



Ministry of Commerce & Industry

## Initiatives under “Make in India” and “Startup” Programmes;

### Make in India initiative focuses on 27 sectors under Make in India 2.0.

### ‘Startup India’ initiative generates more than 26000 employment in Tamil Nadu in three years

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‘Make in India’ is an initiative which was launched on 25<sup>th</sup> September, 2014, to facilitate investment, foster innovation, building best in class infrastructure, and making India a hub for manufacturing, design, and innovation. The development of a robust manufacturing sector continues to be a key priority of the Indian Government. It was one of the first ‘Vocal for Local’ initiatives that exposed India’s manufacturing domain to the world. The sector has the potential to not only take economic growth to a higher trajectory but also to provide employment to a large pool of our young labour force.

Make in India initiative has made significant achievements and presently focuses on 27 sectors under Make in India 2.0. Department for Promotion of Industry and Internal Trade is coordinating action plans for manufacturing sectors, while Department of Commerce is coordinating service sectors.

The Government of India is making continuous efforts under Investment Facilitation for implementation of Make in India action plans to identify potential investors. Support is being provided to Indian Missions abroad and State Governments for organising events, summits, road-shows and other promotional activities to attract investment in the country under the Make in India banner. Investment Outreach activities are being carried out for enhancing International co-operation for promoting FDI and improve Ease of Doing Business in the country.

India has registered its highest ever annual FDI Inflow of US \$81.72 billion (provisional figure) during the last financial year 2020-21 as compared to US \$ 45.15 billion in 2014-2015. In the last seven financial years (2014-20), India has received FDI inflow worth US\$ 440.01 billion which is 58 percent of the FDI reported in the last 21 years (US\$ 763.58 billion).



Steps taken to improve Ease of Doing Business include simplification and rationalisation of existing processes. As a result of the measures taken to improve the country's investment climate, India jumped to 63<sup>rd</sup> place in World Bank's Ease of Doing Business ranking as per World Bank's Doing Business Report (DBR) 2020. This is driven by reforms in the areas of Starting a Business, Paying Taxes, Trading Across Borders, and Resolving Insolvency.

Recently, Government has taken various steps in addition to ongoing schemes to boost domestic and foreign investments in India. These include the National Infrastructure Pipeline, Reduction in Corporate Tax, easing liquidity problems of NBFCs and Banks, policy measures to boost domestic manufacturing. Government of India has also promoted domestic manufacturing of goods through public procurement orders, Phased Manufacturing Programme (PMP), Schemes for Production Linked Incentives of various Ministries.

Further, with a view to support, facilitate and provide investor friendly ecosystem to investors investing in India, the Union Cabinet on 03<sup>rd</sup> June, 2020 has approved constitution of an Empowered Group of Secretaries (EGoS), and also Project Development Cells (PDCs) in all concerned Ministries/ Departments to fast-track investments in coordination between the Central Government and State Governments, and thereby grow the pipeline of investible projects in India to increase domestic investments and FDI inflow.

### **Startup India:**

Startup India is a flagship initiative of the Government of India, intended to build a strong eco-system for nurturing innovation and Startups in the country that will drive sustainable economic growth and generate large scale employment opportunities. Salient features of the Startup India Initiative are at **Annexure-I**.

The activities under the Make in India initiative are being undertaken by several Central Government Ministries/ Departments and various State Governments. There is no fund allocation from DPIIT to States/ UTs under 'Make in India' initiative. Further, Ministries formulate action plans, programmes, schemes and policies for the sectors being dealt by them. This Department does not maintain information on such formulations by the line Ministries.

With respect to Startup India initiative also, there is no direct fund allocation from DPIIT to States/UTs. However, Government of India has established a Fund of Funds for Startups (FFS) with corpus of Rs. 10,000 crores, 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 crores is envisaged to be provided over the 14<sup>th</sup> and 15<sup>th</sup> Finance Commission cycles based on progress of the scheme and availability of funds.



The initiatives under 'Make in India' are targeted towards employment creation and skill development of youth in both urban and rural areas. The data for employment generated under 'Make in India' initiative is not centrally compiled.

Under the 'Startup India' initiative, as on 07.07.2021, a total of 26,327 employment has been reported by DPIIT recognized startups from Tamil Nadu in the last three years. The year-wise details of employment generated by startups from Tamil Nadu is as under:

Year	Jobs reported by recognized startups in Tamil Nadu (as on 07.07.2021)
2018	4504
2019	8213
2020	8628
2021	4982
<b>Total</b>	<b>26,327</b>

## ANNEXURE –I

### Details of achievements under Startup India Initiative

#### 1. Intellectual Property Rights (IPR) benefits:

- i. Startups are eligible for 80% rebate in patent filing fees and 50% rebate in trademark filing fees. Additionally, Startups are also provided the facility of expedited examination of patent applications to reduce time taken in granting patents. 510 patent facilitators and 392 trademark facilitators have been empanelled, as of March 2021, under this scheme to provide free-of-charge services to Startups.
- ii. As of March 2021, 5544 patent applications have been filed . Over 70% CAGR over the past 4 years of the total patents filed:

- 577 Granted
- 639 Disposal other than grant
- 4328 Under Examination



iii. 1316 expedited examination for patent applications filed by Startups; of these FER (First Examination Report) issues for 1233 applications and 561 Patents granted

iv. 14632 Trademark applications have been filed out of

- 7013 trademarks registered,
- 1887 accepted,
- 499 Refused/Withdrawn/Abandoned
- 5233 under examination

v. Patents have been granted as fast as 81 days (2018).

## 2. Easing Public Procurement

- i. 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.
- ii. 'GeM Startup Runway' has been launched for startups to sell products and services to Government. As of June 2021, 10,154 startups have registered on GeM portal and 76,564 orders have been placed to startups. The value of orders served by startups has been to the tune of around INR 3,481 Crores.
- iii. 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.
- iv. GeM has relaxed the requirement of approved Trademark certificate for DPIIT Recognized Startups . An application for trademark will be sufficient.

## 3. Self-Certification under Labour and Environmental laws

- i. Startups recognised under Startup India initiative can self-certify their compliance against the 6 labour laws and 3 environmental laws.
- ii. 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.

## 4. Tax Exemption to Startups for 3 years

- i. The provisions of section 80-IAC of the Income Tax Act provide for a deduction of an amount equal to 100% of the profits and gains derived from an eligible business by an eligible start-up for 3 consecutive assessment years out of 7 years, at the option of the assessee, subject to certain conditions. The Finance Act, 2020 provides for an amendment to section 80-IAC of the Income



Tax Act so as to provide that the deduction under the said section 80-IAC shall be available to an eligible start-up for a period of 3 consecutive assessment years out of 10 years beginning from the year in which it is incorporated.

- ii. To avail these benefits, a Startup must get a Certificate of Eligibility from the Inter-Ministerial Board (IMB). 387 startups have been granted income tax exemptions till June 2021

#### 5. Tax Exemption on Investments above Fair Market Value

- i. 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 in Form 2 to DPIIT {as per notification G.S.R. 127 (E)} to claim the exemption from the provisions of Section 56(2) (viib) of the Income Tax Act. As of 12<sup>th</sup> July 2021, with regard to declarations received from entities, furnished in Form 2, intimation regarding receipt of declaration in Form 2 has been mailed in the cases of 4,372 entities.

#### 6. Faster Exit for Startups

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. Fund of Funds for Startups

- i. Fund of Funds for Startups (FFS) with a total corpus of Rs 10,000 crore was established with contribution spread over the 14<sup>th</sup> and 15<sup>th</sup> Finance Commission cycle based on progress of implementation. Startup Fund of Funds is operational and is managed by SIDBI.
- ii. As of 02<sup>nd</sup> June 2021, SIDBI has committed Rs. 5409.45 Cr to 71 SEBI registered Alternative Investment Funds (AIFs). These funds have a target corpus fund of Rs. 36,790 Cr. Rs. 1,541.29 Cr. have been drawn from the FFS and Rs. 5,811 Cr. have been invested into 443 startups."

#### 8. Startup India Seed Fund Scheme

- i. It was launched by the Hon'ble Prime Minister on 16<sup>th</sup> January, 2021 at Startup India International Summit: Prarambh. The Scheme aims to provide financial assistance to startups for proof of concept, prototype development, product trials, market entry and commercialization. Rs. 945 Crore corpus will be divided over the next 4 years for providing seed funding to eligible startups through eligible incubators across India. The scheme is expected to support about 3600 startups.
- ii. An online portal was launched by Hon'ble CIM on 19<sup>th</sup> April 2021. 8 incubators have been selected, 23 incubator applications have been received and ~ 190 applications are in draft. The Experts Advisory Committee (EAC) has selected 8 incubator for providing financial assistance of Rs 28 crore to 8 incubators.



9. 47 regulatory reforms have been undertaken since January 2016 for enabling small businesses or Startups across the country.

#### 10. National Startup Awards

- i. The Department for Promotion of Industry and Internal Trade (DPIIT) conceived the National Startup Awards 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.
- ii. The applications for the ‘National Startup Awards 2020’ were hosted on the Startup India portal – [www.startupindia.gov.in](http://www.startupindia.gov.in) – through which a total of 1,641 applications were received from Startups across 23 States and 4 Union Territories. 41 ecosystem enablers (incubators and accelerators) also participated in the Awards.
- iii. Handholding Support: DPIIT also embarked on a new journey with all of the 192 NSA finalists (including the winners), handholding them reach their next stage of growth. As committed during NSA felicitation ceremony, DPIIT is supporting the startups across 8 9 key tracks viz. Investor Connect, Mentorship, Corporate Connect, Government Connect, International Market Access, Regulatory Support, Benefits under Startup India initiative, and Startup India Showcase and Startup India Champions on Doordarshan.
- iv. National Startup Awards 2021 has been launched. Acknowledging the efforts, initiatives and resilience demonstrated by the startups over the period of unprecedented challenges during the pandemic, additional categories have been introduced to NSA 2021. It also aims to recognise innovations focussed towards indigenisation of key products essential for realisation of an Aatmanirbhar Bharat.
- v. The awards for startups will be given in 49 areas classified into 15 broad sectors. The 15 sectors are Agriculture, Animal Husbandry, Drinking Water, Education and Skill Development, Energy, Enterprise Systems, Environment, FinTech, Food Processing, Health and Wellness, Industry 4.0, Security, Space, Transport and Travel. In addition, there are six special awards for startups from educational institutions, making impact in rural areas, women entrepreneurs, potential for import substitution, innovation for combatting COVID-19 and content delivery in Indic languages. It will also reward exceptional incubator and accelerator as key building blocks of a robust startup ecosystem.
- vi. The applications for the ‘National Startup Awards 2021’ were hosted on the Startup India portal – [www.startupindia.gov.in](http://www.startupindia.gov.in) – through which a total of 2,177 applications were received from Startups across 30 States and UTs. 59 ecosystem enablers (incubators and accelerators) have also participated in the Awards. The evaluation of applications is underway.

#### 11. Awards for Winners



- INR 5 lakh to the winning startup in each of the 49 Categories
- Opportunity to pitch in front of relevant line-ministry/ department/ corporates to the winner and two runner ups
- Priority for participation in national and international events

#### ii. Ecosystem Enablers

- INR 15 Lakh to one winning incubator and one accelerator each

### 12. Startup India Champions on Doordarshan

- i. Hon'ble Minister of Finance in her Union Budget 2019-20 speech on 5th July 2019 proposed that the government would start a television programme within the Doordarshan (DD) bouquet of channels exclusively for startups.
- ii. The proposed programme focuses on three key objectives showcasing the achievements, progress and innovation strength of Indian startups, matchmaking and helping connect startups to investors by providing them necessary visibility and discussing and solving the current issues that are being faced by the startups in the country.
- iii. The program started in January, 2021 and has had 12 episodes till now covering various industries such as energy, tourism, cyber security, urban services etc.

### 13. Startup India Showcase

Startup India Showcase is an online discovery platform for the most promising startups of the country chosen through various DPIIT and Startup India programs exhibited in a form of virtual profiles. The startups showcased on the platform have distinctly emerged as the best in their fields. These innovations have been handpicked by experts and have gone through multiple rounds of screening and evaluation. These innovations span across various cutting-edge sectors such as Fintech, Enterprise Tech, 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.

### 14. Startup India Yatra

DPIIT has also made efforts to engage with the Startup ecosystem through extensive outreach via bootcamps, social media, print and digital platforms. The Startup India Yatra is an initiative that travels to Tier 2 and Tier 3 cities of India to search for entrepreneurial talent and help develop Startup ecosystem. Day long bootcamps were conducted which included awareness workshops, idea validation and pitching sessions. Startup Yatra has been conducted across 23 States in 236 districts impacting 78346 aspiring entrepreneurs. A total of 1,424 incubation offers have been given to the startups as a result of this initiative.



There has been an increase in the number of DPIIT recognized startups in the recent years. The increasing trend can be seen from the below breakup:

Calendar Year	Recognized Startups
2016	504
2017	5420
2018	8946
2019	11683
2020	14778
2021*	11272

(\*data till 15<sup>th</sup> July, 2021)

#### 16. Startup India Portal

- i. Startup India provides free resources to startups to help them scale faster, better, and stronger. The portal acts as one stop platform for the stakeholders of startup ecosystem with aspiring entrepreneurs, startups, corporates, accelerators, incubators, government departments having profile on the platform.
- ii. 4,95,396 users have registered on the website, as on 13<sup>th</sup> July, 2021.
- iii. More than 446 Innovation Hunts and programs have been hosted on the Startup India portal by various government departments and corporates.

#### 17. Learning & Development Program

- i. To guide budding entrepreneurs through the journey of their startup venture, a free 4-week program is offered on the key areas of starting up by more than 40 top founders of India. Upon completion of the course, an acknowledgement certificate for the learnings in the program is also provided.
- ii. The Learning and Development course has been accessed by 3,14,156 users as on 22<sup>nd</sup> February, 2021.





This information was given by the Minister of State in the Ministry of Commerce and Industry, Shri Som Parkash, in a written reply in the Rajya Sabha today.

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**YB/SS**

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