 2021. As on 31<sup>st</sup> October 2024, Rs. 454.04 crore have been approved by selected incubators to startups. Specifically in the years 2022 and 2023, over Rs. 290 crore have been approved by selected incubators to StartUps of which over Rs. 110 crore has been approved to startups across various technology and allied sectors such as agri tech, biotechnology, blockchain, clean tech, machine learning, and robotics applications amongst others.

CGSS is implemented for enabling collateral free loans to StartUps through eligible financial institutions [Member Institutes (MIs)]. CGSS is operationalized by the National Credit Guarantee Trustee Company (NCGTC) Limited and has been operationalized from 1st April 2023. As on 31<sup>st</sup> October 2024, loans amounting to Rs. 555.24 crore have been guaranteed to StartUps. Specifically in 2023, loans amounting to over Rs. 220 crore have been guaranteed to startups, of which, loans amounting to over Rs. 60 crore have been guaranteed to StartUps across various technology and allied sectors such as aerospace and defense, Information Technology (IT hardware and software), and biotechnology amongst others.

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