

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

LOK SABHA

**UNSTARRED QUESTION NO. 2561.
TO BE ANSWERED ON WEDNESDAY, THE 4TH AUGUST, 2021.**

IMPACT OF CLIMATE ON INDIAN FIRMS

2561. SHRI RAVNEET SINGH BITTU:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether it is a fact that as per a recent study a very large number of Indian firms are expected to suffer potential financial impact due to climate-related risks in the next five years;;
- (b) if so, the details thereof along with the estimated loss to the Indian economy in this regard;
- (c) whether the Government is taking any steps to ensure maximum insulation of these Indian companies from suffering huge financial losses due to these climate related risks and to encourage a climate-focussed approach in these companies; and
- (d) if so, the details thereof and if not, the reasons therefor?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सोम प्रकाश)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI SOM PARKASH)**

(a) to (d): Climate actions in India are being steered under the overarching framework of the National Action Plan on Climate Change (NAPCC). It comprises eight missions in specific areas of solar, enhanced energy efficiency, sustainable habitat, water, Himalayan ecosystem, green India, sustainable agriculture, and strategic knowledge for climate change.

As regards the financial sector, several measures have been taken across the regulatory space to strengthen financial sector entities, ease access to financial products, strengthen the grievance redressal mechanism and protect the interests of depositors/investors. As the economy recovers from the pandemic, safeguarding and boosting financial resilience remains a top policy priority. .

Besides, to boost industrial activities, Government has announced various relief measures for several sectors under the Atmanirbhar Bharat Packages announced on 13th May, 2020 to 17th May, 2020, 12th October, 2020 & 12th November, 2020 involving a total amount of Rs.29,87,641 crore. Besides, a Rs 6.28 lakh crore Covid stimulus package has also been announced on 28.06.2021. Several steps taken by DPIIT to boost the manufacturing sector are achieving integration of India Industrial National Land Bank (GIS Land Bank) in 17 states; covering over 400 industrial parks under Industrial Park Rating System 2.0. Steps like Startup India Seed Fund Scheme; Credit Guarantee Scheme for Startups; Startup Ranking Framework; National Startup Awards etc has been taken to build a strong ecosystem for nurturing innovation and entrepreneurship; continuation of Footwear Leather & Accessories Development Programme (FLADP) 2021-26 for boosting leather sector. Details of measures taken by DPIIT to boost Industrial activities in country is provided at **Annexure I**.

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) to (d) OF THE LOK SABHA UNSTARRED QUESTION NO.2561 FOR ANSWER ON 04.08.2021.

Measures to boost Industrial activities

1. Ease of Doing Business and compliance burden:

- Government is working with Central Ministries/ Departments and State Governments to get to the target of India being in top nations. India has improved its rank from 142 to 63, a leap of 79 ranks, during the last 5 years in the World Bank's Doing Business Report (DBR). With a view to track implementation of business reforms at the State and district level, State and District Reform Action Plan is also being promoted.
- To translate the Aatmanirbhar Bharat vision into a reality, Government is working to reduce Compliance Burden on businesses and citizens. Initiatives taken for compliance reduction are focused on simplifying and digitizing various processes, reduction in documents to be submitted along with applications, reduction in frequency of inspections, third-party inspections, auto-renewals, decrease in frequency of return filings and digital maintenance of registers/records.

2. Startup India:

- India is counted as one of the largest startup ecosystem in the world with more than 50,775 recognized startups.
- To simplify ease of starting up, till 9th April 2021, 48 regulations have been simplified since the launch of the Startup India initiative. To enable ease of procurement, Central Ministries/ Departments are directed to relax conditions of prior turnover and prior experience in public procurement for all Startups.
- A Fund of Funds for Startups Scheme (FFS) with corpus of Rs. 10,000 crores to meet the funding needs of startups. Start-up India Seed Fund Scheme approved with an outlay of Rs 945 Crore. The scheme shall provide financial assistance to startups for proof of concept, market entry, commercialization, etc. It will support an estimated 3,600 entrepreneurs through 300 incubators in the next 4 years.

3. Production Linked Incentive (PLI) Scheme:

- Keeping in view India's vision of becoming 'Aatmanirbhar' and enhancing India's Manufacturing Capabilities and Exports, an outlay of Rs. 1.97 lakh crore has been announced in Union Budget 2021-22 for Production Linked Incentive scheme (PLI) schemes for 13 key sectors for 5 years starting from fiscal year (FY) 2021-22.
- DPIIT's PLI Scheme for White Goods (ACs and LED lights): The PLI Scheme with an outlay of Rs 6238 crore on White Goods is designed to create complete component ecosystem for Air Conditioners and LED Lights Industry in India and make India an integral part of the global supply chains. The scheme is expected to

attract global investments, generate large scale employment and enhance exports substantially.

4. Foreign Direct Investment (FDI):

- The FDI policy reforms carried out by Government in the last seven years are nothing less than historic. In the last two years alone, reforms in the FDI policy have been undertaken across sectors such as Coal Mining, Contract Manufacturing, Digital Media, Single Brand Retail Trading, Insurance Intermediaries, Civil Aviation, Defence and Insurance Companies.
- Measures taken by the Government on FDI policy reforms have resulted in increased FDI inflows in the country, which year after year is setting up new records. FDI inflow in India stood at US\$ 45.15 billion in 2014-15 and has continuously increased since then. India registered its highest ever annual FDI inflow of US\$ 81.72 billion (provisional figures) in the financial year 2020- 21.

5. Investment Promotion:

- Empowered Group of Secretaries (EGoS) & Project Development Cells (PDCs) have been established in 30 Ministries/Departments of the Government of India, headed by respective Joint Secretary-level nodal officers. It aims to support, facilitate and provide an investor-friendly ecosystem to investors investing in India.
- An Investment Clearance Cell (ICC) to provide facilitation and support to businesses through a one-stop digital platform – the central Single Window System (SWS) is being set up. This national portal will integrate the existing clearance systems of the various Ministries/Departments of Govt. of India and State Governments without disruption to the existing IT portals of Ministries.

6. Public Procurement:

- Public procurement is a sizeable share of Indian economy. To promote domestic investment and usage of made in India products by the government, the Public Procurement (Preference to Make in India) Order has been revised on 16.09.2020. Some of the salient features of the present order are: a) For purchases with estimated value less than Rs. 200 Crore, no Global tender enquiry will be issued. b) For the items, where there is sufficient local capacity and local competition, Class -1 local suppliers (i.e. suppliers offering items with minimum 50% domestic value addition) are only eligible to bid irrespective of purchase value. In all other purchases, Class -1 local suppliers get purchase preference over other suppliers in government procurement process.

7. India Industrial Land Bank (IILB):

- Government has developed a national level land bank by integrating Industrial Information System (IIS) with State industrial GIS systems. This will enable the investors to see plot level data and availability of updated land related information in real time. Integration with 17 states achieved and currently ongoing with 6 States.

8. Industrial Corridor:

- The National Industrial Corridor Programme (NICP) has been conceived to promote world class manufacturing facilities and develop futuristic industrial cities in India. Eleven (11) Industrial Corridors have been identified with 32 nodes/projects proposed to be developed in 04 phases until 2024- 25.
- Implementation works for 04 industrial cities under Delhi Mumbai Industrial Corridor (DMIC) are underway, as below; a) Trunk infrastructure activities completed for 02 nodes, namely, Integrated Industrial Township (IITGN) at Greater Noida (747 acres), Uttar Pradesh and Integrated Industrial Township (IITVUL) at Vikram Udyogpuri (1,100 acres), Ujjain in Madhya Pradesh. b) Trunk infrastructure activities nearing completion in other 02 nodes, namely, Dholera Special Investment Region (DSIR) (22.5 sq. kms), Gujarat and Shendra Bidkin Industrial Area (AURIC) (18.55 sq. kms), Aurangabad, Maharashtra.
- Planning & development activities are underway for 21 nodes/projects under Industrial Corridor Programme.

9. Intellectual Property Rights:

- The introduction of the National IPR Policy, 2016 is a giant leap by the Government of India to spur creativity and stimulate innovation. Some of the major achievements are: a) Filing and Processing fees for small entities reduced to 20% (from the existing 50%) w.e.f 4.11.2020 as compared to large entities. This will incentivize Small entities to file for more patents. b) To encourage IPR protection amongst Startups, the Scheme for Facilitating Start-Ups Intellectual Property Protection (SIPP) which was launched in 2016 has been extended upto 31.03.2023. c) 80% fee concession for patent application filed by Startups whereas 50% fee concession for trademark applications by Startups, as compared to large entity.
- Modernisation of IP offices: Offices under Controller General of Patents, Design and Trademarks (CGPDTM) have been modernized to enable e-filing of applications. With these steps, time required for Patent Examination reduced from average 72 months in 2015 to 5-30 months at present, depending upon technology fields.
- Patent filings increased by 36.8% and Examination increased by 223.3% in 2020-21 vis-à-vis 2014-15. Patent grants increased by 374.9%; Disposal increased by 269.8%.
