

Detailed progress made on the 19 Action Points of Startup India Action Plan

(Objective and details have been reproduced as published in the Startup Action Plan.

Progress has been updated as on 31st May 2020)

1. Compliance Regime based on Self-certification

Objective

To reduce the regulatory burden on Startups thereby allowing them to focus on their core business and keep compliance cost low.

Details

- Regulatory formalities requiring compliance with various labour and environment laws are time consuming and difficult in nature. Often, new and small firms are unaware of nuances of the issues and can be subjected to intrusive action by regulatory agencies. In order to make compliance for Startups friendly and flexible, simplifications are required in the regulatory regime.
- Accordingly, the process of conducting inspections shall be made more meaningful and simpler. Startups shall be allowed to self-certify compliance (through the Startup mobile app) with 9 labour and environment laws (refer below). In case of the labour laws, no inspections will be conducted for a period of 3 years. Startups may be inspected on receipt of credible and verifiable complaint of violation, filed in writing and approved by at least one level senior to the inspecting officer.
- In case of environment laws, Startups which fall under the 'white category' (as defined by the Central Pollution Control Board (CPCB)) would be able to self-certify compliance and only random checks would be carried out in such cases.

Progress

Ministry of Environment, Forest & Climate Change (MoEF&CC) has published a list of 36 white category industries. Startups falling under the "White category" would be able to self-certify compliance in respect of 3 Environment Acts –

1. The Water (Prevention & Control of Pollution) Act, 1974
2. The Water (Prevention & Control of Pollution) Gess (Amendment) Act, 2003
3. The Air (Prevention & Control of Pollution) Act, 1981.

Further, Ministry of Labour and Employment (MoLE) has issued guidelines to State Governments whereby Startups shall be allowed to self-certify compliance in respect of 6 labour laws. These are effective after concurrence of States/UTs. The Acts are:

1. The Building and Other Construction Workers' (Regulation of Employment & Conditions of Service) Act, 1996
2. The Inter- State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979
3. The Payment of Gratuity Act, 1972
4. The Contract Labour (Regulation and Abolition) Act, 1970
5. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
6. The Employees' State Insurance Act, 1948.

27 states and UTs have implemented the process of self- certification to startups under 6 labour laws. 9 States (Haryana, Madhya Pradesh, Maharashtra, Rajasthan, Gujarat, Uttar Pradesh, Punjab, Uttarakhand, and Delhi) have integrated their portals with Shram Suvidha Portal. Overall, 169 DPIIT recognized Startups have availed the benefits of self-certification.

2. Startup India Hub

Objective

To create a single point of contact for the entire Startup ecosystem and enable knowledge exchange and access to funding

Details

Young Indians today have the conviction to venture out on their own and a conducive ecosystem lets them watch their ideas come to life. In today's environment we have more Startups and entrepreneurs than ever before and the movement is at the cusp of a revolution. However, many Startups do not reach their full potential due to limited guidance and access.

The Government of India has taken various measures to improve the ease of doing business and is also building an exciting and enabling environment for these Startups, with the launch of the "Startup India" movement.

The "Startup India Hub" is a key stakeholder in this vibrant ecosystem and will:

- Work in a hub and spoke model and collaborate with Central & State governments, Indian and foreign VCs, angel networks, banks, incubators, legal partners, consultants, universities and R&D institutions
- Assist Startups through their lifecycle with specific focus on important aspects like obtaining financing, feasibility testing, business structuring advisory, enhancement of marketing skills, technology commercialization and management evaluation
- Organize mentorship programs in collaboration with government organizations, incubation centres, educational institutions and private organizations who aspire to foster innovation. To all young Indians who have the courage to enter an environment of risk, the Startup India Hub will be their friend, mentor and guide to hold their hand and walk with them through this journey.

Progress:

A dedicated Startup Hub team was setup under Invest India. Team members have been assigned to different states for assisting them in formulating and implementing policies to facilitate growth of startups. A total of 1,76,654 queries have been addressed through the Startup India portal and Startup India Twitter seva till 24th March 2020.

3. Startup India Portal and Mobile App

Objective

To serve as the single platform for Startups for interacting with Government and Regulatory Institutions for all business needs and information exchange among various stakeholders

Details

In order to commence operations, Startups require registration with relevant regulatory authorities. Delays or lack of clarity in registration process may lead to delays in establishment and operations of Startups, thereby reducing the ability of the business to get bank loans, employ workers and generate incomes. Enabling registration process in an easy and timely manner can reduce this burden significantly.

Besides, Startups often suffer from the uncertainty regarding the exact regulatory requirements to set up its operations. In order to ensure that such information is readily available, it is intended that a checklist of required licenses covering labour licensing, environmental clearances etc. be made available. Currently, the Startup ecosystem in India also lacks formal platform(s) for Startups to connect and collaborate with other ecosystem partners.

Towards these efforts, the Government shall introduce a Mobile App to provide on-the-go accessibility for:

- Registering Startups with relevant agencies of the Government. A simple form shall be made available for the same. The Mobile App shall have backend integration with Ministry of Corporate Affairs and Registrar of Firms for seamless information exchange and processing of the registration application
- Tracking the status of the registration application and anytime downloading of the registration certificate. A digital version of the final registration certificate shall be made available for downloading through the Mobile App
- Filing for compliances and obtaining information on various clearances/ approvals/ registrations required
- Collaborating with various Startup ecosystem partners. The App shall provide a collaborative platform with a national network of stakeholders (including venture funds, incubators, academia, mentors etc.) of the Startup ecosystem to have discussions towards enhancing and bolstering the ecosystem
- Applying for various schemes being undertaken under the Startup India Action Plan

The App shall be made available from April 01, 2016 on all leading mobile/ smart devices' platforms. The Startup portal shall have similar functionalities (being offered through the mobile app) using a richer web-based User Interface.

Progress:

Startup India portal and app were launched in April 2016. 4,04,069 users are registered on the Startup India Portal and Startup India Website had more than 7 million views. A total of 32,304 Startups have been recognized by the portal till May 31, 2020.

4. Legal Support and Fast-tracking Patent Examination at Lower Costs

Objective

To promote awareness and adoption of IPRs by Startups and facilitate them in protecting and commercializing the IPRs by providing access to high quality Intellectual Property services and resources, including fast-track examination of patent applications and rebate in fees.

Details

Intellectual Property Rights (IPR) are emerging as a strategic business tool for any business organization to enhance industrial competitiveness. Startups with limited resources and manpower, can sustain in this highly competitive world only through continuous growth and development-oriented innovations; for this, it is equally crucial that they protect their IPRs. The scheme for Startup Intellectual Property Protection (SIPP) shall facilitate filing of Patents, Trademarks and Designs by innovative Startups. Various measures being taken in this regard include:

- Fast-tracking of Startup patent applications: The valuation of any innovation goes up immensely, once it gets the protective cover of a patent. To this end, the patent application of Startups shall be fast-tracked for examination and disposal, so that they can realize the value of their IPRs at the earliest possible.
- Panel of facilitators to assist in filing of IP applications: For effective implementation of the scheme, a panel of “facilitators” shall be empanelled by the Controller General of Patents, Designs and Trademarks (CGPDTM), who shall also regulate their conduct and functions. Facilitators will be responsible for providing general advisory on different IPRs as also information on protecting and promoting IPRs in other countries. They shall also provide assistance in filing and disposal of the IP applications related to patents, trademarks and designs under relevant Acts, including appearing on behalf of Startups at hearings and contesting opposition, if any, by other parties, till final disposal of the IPR application.
- Government to bear facilitation cost: Under this scheme, the Central Government shall bear the entire fees of the facilitators for any number of patents, trademarks or designs that a Startup may file, and the Startups shall bear the cost of only the statutory fees payable.
- Rebate on filing of application: Startups shall be provided an 80% rebate in filing of patents vis-à-vis other companies. This will help them pare costs in the crucial formative years.

The scheme was launched initially on a pilot basis for 1 year; based on the experience gained, further steps were taken.

Progress

Startups are eligible for an 80% rebate in patent filing fees and a 50% rebate in trademark filing fees. Additionally, Startups are also provided the facility of expedited examination of patent applications to reduce the time taken in granting patents. As of 31st January 2020, 211 patent facilitators and 241 trademark facilitators have been empanelled under this scheme to provide free-of-charge services to Startups.

As of 31st January 2020, 2,785 patent applications have been granted 80% rebate on the filing fee and 5,494 trademark applications have been granted a 50% rebate on filing fee.

5. Relaxed Norms of Public Procurement for Startups

Objective

To provide an equal platform to Startups (in the manufacturing sector) vis-à-vis the experienced entrepreneurs/ companies in public procurement

Details

Typically, whenever a tender is floated by a Government entity or by a Public Sector Undertaking (PSU), very often the eligibility condition specifies either “prior experience” or “prior turnover”. Such a stipulation prohibits/ impedes Startups from participating in such tenders.

At present, effective April 1, 2015 Central Government, State Government and PSUs have to mandatorily procure at least 20% from the Micro Small and Medium Enterprise (MSME).

In order to promote Startups, Government shall exempt Startups (in the manufacturing sector) from the criteria of “prior experience/ turnover” without any relaxation in quality standards or technical parameters. The Startups will also have to demonstrate requisite capability to execute the project as per the requirements and should have their own manufacturing facility in India.

Progress

The requirement of prior turnover and prior experience has been relaxed to encourage startups to participate in tenders. Further, startups have been exempted from the requirement of earnest money deposit. ‘GeM Startup Runway’ has been launched for startups to sell products and services to Government. As on 11th February 2020, 4,210 DPIIT recognized startups have registered on Government e-Marketplace (GeM). 21,323 orders have been placed to startups. The value of orders served by startups is to the tune of about Rs.776 crore.

Additionally, Startups can now register and participate in all public orders on Central Public Procurement Portal and get exemptions on prior experience, prior turnover and earnest money deposit requirements.

6. Faster Exit for Startups

Objective

To make it easier for Startups to wind up operations

Details

Given the innovative nature of Startups, a significant percentage fail to succeed. In the event of a business failure, it is critical to reallocate capital and resources to more productive avenues and accordingly a swift and simple process has been proposed for Startups to wind-up operations. This will promote entrepreneurs to experiment with new and innovative ideas, without having the fear of facing a complex and long-drawn exit process where their capital remains interminably stuck.

The Insolvency and Bankruptcy Bill 2015 (“IBB”), tabled in the Lok Sabha in December 2015 has provisions for the fast track and / or voluntary closure of businesses.

In terms of the IBB, Startups with simple debt structures or those meeting such criteria as may be specified may be wound up within a period of 90 days from making of an application for winding up on a fast track basis. In such instances, an insolvency professional shall be appointed for the Startup, who shall be in charge of the company (the promoters and management shall no longer run the company) for liquidating its assets and paying its creditors within six months of such appointment. On appointment of the insolvency professional, the liquidator shall be responsible for the swift closure of the business, sale of assets and repayment of creditors in accordance with the distribution waterfall set out in the IBB. This process will respect the concept of limited liability.

Progress

Ministry of Corporate Affairs has notified Startups as “Fast track firms” enabling them to wind up operations within 90 days vis-a-vis 180 days for other companies

7. Funding Support through Fund of Funds

Objective

To provide funding support for development and growth of innovation driven enterprises

Details

One of key challenges faced by Startups in India has been access to finance. Often Startups, due to lack of collaterals or existing cash flows, fail to justify the loans. Besides, the high-risk nature of Startups wherein a significant percentage fail to take-off, hampers their investment attractiveness.

In order to provide funding support to Startups, Government will set up a fund with an initial corpus of Rs. 2,500 crore and a total corpus of Rs. 10,000 crore over a period 4 years (i.e. Rs. 2,500 crore per year). The Fund will be in the nature of Fund of Funds, which means that it will not invest directly into Startups but shall participate in the capital of SEBI registered Venture Funds.

Key features of the Fund of Funds are highlighted below:

- The Fund of Funds shall be managed by a Board with private professionals drawn from industry bodies, academia, and successful Startups
- Life Insurance Corporation (LIC) shall be a co-investor in the Fund of Funds
- The Fund of Funds shall contribute to a maximum of 50% of the stated daughter fund size. In order to be able to receive the contribution, the daughter fund should have already raised the balance 50% or more of the stated fund size as the case maybe. The Fund of Funds shall have representation on the governance structure/ board of the venture fund based on the contribution made.
- The Fund shall ensure support to a broad mix of sectors such as manufacturing, agriculture, health, education, etc.

Progress

The Fund of Funds for Startups (FFS) is being operated and managed by Small Industries Development Bank of India (SIDBI). FFS funds the Alternative Investment Funds (AIFs) which in turn invest twice the amount contributed by the FFS, into DPIIT recognized startups. As on 16th March 2020, SIDBI has committed Rs 3123.20 Cr to 47 SEBI registered Alternative Investment Funds (AIFs). These funds have raised a corpus

fund of INR 25,728 Cr. INR 939.40 Cr. have been drawn from the FFS and Rs. 3,476.02 Cr. have been invested into 323 startups

8. Credit Guarantee Fund for Startups

Objective

To catalyse entrepreneurship by providing credit to innovators across all sections of society

Details

In order to overcome traditional Indian stigma associated with failure of Startup enterprises in general and to encourage experimentation among Startup entrepreneurs through disruptive business models, credit guarantee comfort would help flow of Venture Debt from the formal Banking System.

Debt funding to Startups is also perceived as high-risk area and to encourage Banks and other Lenders to provide Venture Debts to Startups, Credit guarantee mechanism through National Credit Guarantee Trust Company (NCGTC)/ SIDBI is being envisaged with a budgetary Corpus of Rs 500 crore per year for the next four years.

Progress

The earlier Cabinet Note on Credit Guarantee Scheme for Startups has been withdrawn. DPIIT is in the process of formulating a scheme for providing credit guarantees for debt financing to Startups, keeping in view the suggestion of SIDBI.

9. Tax Exemption on Capital Gains

Objective

To promote investments into startups by mobilizing the capital gains arising from sale of capital assets.

Details

- Due to their high-risk nature, startups are not able to attract investment in their initial stage. It is therefore important that suitable incentives are provided to investors for investing in the startup ecosystem.
- With this objective, exemption shall be given to persons who have capital gains during the year, if they have invested such capital gains in the Fund of Funds recognized by the Government. This will augment the funds available to various VCs/AIFs for investment in startups.
- In addition, existing capital gain tax exemption for investment in newly formed manufacturing MSMEs by individuals shall be extended to all startups. Currently, such an entity needs to purchase “new assets” with the capital gain received to avail such an exemption. Investment in ‘computer or computer software’ (as used in core business activity) shall also be considered as purchase of ‘new assets’ in order to promote technology driven Startups.

Progress

Section 54EE and 54 GB have been inserted in the Income Tax Act, 1961 to provide exemption from capital gains tax.\

10. Tax Exemption to Startups for 3 years

Objective

To promote the growth of Startups and address working capital requirements.

Details

- During the initial years, budding entrepreneurs struggle to evaluate the feasibility of their business idea. Significant capital investment is made in embracing ever-changing technology, fighting rising competition and navigating through the unique challenges arising from their venture.
- Also, there are limited alternative sources of finance available to the small and growing entrepreneurs, leading to constrained cash funds.
- With a view to stimulate the development of startups in India and provide them a competitive platform, it is imperative that the profits of startup initiatives are exempted from income-tax for a period of 3 years.
- This fiscal exemption shall facilitate growth of business and meet the working capital requirements during the initial years of operations. The exemption shall be available subject to non-distribution of dividend by the Startup.

Progress

With a view to stimulate the development of Startups in India and provide them a competitive platform, the profits of eligible DPIIT recognized startups are exempt from income-tax for a block of 3 years out of 10 years since incorporation under Section 80IAC of the Income Tax Act. To avail these benefits, a Startup must get a Certificate of Eligibility from the Inter-Ministerial Board (IMB). 266 startups have been granted income tax exemptions.

11. Tax Exemption on Investments above Fair Market Value

Objective

To encourage seed-capital investment in Startups.

Details

- Under the Income Tax Act, 1961, where a Startup (company) receives any consideration for issue of shares which exceeds the Fair Market Value (FMV) of such shares, such excess consideration is taxable in the hands of recipient as Income from Other Sources.
- In the context of Startups, where the idea is at a conceptualization or development stage, it is often difficult to determine the FMV of such shares.

- In majority of the cases, FMV is also significantly lower than the value at which the capital investment is made. This results into the tax being levied under section 56(2)(viib).
- Currently, investment by venture capital funds in Startups is exempted from operations of this provision. The same shall be extended to investment made by incubators in the Startups.

Progress

DPIIT recognized startups are exempt from tax under Section 56(2)(viib) of the Income Tax Act when such a Startup receives any consideration for issue of shares which exceeds the Fair Market Value of such shares. The startup has to file a duly signed declaration to DPIIT. Intimation regarding receipt of Declaration in Form 2 has been mailed in the cases of 2,564 entities as on 27th May 2020.

12. Organizing Startup Fests for Showcasing Innovation and Providing a Collaboration Platform

Objective

To galvanize the Startup ecosystem and to provide national and international visibility to the Startup ecosystem in India

Details

A pivotal component for growth of Startups is regular communication and collaboration within the Startup community, both national as well international. An effective Startup ecosystem can't be created by the Startups alone. It is dependent on active participation of academia, investors, industry and other stakeholders.

To bolster the Startup ecosystem in India, the Government is proposing to introduce Startup fests at national and international stages.

These fests would provide a platform to Startups in India to showcase their ideas and work with a larger audience comprising of potential investors, mentors and fellow Startups.

As part of "Make in India" initiative, Government proposes to:

- Hold one fest at the national level annually to enable all the stakeholders of Startup ecosystem to come together on one platform.
- Hold one fest at the international level annually in an international city known for its Startup ecosystem.

The fests shall have activities such as sessions to connect with investors, mentors, incubators and Startups, showcasing innovations, exhibitions and product launches, pitches by Startups, mentoring sessions, curated Startup walks, talks by disruptive innovators, competitions such as Hackathon, Makerspace, etc., announcements of rewards and recognitions, panels and conferences with industry leaders, etc.

Progress

This Department has organized various Startup events. Some of such key events are as follows:

- I. Roundtable headed by Minister of Commerce and Industry with Venture Fund managers in April 2018 at Mumbai;
- II. Roundtable with Singapore delegation led by Enterprise Singapore & TiE Singapore in August 2018 at Delhi;
- III. Roundtable with Japanese startups led by JETRO in September 2018 at Delhi;
- IV. Roundtable headed by Secretary DPIIT with Venture Fund managers in August 2018 at Delhi;
- V. Roundtable with Finance Secretary on banking regulations faced by startups in September 2018 at Delhi;
- VI. Startup India Global Venture Capital Summit in December 2018 at Goa;
- VII. Roundtable headed by Secretary DPIIT on Angel Tax regulations in February 2019 at Delhi;
- VIII. Startup Manthan @ Aero India in February 2019 at Bengaluru;
- IX. Speed Mentoring Session for Women Entrepreneurs in March 2019 at Delhi;
- X. Roundtable headed by Secretary, DPIIT on Accreditation of investors in April 2019 at Delhi;
- XI. Roundtable headed by Secretary DPIIT on Regulatory issues faced by stakeholders of startup ecosystem April 2019 at Delhi;
- XII. Roundtable with Central Government Departments on best practices for promoting startups in May 2019 at Delhi
- XIII. Roundtable headed by Secretary, DPIIT on journey and hurdles faced by Startups in November 2019 at Delhi
- XIV. Second edition of Startup India Global Venture Capital Summit in December 2019 at Goa;
- XV. Roundtable headed by Minister of Commerce and Industry to discuss regulatory concerns of investors in December 2019 at Goa
- XVI. Roundtable headed by Secretary DPIIT on Regulatory issues pertaining to Startups held in January 2020 at Delhi;
- XVII. Roundtable headed by Secretary DPIIT on mobilization of surplus funds available with pension, insurance and PSUs for investment into Startups in January 2020 at Delhi;

13. Launch of Atal Innovation Mission (AIM) with Self-Employment and Talent Utilization (SETU) Program

Objective

To serve as a platform for promotion of world-class Innovation Hubs, Grand Challenges, Startup businesses and other self-employment activities, particularly in technology driven areas

Details

The Atal Innovation Mission (AIM) shall have two core functions:

- Entrepreneurship promotion through Self-Employment and Talent Utilization (SETU), wherein innovators would be supported and mentored to become successful entrepreneurs
- Innovation promotion to provide a platform where innovative ideas are generated

The main components proposed to be undertaken as part of the mission include:

Entrepreneurship promotion:

- Establishment of sector specific incubators including in PPP mode.
- Establishment of 500 Tinkering Labs.
- Pre-incubation training to potential entrepreneurs in various technology areas in collaboration with various academic institutions having expertise in the field.
- Strengthening of incubation facilities in existing incubators and mentoring of Startups.
- Seed funding to potentially successful and high growth Startups.

Innovation promotion:

- o Institution of Innovation Awards (3 per state/UT) and 3 National level awards.
- o Providing support to State Innovation Councils for awareness creation and organizing state level workshops/conferences.
- o Launch of Grand Innovation Challenge Awards for finding ultra-low cost solutions to India's pressing and intractable problems.

Progress

This initiative is coordinated by NITI Aayog. As on 29th February 2020, 14916 schools across the country have been selected for ATLs, out of which 4875 have received INR 12 lakhs grant each and are operational. A total of INR 585 crore of grant-in-aid is sanctioned to Atal Tinkering Labs (ATLs) across the country and the target is to setup 10,000 ATLs by end of 2020 (subject to budgetary allocation).

NITI has launched Innovation Awards through the challenge route by the name of Atal New India Challenges (ANIC). Applications were called in 24 focus areas across 5 ministries. 26 applicants have been shortlisted for funding and handholding support and additional 26 applicants are shortlisted for handholding support.

14. Harnessing Private Sector Expertise for Incubator Setup

Objective

To ensure professional management of Government sponsored / funded incubators, Government will create a policy and framework for setting-up of incubators across the

country in public private partnership

Details

India currently lacks availability of incubation facilities across various parts of the country. Incubation facilities typically include physical infrastructure, provision of mentorship support, access to networks, access to market, etc. Of all these features, physical infrastructure entails large capital investments which can generally be facilitated by the Government. However, requisite skills for operating an incubator are pivotal as well, for which expertise of the private sector needs to be leveraged. Considering this, Government shall encourage

- i. Setting up of 35 new incubators in existing institutions. Funding support of 40% (subject to a maximum of Rs. 10 crore) shall be provided by Central Government for establishment of new incubators for which 40% funding by the respective State Government and 20% funding by the private sector has been committed. The incubator shall be managed and operated by the private sector.
- ii. 35 new private sector incubators. A grant of 50% (subject to a maximum of Rs. 10 crore) shall be provided by Central Government for incubators established by private sector in existing institutions. The incubator shall be managed and operated by the private sector.
- iii. The funding for setting up of the incubators shall be provided by NITI Aayog as part of Atal Innovation Mission (refer #13 of this Action Plan). Participating departments and agencies for setting up of new incubators shall be Department of Science and Technology, Department of Biotechnology, Department of Electronics and Information Technology, Ministry of Micro, Small and Medium Enterprises, Department of Higher Education, Department of Industrial Policy and Promotion and NITI Aayog.

Each of the above-mentioned departments/agencies would enter into a standard MoU with identified private sector players for creation of academia-industry tie-ups for nurturing innovations in academic institutions

Progress

Atal Innovation Mission (AIM), under the Atal Incubation Centres (AICs) scheme is establishing new incubation centres, that nurture innovative start-up businesses in their pursuit to become scalable and sustainable enterprises. These incubators provide state-of-the-art infrastructure, mentoring support, business planning support, access to seed capital, training sessions etc. As on 29th February 2020, Atal Innovation Mission (AIM) has selected 86 incubators across the country to provide financial support through grants in aid and has already disbursed grants worth ~INR 142.77 Crs to 59 incubators.

AIM is also providing scale-up support to a few distinguished incubation centres of the country. These incubation centres, referred to as Established Incubation Centers (EICs), have already been in existence but AIM intends to further augment their performance by providing them scale-up support. The EIC program provides scale-up

support to well-performing incubators to augment, enhance and upgrade their incubation capacity manifold and develop a conducive innovation and entrepreneurship ecosystem by strengthening linkages with various national and international stakeholders. As on 29th February 2020, Atal Innovation Mission (AIM) has selected 16 incubators across the country to provide financial support through grants in aid and has already disbursed grants worth ~INR 54.65 Crs to 9 incubators. In both of these schemes, AIM is providing grants of upto INR 10 Crores over a period of 3-5 years.

The first cycle of sanction (and disbursements) of the EIC and AIC programs began in 2016-17 and within the past three years, and as self-reported by the incubators, more than 1,250 Startups have been incubated in the AICs/EICs out of which ~450 are women-led start-ups. More than 144 MSME's have been supported to build business sustainability and 62+ Crores of seed funding have been leveraged from other sources based on the 6+ Cr granted by AIM. Further, more than 13,800 jobs have been created by the startups incubated at the AICs / EICs. Additionally, more than 1,000 mentors have been on-boarded by the AICs/EICs to guide the Startups. Moreover, 2,200+ events and 700+ trainings have been conducted by this network of AICs / EICs. The data is as of 29th February 2020.

15. Building Innovation Centres at National Institutes

Objective

To propel successful innovation through augmentation of incubation and R&D efforts.

Details

In order to augment the incubation and R&D efforts in the country, the Government will set up/ scale up 31 centres (to provide facilities for over 1,200 new Startups) of innovation and entrepreneurship at national institutes, including:

Setting up 13 Startup centres: Annual funding support of Rs. 50 lakhs (shared 50:50 by Department of Science and Technology and Ministry of Human Resource Development) shall be provided for three years for encouraging student driven Startups from the host institute.

Setting-up/ Scaling-up 18 Technology Business Incubators (TBIs) at NITs/IITs/IIMs etc. as per funding model of Department of Science and Technology with Ministry of Human Resource Development providing smooth approvals for TBI to have separate society and built up space.

Progress

This initiative is coordinated by Department of Science and Technology and Ministry of Human Resource Development. As on 12th March 2020, 11 TBIs (Technology Business Incubators) have been approved for which Rs 42.2 crore have been

sanctioned and Rs 20.02 crore have been disbursed to TBIs. 15 Startup Centres have been approved for joint set up by Department of Science and Technology and Ministry of Human Resource Development.

16. Setting up of 7 New Research Parks

Objective

To propel successful innovation through incubation and joint R&D efforts between academia and industry

Details

The Government shall set up 7 new Research Parks in institutes such as IIT Guwahati, IIT Hyderabad, IIT Kanpur, IIT Kharagpur, IISc Bangalore, IIT Gandhinagar and IIT Delhi with an initial investment of Rs. 100 crore each. The Research Parks shall be modelled based on the Research Park setup at IIT Madras.

- The IIT Madras Research Park endeavors to enable companies with a research focus to set up a base in the Park and leverage the expertise of IIT Madras. The Research Park breaks down the traditional, artificial barriers of innovation through its connectivity and collaborative interaction. This helps industry to create, integrate and apply advancements in knowledge. It leverages best practices from successful Research Parks such as those at Stanford, MIT and Cambridge.

The guiding principles behind the park include:

- Creating a collaborative environment between industry and academia through joint research projects and consulting assignments.
- Creating a self-sustaining and technologically fertile environment.
- Encouraging and enabling R&D activities and Startups that are aligned to potential needs of the industry
- Providing world class infrastructure for R&D activities and incubation.
- Enabling development of high-quality personnel and motivating professional growth for researchers in companies through part time master's and PhD Programs.

Progress

This initiative is coordinated by Department of Science and Technology and Ministry of Human Resource Development. 8 new Research Parks have been identified to be built over 5 years at 7 IITs and IISc Bangalore. As on September 2019, INR 575 crore have been sanctioned and INR 250 crore have been disbursed by DST. DST informed that the Research Park at IIT Gandhinagar is expected to be operational by January 2020

17. Promoting Startups in the Biotechnology Sector

Objective

To foster and facilitate bio-entrepreneurship

Details

The Biotechnology sector in India is on a strong, growth trajectory. Department of Biotechnology endeavors to scale up the number of Startups in the sector by nurturing approximately 300-500 new Startups each year to have around 2,000 Startups by 2020. In order to promote Startups in the sector, The Department of Biotechnology shall be implementing the following measures along with its Public Sector Undertaking Biotechnology Research Assistance Council (BIRAC): Bio-incubators, Seed Fund and Equity Funding:

- 5 new Bio-clusters, 50 new Bio-Incubators, 150 technology transfer offices and 20 Bio-Connect offices will be set up in research institutes and universities across India.
- Biotech Equity Fund – BIRAC AcE Fund in partnership with National and Global Equity Funds (Bharat Fund, India Aspiration Fund amongst others) will provide financial assistance to young Biotech Startups.

Encouraging and leveraging global partnerships:

- Bengaluru-Boston Biotech Gateway to India has been formed. Letter of Intent has been signed between Department of Biotechnology, Government of India and Department of Information Technology, Government of Karnataka for the same. Through this initiative, a range of institutes in Boston (Harvard/ MIT) and Bengaluru will be able to connect to share ideas and mentor the entrepreneurs especially in the areas of Genomics, Computational Biology, Drug Discovery and new vaccines.
- Amplification of Bio-entrepreneurship through BIRAC Regional Entrepreneurship Centres (BREC). The BREC aims to impart bio-entrepreneurs with the necessary knowledge and skills required for converting innovative ideas into successful ventures. Department of Biotechnology shall set up 5 Regional centres or Mini-BIRACs in the next 5 years.

Progress

- BIRAC has so far supported 1000+ Startups, Entrepreneurs & SMEs creating Intellectual wealth (210+ IP filed) and a robust pipeline of 130+ commercialized products and technologies across the country. Additionally, DBT through its Flagship program - “Biodesign program” has trained around 125 med tech innovators and commercialized 5 products in the market.
- Through BioNEST (Bioincubators Nurturing Enterprises for Scaling Technologies), BIRAC has supported 48 Bio-incubators across India creating an incubation space of 523449 sq. ft. for budding entrepreneurs. More than 650 incubates have been supported through the scheme so far. Six BioNEST clusters have also been recognized to promote networking & resource sharing among BioNEST incubators.
- Fund of Fund – Biotechnology Innovation Fund AcE (Accelerating Enterprises) is mandated to encourage private equity mobilization for Biotech Startups through co-investing in SEBI registered AIF. The assistance to a start-up will be up to INR upto 7 crores against equity. Total 5 AcE Daughter Funds are operational from the first call and signing of contribution agreements with 9 more partners from

2nd call is in progress. A total sum of INR 150 Crores has been committed under AcE Fund so far.

- SEED (Sustaining Enterprise and Entrepreneurship Development) Fund supports up to INR 30 lakhs /Startup and acts as a bridge between promoters' investment and Venture/Angel investment. The SEED fund scheme is implemented through BioNEST incubators and 40 Start ups have received BIRAC SEED Fund so far and these startups have a combined valuation of over 360 Crores. BIRAC has sanctioned INR 30 Cr as SEED fund grant out of which 20.3 Cr has been released so far.
- LEAP (Launching Entrepreneurial Driven Affordable Products Fund for Start-ups) LEAP fund supports up to INR 1 Cr/Startup and It is an equity linked funding scheme launched in 2018-19. LEAP fund is being implement through BioNEST incubators and aimed at enabling potential biotech startups to pilot/commercialize their products/technologies. BIRAC has deployed this funding opportunity through 5 BioNEST incubators recognizing those as LEAP fund partners. Till now 10 Startups have been provided LEAP Fund. BIRAC has sanctioned INR 24.5 Cr out of which 17.5 Cr has been released.
- Biotech Clusters has the core emphasis on innovation is critical for the growth of biotechnology entrepreneurship. DBT has supported 4 Bio-clusters (NCR, Kalyani, Bangalore and Pune) till date. Four Biotech Clusters have been established:
 - o The Systems Medicine Cluster (SyMeC), Kalyani, West Bengal
 - o NCR Biotech Science Cluster, Faridabad
 - o Bangalore Life Sciences Cluster, Bengaluru
 - o Pune Bio-Cluster
- BIRAC has created 4 Regional Centers (BRIC, BREC, BRBC, BRTC-E&NE) as extended arms to implement BIRAC's mandate in the country.
 - o BRIC (BIRAC Regional Innovation Centre) at IKP Knowledge Park BioNEST, Hyderabad
 - o BREC (BIRAC Regional Entrepreneurship Centre) at C-CAMP BioNEST, Bengaluru
 - o BRBC (BIRAC Regional Bio innovation Centre) at Venture Centre BioNEST, Pune
 - o BRTC-E&NE (BIRAC Regional Techno-Entrepreneurship Centre for East & North East Region) at KIIT-TBI BioNEST, Bhubaneswar
- Five bio-connect offices have been established:
 - o CCAMP, Bengaluru with California Institute for Quantitative Biosciences (QB3)
 - o CCAMP- Sister Innovation HUB with Roslin Innovation Centre, University of Edinburgh, UK
 - o CEIIC BioNEST with European Union
 - o KIIT BioNEST – with TECHNOPORT SA – BELVAL Business Incubator, Luxembourg
 - o KIIT BioNEST – with Start-Life Centre, Wageningen University Netherland
- Technology Transfer Offices (TTOs) were established to enhance academia-industry inter-linkages, strengthen biocluster ecosystem and provide increased opportunities for academia to translate knowledge into products and

technologies. 05 TTOs have been established till date at BIRAC's bioNEST incubators:

- o FITT, Delhi
- o C-CAMP, Bengaluru
- o IKP Knowledge Park, Hyderabad
- o KIIT-TBI, Bhubaneswar
- o EDC, Pune

The above details are updated as of 29th February 2020.

18. Innovation Focused Programs for Students

Objective

To foster a culture of innovation in the field of Science and Technology amongst students

Details

In order to promote research and innovation among young students, the Government shall implement the following measures:

- Innovation Core. Innovation Core program shall be initiated to target school kids with an outreach to 10 lakh innovations from 5 lakh schools. One lakh innovation would be targeted, and the top 10,000 innovations would be provided prototyping support. Of these 10,000 innovations, the best 100 would be shortlisted and showcased at the Annual Festival of Innovations in the RashtrapatiBhavan.
- NIDHI: A Grand Challenge program ("National Initiative for Developing and Harnessing Innovations) shall be instituted through Innovation and Entrepreneurship Development Centres (IEDCs) to support and award Rs. 10 lakhs to 20 student innovations from IEDCs.
- UchhattarAvishkarYojana: A joint MHRD-DST scheme which has earmarked Rs. 250 crore per annum towards fostering "very high quality" research amongst IIT students. The funding towards this research will be 50% contribution from Ministry of Human Resource Development, 25% from Department of Science and Technology and 25% from industry. This format has been devised to ensure that the research and funding gets utilized bearing in mind its relevance to the industry. Each project may amount to Rs5 crore only. This scheme will initially apply to IITs only.

Progress

This initiative is coordinated by Department of Science and Technology and Ministry of Human Resource Development.

- About 50,000 top ideas have been shortlisted from about 3.2 lakh nominations received from Schools for an INSPIRE award of INR 10,000/- each, for preparation of a project/model and participation in District Level Exhibition & Project Competition (DLEPC).
- DST through its incubation program and other programs on innovation and Startups has a capacity to nurture around 7000 Startups per year
- As on September 2019, INR 475 Cr. has been earmarked for 2 years.

- As on September 2019, 142 projects approved under Uchchar Avishkar Yojana (UAY) – I and Uchchar Avishkar Yojana (UAY) – II. INR 389 Cr. is the total cost of 142 projects and INR 213 Cr. funds released for the projects

19. Annual Incubator Grand Challenge

Objective

To support creation of successful world class incubators in India

Details

For a new idea to become a successful commercial venture, adequate support and mentoring at various stages of the business lifecycle is required. Incubators play an important role in identifying early stage Startups and supporting them across various phases of their lifecycle. In order to build an effective Startup ecosystem, it is imperative that world class incubators, adopting leading industry practices, are setup in the country.

The Government is proposing to make forward looking investments towards building world class incubators. In its first phase, the aim is to establish 10 such incubators. To enable this, Government of India shall identify and select 10 incubators who have the potential to become world class. These incubators would be given Rs. 10 crore each as financial assistance which may be used for ramping up the quality of service offerings. The incubators shall also become reference models for other incubators aspiring to offer best-in-class services. Video interviews of these incubators would be showcased on the Startup India portal.

An "Incubator Grand Challenge" exercise shall be carried out for identification of these incubators. The exercise shall entail:

- Open invitation of applications from incubators
- Screening and evaluation based on pre-defined Key Performance Indicators (KPIs)

The Incubator Grand Challenge shall be an annual exercise

Progress

An "Incubator Grand Challenge" exercise is being carried out for identification of these incubators under the Established Incubation Centres (EIC) program of AIM. The shortlisting and selection process entail:

1. Open invitation of applications from incubators
2. Screening and evaluation based on pre-defined Key Performance Indicators (KPIs)

Atal Innovation Mission has selected 16 incubators across the country to provide financial support through grants in aid

Atal Innovation Mission (AIM) has selected 16 incubators across the country to provide financial support through grants in aid and has already disbursed grants worth ~INR 54.65 Crs to 9 incubators till 29th February 2020.

These incubators are being given INR 10 crore each as financial assistance which may be used for ramping up the quality of service offerings. The EIC program provides scale-up support to well-performing incubators to augment, enhance and upgrade their incubation capacity manifold and develop a conducive innovation and entrepreneurship ecosystem by strengthening linkages with various national and international stakeholders.