

Startup Watch

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STARTUP POLICIES

Union Budget 2023: Easing the Journey for Startups

Source: <https://www.investindia.gov.in/>

The Indian startup ecosystem has come a long way since the launch of the Startup India Initiative in 2016 under the leadership of Hon'ble Prime Minister Shri Narendra Modi. Today, the country is proud to have over 89,000 thriving startups across the length and breadth of the country, bolstering economic performance.

The 2023 Union Budget has taken several steps to adjunct the startup ecosystem, aiming to reduce the tax burden, improve the investment climate, and boost the entrepreneurial spirit of the country. To enhance the ease of doing business, the Budget highlighted the simplification of the KYC process, the establishment of a Central Processing Centre, and the introduction of a Unified Filing Process.

The Budget has proved especially beneficial for nascent startups. One of the key benefits is the extension of the date of incorporation for eligible startups to avail tax benefits by an additional year. Important assistance from the government for the startups comes in the form of the increase from 7 years to 10 years for carrying forward and setting off losses.

The Budget has also announced the establishment of an Agricultural Accelerator Fund

to encourage agri-startups in rural areas. This initiative will enable the creation of a conducive environment for young entrepreneurs and push for digital-led growth in the agriculture sector.

Promoting entrepreneurship and skill development, the Budget announced the setting up of 30 Skill India International Centres across different states. These centres will provide training in new-age courses like coding, AI, robotics, and 3D printing, among others, to skill and upskill the youth for the markets of tomorrow. The Skill India Digital Platform will also be launched to enable demand-based formal skilling and provide access to entrepreneurship schemes.

Tourism is another sector that has been given special attention in the Budget, with the Central and State governments taking a mission-oriented approach to promote tourism. This will create new opportunities for startups and entrepreneurs, generating opportunities for employment. Reforms in the financial sector have also been proposed, aiming to improve financial inclusion, service delivery, access to credit, and participation in financial markets. The Budget announced the establishment of 100 labs in engineering institutions to develop applications using 5G services. Giving fresh impetus to green economy, various green programs aimed at promoting clean energy and sustainability were introduced. These initiatives will benefit

Clean-tech startups envisioning a resilient tomorrow.

In conclusion, the aspirational initiatives undertaken by the Union Budget 2023 aim to further strengthen the Indian startup ecosystem, providing support and empowerment to entrepreneurs.

Collateral free funding a reality for Indian entrepreneurs - Credit Guarantee Scheme for Startups

Source: <https://www.startupindia.gov.in>

The Indian startup ecosystem continues to evolve in tandem with market needs and commercial developments, and the Government of India's unparalleled support towards this ecosystem is a clear step in the right direction. As a country that adds over 80 startups every day, India is home to over 88,000 startups and counting.

Apart from the several managerial and regulatory challenges, one of the biggest problems faced by startups is easy to access to early-stage debt to finance their capital requirements.

With an aim to simplify and ease the process, DPIIT (Department for Promotion of Industry and Internal Trade), Ministry of Commerce and Industry notified the establishment of the Credit Guarantee Scheme for Startups (CGSS) for providing credit guarantees to loans extended by Scheduled Commercial Banks, Non-Banking Financial Companies, and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs). CGSS is aimed at providing credit guarantees up to a particular limit to finance eligible borrowers, i.e., eligible startups, against loans extended by Member Institutions (MI).

In terms of how a guarantee will be issued, an eligible startup approaching the MI will be evaluated on the basis of checks and balances put in place by the MI. If approved, the guarantee cover under CGSS shall be issued automatically upon meeting the required eligibility parameters, which must be ensured by the MI.

STARTUP STORIES

Prime Minister Mr. Narendra Modi and Prime Minister of Singapore Mr. Lee Hsien Loong participated in the virtual launch of UPI-PayNow linkage between India and Singapore

Press Information Bureau



Prime Minister Mr. Narendra Modi and Prime Minister of Singapore, Mr. Lee Hsien Loong participated in the virtual launch of real-time payment linkage between the Unified Payments Interface (UPI) of India and PayNow of Singapore.

Mr. Shaktikanta Das, Governor of the Reserve Bank of India and Mr. Ravi Menon, Managing Director, Monetary Authority of Singapore made live cross-border transactions with each other using their respective mobile phones.

The first nation with which a cross-border Person-to-Person (P2P) payment facility has been introduced, is Singapore, which will benefit the Indian diaspora in Singapore, particularly migrant workers and students. This will extend the advantages of digitalization through quick and inexpensive money transfers from Singapore to India and vice versa and fintech to the general public. In a few Singaporean retail locations, UPI payments using QR codes are already accepted.

UP Govt Keeps INR 100 Cr For Seed Funding, INR 20 Cr For Agritechs

<https://inc42.com/buzz/in>

In its endeavour to give a boost to the startup ecosystem in the state, the Uttar Pra-

Uttar Pradesh government announced a slew of sops in its Budget 2023-24. For starters, the state government has earmarked INR 100 Cr to provide seed funding for selected startups offered through incubators. The Budget has also made a provision of INR 20 Cr to establish the upcoming Agriculture Accelerator Fund to promote and encourage agritech startups in the rural areas of the state. The state government has earmarked INR 60 Cr to develop the proposed Uttar Pradesh Information Technology and Startups Policy. Uttar Pradesh is home to 50 incubators and 7,200 startups operating across the length and breadth of the state. Under the state's ambitious 2020 Startup Policy, the govt claim to be promoting startups across segments such as agriculture, healthcare, energy, transportation, others.

Karnataka Govt To Set Up INR 30 Cr Startup Park Near Bengaluru

<https://inc42.com/buzz/>

Karnataka Chief Minister Mr Basavaraj Bommai announced setting up of a startup park for INR 30 Cr near Kempegowda International Airport, Bengaluru. Presenting the state budget, he also proclaimed that Karnataka State Small Industries Development Corporation (KSSIDC) would set up new industrial clusters at nine places in the state. He further added that to offer employment to 25K people, the state government would establish mega textile parks in Raichur, Kalaburagi, Vijayapura and Chikma.

India now has nearly 27K active tech startups, added 1,300 last year

[India Brand Equity Foundation](https://inc42.com/buzz/)

According to a NASSCOM report, India added more than 1,300 active digital companies in the past year, bringing the country's total to 25,000–27,000. India is still home to the third-largest worldwide ecosystem for tech startups (after the US and China). The country also added the second-highest number of

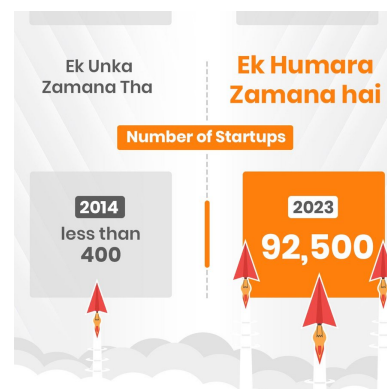
unicorns in the world, with over twenty-three added in 2022.

According to a survey by the National Association of Software and Services Companies (NASSCOM) in partnership with Zinnov, the potential pipeline of unicorns expanded simultaneously to over 170, growing at a pace equivalent to 2021.

"Despite the current downturns, opportunities abound for innovative organisations that are harnessing emerging technology to produce measurable impact while prioritising business fundamentals above development," said Mr. Debjani Ghosh, President of NASSCOM. Despite the challenges, annual investments at US\$ 18.2 billion were greater than the pre-pandemic levels of US\$ 13.1 billion in 2019 despite the fact that total funding in 2022 decreased by 24% over 2021.

Number of recognised startups rises to 86,713 in Dec 2022 from 445 in 2016

[India Brand Equity Foundation](https://inc42.com/buzz/)



As on 31st December 2022, 86,713 start-ups were recognised by the government. According to the government's Startup India action

plan, these firms are entitled to avail of financial incentives.

STARTUP FUNDING

<https://inc42.com/buzz/>

- D2C Meat Startup FreshToHome Raises \$104 Mn Funding To Build Omnichannel Presence
- Venwiz Raises \$8.3 Mn Funding To Help Manufacturers Procure Industrial Services
- PhonePe Raises Another \$100 Mn From Ribbit Capital, Others

STARTUP EVENTS /PROGRAMS >> UPCOMING**Event: Defence India Start-up Challenge (DISC 9)****Application Timeline: 24th March 2023****Registration Link:** https://idex.gov.in/sites/default/files/2023-02/Final%20PS_master_File.pdf

About: With the new age of digitization and growth in cyber technologies, Cyber security related threats and challenges are not limited to the digital world but have become a matter of National Security. Cyberspace is a continuously evolving technology area. Ministry of Defence, Government of India, strives to stay ahead of cutting-edge technologies and promote innovation and research & development in the Indian industry, in the cyber domain

**Program: National Incubator Capacity Development program**

About: A hands-on training program by Startup India designed for incubator managers which will act as a growth hack for incubators to help them become sustainable.

Visit: <http://bit.ly/3kBKttv>**Program: Startup Shala**

About: An Accelerator program by Startup India to look for experienced mentors and industry experts to join Startup Shala as accelerator partners who will connect with startups and nurture them.

Register: <https://bit.ly/3BHBuwh>For Feedback & Comments, please contact:

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