

Steps to address obstacles under 'Startup India' mission

672. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government has taken note of the Local Circle's survey which states that corruption and inefficiency within the bureaucracy remains the greatest bottleneck in starting a business;

(b) if so, the steps taken to address this obstacle under the 'Startup India' initiative; and

(c) the details of other policy and structural reforms proposed to be undertaken by Government to permit free and fair competition and address other issues that determine the viability and existence of start-ups?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) Local Circles is a social media site which keeps conducting informal surveys on various issues. Government policies cannot be framed on the basis of such informal surveys. The Government, however, has identified regulatory reforms which aim at reducing inefficiencies and corruption as its top most priority.

(c) A number of steps have been taken by the Government to address these obstacles. An Action plan has been released by the Prime Minister of India on 16th January, 2016 which includes:-

1. Simplification and Handholding

- Simple Compliance Regime for startups based on Self-certification
- Launch of Mobile app and Portal for compliance and information exchange
- Startup India Hub to handhold startup during various phases of its development
- Legal support for and fast-tracking patent examination at reduced costs
- Relaxed norms of public procurement for startups
- Faster exit for startups

2. Funding support and Incentives

- Providing funding support through a Fund of Funds with a corpus of rupees 10,000 crore
- Credit guarantee fund for startups
- Tax exemption on capital gains invested in Fund of Funds
- Tax exemption to startups for 3 years

3. Industry-Academia Partnership and Incubation

- Organizing Startup Fests to showcase innovations and providing collaboration platforms
- Launch of Atal Innovation Mission (AIM) with Self -Employment and Talent Utilization (SETU) Program of NITI Aayog
- Harnessing private sector expertise for setuping up incubators
- Setting up of 7 new research parks modeled on the Research Park at IIT Madras
- Launching of innovation focused programs for students
- Annual Incubator Grand Challenge to promote good practices among incubators.

Slow growth of private sector investment

673. DR. KANWAR DEEP SINGH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether it is a fact that private sector investment has not picked up and is going down;
- (b) if so, the reasons therefor; and
- (c) if not, what has been the trend during 2014-15 in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) to (c) Gross Capital Formation in private sector at current prices up to F.Y. 2014-15 is as under: