

Annexure-II

Details of initiatives taken up by various Ministries/Department of the Government of India for promoting Entrepreneurship

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

- i. **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.
- ii. **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.
- iii. **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.
- iv. **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.
- v. **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.

- vi. **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.
- vii. **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.
- viii. **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.
- ix. **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.
- x. **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.
- xi. **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.
- xii. **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.
- xiii. **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.
- xiv. **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.

- xv. **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.
- xvi. **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.
- xvii. **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.
- xviii. **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.
- xix. **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.
- xx. **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.
- xxi. **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.
- xxii. **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.

- xxiii. **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.
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).
3. **Ministry of Rural Development (MoRD)** - Start-up Village Entrepreneurship Programme (SVEP), a sub-scheme under the Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) programme supports the Self-Help Groups (SHGs) and their family members to set-up small enterprises in the non-farm sector. SVEP develops an eco-system for enterprise development in rural areas, with SHG households, which includes Community Enterprise Fund (CEF) (a dedicated fund for providing loans to entrepreneurs) and Cadre of Community Resource Persons-Enterprise Promotion (CRP-EP) for providing Business Support Services. Under SVEP, the project cost for one block is Rs 6.50 Crore (inclusive of Government of India and State Share) out of which Government of India (GoI) share is 90% for North Eastern Region (NER) and Hilly states while it is 60% for the remaining States.
4. **Department of Science and Technology (DST)** - Department of 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.

5. **Ministry of Social Justice and Empowerment (MoSJ&E)** – MoSJ&E launched the Pradhan Mantri Dakshta Aur Kushalta Sampann Hitgrahi (PM-DAKSH) Yojana, a Central Sector Scheme, in the financial Year 2020-21, for providing skill trainings to marginalized persons belonging to SCs, OBCs, EWSs, DNTs, Sanitation workers including waste pickers of 18 to 45 years of age. The main objective of PM-DAKSH Yojana is to enhance the skills of target groups and makes them employable either in wage-employment or self-employment leading to promote entrepreneurship. Under Entrepreneurial Development Programmes (EDP), one of three sub-categories under PM-DAKSH scheme, target groups who are having an entrepreneurial bent of mind are being trained.

Senior-care Ageing Growth Engine (SAGE) component of AVYAY-CS scheme is implemented to promote out-of-the-box and innovative solutions for the commonly faced problems, innovative start-ups are identified and encouraged for developing products, processes and services for the welfare of the elderly. The selected start-ups/Start-up ideas are provided equity support of up to Rs. 1 Crore per project while ensuring that the total Government equity in the start-up does not exceed 49%. The initiative is implemented through IFCI Venture Capital Funds Limited (Investment Manager).

6. **Ministry of Tribal Affairs** - Ministry is implementing the scheme 'Pradhan Mantri Janjatiya Vikas Mission (PMJVM)' through Tribal Co-operative Marketing Development Federation of India (TRIFED) which envisions to strengthen tribal entrepreneurship initiatives and to facilitate livelihood opportunities by promoting more efficient, equitable, self-managed, optimum use of natural resources, Agri / Minor Forest Produce (MFPs) / Non-farm produce. Under the scheme, financial support of INR 15.00 lakhs is provided to the State Governments for setting up of each Van Dhan Vikas Kendras (VDVKs) which are the centres of value addition activities of MFPs/Non-MFPs.

TRIFED provides backward & forward linkages to tribal artisans / suppliers for marketing of tribal products of various categories like metal craft, textile, jewellery, painting, cane & bamboo, terracotta & pottery, organic & natural food products etc. through online and offline platforms. In addition, TRIFED also organizes and participates in festivals, melas etc. to provide platforms to the tribal artisans to showcase their products and connect them to the potential buyers giving thereby an opportunity to enhance their entrepreneurship activities.

National Scheduled Tribes Finance and Development Corporation (NSTFDC), a Central Public Sector Enterprise (CPSE) under the Ministry of Tribal Affairs, provides credit linkage by extending concessional loans to the eligible Scheduled Tribe persons for undertaking income generation activities/ self-employment thereby instilling the spirit of entrepreneurship. The prominent schemes of NSTFDC are given as under:

- a. Term Loan Scheme: NSTFDC provides Term Loan for viable projects costing upto ₹50.00 lakh per unit. Under the scheme, financial assistance is extended upto 90% of the cost of the project and the balance is met by way of subsidy/ promoter contribution/ margin money.
- b. Adivasi MahilaSashaktikaranYojana (AMSY): This is an exclusive scheme for economic development of Scheduled Tribes Women. Under the scheme, NSTFDC provides loan upto 90% for projects costing upto ₹2.00 lakh at highly concessional rate of interest of 4% per annum.
- c. Micro Credit Scheme for Self Help Groups (MCF): This is an exclusive scheme for Self Help Groups for meeting small loan requirement of ST members. Under the scheme, the Corporation provides loans upto ₹50,000/- per member and maximum ₹5 Lakh per Self Help Group (SHG).
- d. Adivasi ShikshaRrinnYojana (ASRY): This is an education loan scheme to enable the ST students to meet expenditure for pursuing technical and professional education including Ph.D. in India. Under this scheme, the Corporation provides financial assistance upto ₹10.00 lakh per eligible family at concessional rate of interest of 6% per annum.

7. **Ministry of Electronics and Information Technology (MeitY)** - Start-ups, Innovation & IPR Division under MeitY has undertaken various initiatives and measures to promote a technology-led startups and innovation ecosystem in the country including women, marginalized communities, and individuals from lower socioeconomic backgrounds. 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 grounds up seamlessly. Some of the major initiatives have been elucidated here:

- TIDE 2.0 Scheme: Technology Incubation and Development of Entrepreneurs (TIDE 2.0) Scheme was initiated in the year 2019 to promote tech entrepreneurship through financial and technical support to incubators engaged in supporting ICT startups using emerging technologies such as IoT, 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 organisations. The scheme is envisaged to provide incubation support to approximately 2000 tech start-ups over a period of five years. The total outlay of the scheme is of Rs. 264.62 Crore over a period of five years.
- Domain specific Centres of Excellence: MeitY has envisaged and operationalised 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 act as enablers and aid in making India an innovation hub in emerging through democratisation of innovation and realisation of prototypes.

8. Ministry of Food Processing Industries (MoFPI) - MOFPI is implementing a Centrally Sponsored Scheme namely Pradhan Mantri Formalization of Micro Food Processing Enterprises (PMFME) that is designed to address the challenges faced by the micro enterprises and to tap the potential of groups and cooperatives in supporting the upgradation and formalization of these enterprises. The Scheme has a Capacity Building component, which envisages providing 24 Hours/ 3 Days, Food Processing EDP (Entrepreneurship Development Programme) Training for, all applicants viz individuals and Groups (SHGs/ FPOs/ Cooperatives) recommended for availing credit linked grant by District Level Committee (DLC) and 8 hours/1 day training to SHG beneficiaries of Seed Capital under PMFME scheme engaged in micro food processing.

9. Department of Financial Services - Pradhan Mantri Mudra Yojana (PMMY) was launched on 08.04.2015 to extend collateral free credit up to Rs.10 lakh by Member Lending Institutions (MLIs), i.e., Scheduled Commercial Banks (SCBs), Non-Banking Financial Companies (NBFCs) and Micro Finance Institutions (MFIs). Any individual, who is otherwise eligible to take a loan and has a business plan for small business enterprise can avail loan under the Scheme for income generating activities in the manufacturing, trading, service sectors including activities allied to agriculture across three loan categories, viz. Shishu (loans up to Rs. 50,000/-), Kishor (loans above Rs. 50,000/- and up to Rs. 5 lakh) and Tarun (loans above Rs. 5 lakh and up to Rs. 10 lakh).

This information was given by the Minister of State (Independent Charge), Ministry of Skill Development, and Entrepreneurship Shri Jayant Chaudhary in a written reply in the Rajya Sabha today.
