

**GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION**

**LOK SABHA**

**STARRED QUESTION NO.355.  
TO BE ANSWERED ON MONDAY, THE 27<sup>TH</sup> MARCH, 2017.**

**GLOBAL RANKING ON EASE OF DOING BUSINESS**

**\*355. SHRIMATI HEMA MALINI:  
SHRI ANANTKUMAR HEGDE:**

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

**वाणिज्य एवं उद्योग मंत्री**

- (a) whether the Government has fixed any target to improve India's Global ranking for Ease of Doing Business and if so, the details thereof;
- (b) India's current ranking in the World Bank's Ease of Doing Business ranking and the reasons for low ranking of the country;
- (c) whether the rank of India has improved on the Ease of Doing Business global index over the last one year and if so, the details thereof;
- (d) the steps taken/being taken by the Government to improve the ranking on the said index; and
- (e) whether these steps have led to the desired outcome and if not, the reasons therefor?

**ANSWER**

**वाणिज्य एवं उद्योग राज्यमंत्री (स्वतंत्र प्रभार)(श्रीमती निर्मला सीतारमण)  
THE MINISTER OF STATE (INDEPENDENT CHARGE)  
OF THE MINISTRY OF COMMERCE & INDUSTRY  
(SHRIMATI NIRMALA SITHARAMAN)**

**(a) to (e):** A Statement is laid on the Table of the House.

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**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 355 FOR ANSWER ON 27.3.2017.**

**(a):** Government of India has emphasized on the importance of 'Ease of Doing Business' as a major pillar of the 'Make in India' initiative. The Government's target is to improve the business regulatory environment of India and India's ranking in World Bank's Doing Business Report.

**(b) & (c):** India ranks 130<sup>th</sup> in the World Bank's annual Doing Business Report (DBR) 2017 as against 131<sup>st</sup> rank (Revised) in the Doing Business Report 2016. The Doing Business report ranks countries on the basis of Distance to Frontier, an absolute score that measures the gap between India and the global best practice on 10 specified indicators. India's absolute score improved from 53.93 in DBR 2016 to 55.27 in DBR 2017. This is the first time that India has improved its absolute score in two consecutive years as can be seen from the table given below. Additionally, India's Distance to Frontier score improved in 7 out of the 10 indicators, showing that India is increasingly progressing towards best practice.

<b>Topics</b>	<b>DB 2015</b>	<b>DB 2015 (Revised)</b>	<b>DB 2016</b>	<b>DB 2016 (Revised)</b>	<b>DB 2017</b>
<b>Overall rank</b>	142	134	130	131	130
<b>Distance to Frontier</b>	52.67	-	54.68	53.93	55.27

The World Bank in its latest Doing Business Report 2017 has recognized the following Reforms:

- I. On Getting Electricity, the report recognized the efforts of Tata Power in Delhi to make it faster and cheaper to obtain an electricity connection. These efforts, combined with efforts in Mumbai last year, have allowed India to improve its rank on this indicator from 137 in DB Report 2015 to 26 in this year's report, a 111 rank improvement.
- II. The report has also recognized the establishment of Commercial Divisions within the High Courts in Delhi and Mumbai to deal with commercial cases above ₹ 1 crore. This has allowed India to improve its rank by 14 places in 2 years.
- III. In the area of Trading Across Borders, the report recognized the implementation of the Single Window Interface for Facilitating Trade (SWIFT), which integrates approvals and risk-based framework of customs and nine departments to provide traders with a single online interface for clearances.
- IV. On Paying Taxes, the report recognized online filing and payment of returns at the Employee's Social Insurance Corporation.

**(d) & (e):** Government has urged the Central Government Ministries/ Departments to analyse the World Bank's latest Doing Business Report. Nodal Departments/Ministries have been identified for each of the 10 indicators of the Report. The concerned Departments in coordination with Government

of NCT of Delhi and Government of Maharashtra are responsible for reducing procedures, time and cost across each indicator. Further, Ministries/ Departments concerned have been asked to pursue regular engagements with stakeholders, conduct workshops with the users and stakeholders to familiarize them with the reforms, take their feedback on a regular basis and take corrective action. Ministries/ Department concerned have been provided with the set of reforms which need to be implemented and have been asked to identify additional areas related to the Department where reforms and corrective measures need to be taken to ensure time bound and effective implementation of the reforms. Some of the reforms undertaken on various parameters of Doing Business towards easing the business environment in the country are annexed. Due to the reforms which have been undertaken, India's absolute score has improved from 53.93 in Doing Business Report 2016 to 55.27 in Doing Business Report 2017. Additionally, India's Distance to Frontier score improved for 7 out of 10 indicators.

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## **ANNEXURE REFERRED TO IN REPLY TO PARTS (d) & (e) OF LOK SABHA STARRED QUESTION NO. 355 FOR ANSWER ON 27.3.2017.**

Some of the reforms undertaken on various parameters of Doing Business towards easing the business environment in the country are listed below:-

### **1. STARTING A BUSINESS**

- The Companies (Amendment) Act, 2015 has eliminated the need of a common company seal for incorporation.
  - Registration with ESIC and EPFO has been made real-time by eliminating all physical touch-points.
  - The requirement of opening a bank account has been removed as a mandatory condition for registration with ESIC and EPFO.
  - "Shram Suvidha" Portal has been launched to issue Unique Labour Identification Number (LIN), submission of common electronic returns under 16 Labour Acts and facilitate risk based inspections.
  - Maharashtra has combined the process of registration with VAT and Profession Tax. The registration is now being granted within 24 hours in Mumbai.
  - SPICe form has been notified as sole application form for incorporation of companies (w.e.f., from 01.01.2017). The fee for filing the incorporation form has been reduced from Rs.2000/- to Rs.500. PAN and TAN have now been integrated with SPICE.
  - No Environment clearance is required for 36 white industries.
  - Mine prospecting projects have been exempted from the requirement of compensatory afforestation and Forest Rights Act (FRA) certificate for grant of forest clearance.
  - No site inspection is required for mine prospecting projects on forestland for less than 100 ha. for construction of new roads/drilling of bore hole/ sample collection pits.
  - Validity of Environment Clearance has been increased from 5 years to 7 years.
  - Online submission of applications for environment/forest/wildlife clearances has been put in place for transparent and expeditious decision-making.
  - District Environment Impact Assessment authority has been constituted to grant EC for mining of minor minerals for 5 ha. of individual lease and 25 ha. in a cluster.
  - Regional empowered committees at sub national level have been delegated higher powers to dispose of proposals for Forest Clearance
    - a) Involving diversion of 5 to 40 hectares of forest land and
    - b) All proposals involving diversion of forestland for linear projects irrespective of area of forest land involved.
  - The competent authorities in the state government have been delegated powers to issue permission for tree felling and commencement of work for a period of one year of linear projects without waiting for final approval under the Forest Conservation Act.
- ### **2. CONSTRUCTION PERMITS**
- Municipal Corporation of Greater Mumbai (MCGM) has completed the process of single window approval by integrating with internal Departments as well as external Departments like AAI and NMA through a common application form.
  - In Mumbai, the building completion certificate and occupancy certificate can now be processed simultaneously through single-window approval system.

- Site inspection for construction permits has been minimized by way of self-certification and introducing third party certification. During construction, submission of video clips by architects has been introduced in online Auto DCR system.
- AutoCAD based software to scrutinize building plans has been implemented.
- Both Municipal Corporation of Delhi (MCD) and MCGM has introduced digital signing of building permit application, as well as maps, thereby eliminating need of physical submission of documents. The manual application for grant of construction permits has been discontinued.
- MCGM and MCD Single Window Application System have a provision for online transfer of application and receipt of NOC.
- MCD has completed the process of single window approval by integrating with internal departments as well as external Departments like DMRC, Delhi Fire Services, DUAC, AAI and NMA through a common application form. NOC from Labour Department of Delhi Government is not required if no manufacturing activity is being undertaken in the building.
- MCD has eliminated the need for applicant to visit the Property Tax Department to collect receipt of tax payment.
- Delhi Development Authority (DDA) has notified the Unified Building Bye-laws. The unified building bye laws have provision of deemed approval of sanctioning building plans within 30 days.
- Colour coded maps have been developed by AAI, DUAC and DMRC to enable applicants to determine whether NOC is required for the land for which permission is applied for.
- 88% of building plans have been sanctioned online by Municipal Corporation of Delhi.
- Infrastructure charges have been abolished by Delhi Jal Board Authority for commercial/ industrial connections. The development Charges for commercial and industrial water connections upto 50 sq. m is Rs. 45000 and above 50 sq. m is Rs. 1lakh.

### **3. GETTING ELECTRICITY**

- Online application for connections above 100KVA mandatory in Maharashtra and Delhi.
- Delhi Electricity Regulatory Commission (DERC) has rationalized LT and HT tariff thereby allowing LT connections upto 150KVA.
- In Delhi and Mumbai, for getting a new electricity connection the number of procedures has been reduced to 3. Further, DERC has revised the application format of Delhi Electric Supply Code and Performance Standards Regulations, 2007 for faster release of electricity connection. The distribution licensees have been directed to process applications in the revised format along with the declaration form.

Following are the two documents required for getting electricity connection:

1. Identity proof
  2. Proof of ownership/ occupancy of premises.
- NOC/Consent to Establish is not required for getting industrial electricity connection for setting up new industries and projects.
  - Amendments in Central Regulatory Authority regulation has been done to allow installation of transformers up to 500 KVA on double pole structure.

- Amendments in Central Regulatory Authority notification to waive off electrical approval for 11 KV installations carried out by DISCOMs and allowing self-certification by DISCOMs engineers.
- Supply Code Regulation and Standard of Performance (SOP) regulations have been modified by DERC and MERC to complete the process within 15 days.
- Now the industrial/ commercial connections are being granted within 15 days in Delhi and Mumbai.
- Tata power has improved its System Average Interruption Duration Index (SAIDI) by 2.42 and it's System Average Interruption Frequency Index (SAIFI) by 2.41.
- Brihanmumbai Electricity Supply and Transport (BEST) has improved its System Average Interruption Duration Index (SAIDI) by 1.72 and it's System Average Interruption Frequency Index (SAIFI) by 3.26.

#### **4. TRADING ACROSS BORDERS**

- Reforms affecting import of automobile parts from Korea: In JNPT there are 1637 import declarations filed during the period from 1st June 2015 to 31st May 2016 (the period of World Bank case study). The average time taken for giving cargo clearance by Customs authorities is 19.59 hours, wherever importer has paid appropriate Customs duty. Further, it is important to note that more than 80% of automobile shipments coming from Korea are treated as risk-free and Customs gives clearance within 6 hours, in cases where importer has paid appropriate Customs duty.
- Reforms affecting export of electrical machinery to New York: As of January 1, 2016, Indian Customs Authorities do not require users to physically sign any documents, provided that the documents are digitally signed.
- On April 1, 2016, the Central Board of Excise and Customs of India launched the Customs Electronic Commerce Interchange Gateway (ICEGATE) portal, which allows for e-filing of integrated customs declaration, bill of entry and the shipping bill. ICEGATE also facilitates data and communication exchanges between applicants and customs.
- Central Board of Excise and Customs (CBEC) has implemented Single Window Interface for Facilitating Trade (SWIFT) (online single window for clearance of goods) on the ICEGATE portal by integrating 6 other Departments viz. FSSAI, Animal Quarantine, Plant Quarantine, Drug Controller, Wildlife Control Bureau and Textile Committee for imports. Also, online message exchange system under single window between Customs' ICEGATE and Plant Quarantine Information System (PQIS) has been implemented for import clearances of agricultural commodities.
- Customs' risk management system has been extended to other regulatory agencies to ensure risk- based inspection. 168 low phytosanitary risk agricultural commodities listed under schedule VII of the PQ order, 2003 have been identified for 5% random inspection. Mandatory testing of imports from countries where azo dye has not been banned has been reduced to 25%.
- The limit on the number of consignments released under direct delivery has been removed facilitating prompt delivery of goods.
- Terminal handling receipts have been eliminated from Jawaharlal Nehru Port Container Terminal, Gateway Terminals India and Nhava Sheva International Container Terminal by web based e-form 13.
- Filing of import and export declarations and manifests has been made online with digital signature. Importers, exporters using services of Customs Brokers, shipping lines and airlines can file customs documents under digital signature mandatorily w.e.f. 01/01/2016.

- Electronic messaging system between shipping and custodians' i.e. electronic delivery order instead of manual, paper based delivery order was introduced vide circular dated 14/10/2016.
- Customs' Clearance Facilitation Committee has been set up at every major customs seaport and airport at Central level.
- The system of physical control and locking of public and private warehouses by Customs has been dispensed with and replaced by record based controls.
- Customs 24x7 clearances is now available on 19 sea ports and 17 Air Cargo ports.
- Reduction in number of mandatory documents required for exports and imports to 3 each for export and import. Earlier 7 documents were required for exports and 10 for imports. Implemented vide notification dated 12.03.2015.
- The port has reduced the "Gate in" time period for export containers from 5 days to 4 days which will further reduce export dwell time by another 24hrs.
- CBEC relaxed KYC norms with regard to consignments imported by individual vide circular dated 26.04.2016.
- Facility of deferred payment for select category of importers and exporters has been introduced. This provision enables release of cargo without payment of duty, which shall enable speedier clearance and improved liquidity in hands of the businesses.

## **5. RESOLVING INSOLVENCY**

- Constitution of National Company Law Tribunal and National Company Appellate Law Tribunal has been operationalized.
- Insolvency and Bankruptcy Board of India has notified liquidation norms on 15<sup>th</sup> December, 2016 under Insolvency and Bankruptcy Code.
- The Corporate Insolvency Resolution provisions have been notified on 30<sup>th</sup> November, 2016 to implement the Insolvency and Bankruptcy Code.
- Regulations for Insolvency Professionals have been notified on 23<sup>rd</sup> November, 2016 for implementing the Insolvency and Bankruptcy Code.
- Regulations for Insolvency Professionals Agency have been notified on 21<sup>st</sup> November, 2016.

## **6. ENFORCING CONTRACTS**

- On 7<sup>th</sup> January 2016, the Maharashtra High Court established Commercial Division benches and Commercial Appellate Division benches under the High Court.
- Commercial divisions and appellate divisions in Delhi High Court have been established.
- The Arbitration and Conciliation Act has been amended to reduce the time taken in arbitration proceedings and grounds on which an award may be challenged.
- National Judicial Data Grid (NJDG) was opened to general public on 19<sup>th</sup> September, 2015. NJDG is a national data warehouse for case data including case registration, cause list, case status and orders/judgments of courts across the country till District Level Courts.

## **7. REGISTERING PROPERTY**

- Mumbai: Integration of Sub Registrars' offices with the Land Records Department has been completed. Registration data is being shared with the Land Records Department as part of the LR-SRO linkage under the National Land Records Modernization Program. This has been done for e-mutation in rural areas, and is presently being implemented across 358 tehsils comprising 427 Sub Registrar Offices in the state.
- In Maharashtra, all property tax records have been digitized.
- In Mumbai, citizens can review the property details using e-search facility.

- In Mumbai, appointments to SRO have been made online through e-StepIn books slot.
- Grievances related to immovable property registration in Maharashtra has been made online.
- Further, a project for “e-DISNIC software” (Revenue Courts) for making the land dispute information available online has been rolled out.
- Delhi: Out of 356 villages, 52 villages have their textual data fully digitized and online digitally signed RORs are being issued. An additional 63 villages will have their RORs issued online soon. Digitization of cadastral maps has been done. 28 maps have been validated. The integration of textual and spatial data has started.
- In Delhi, all sub-registrar offices have been digitized and sub-registrars' records have been integrated with the Land Records Department.
- In Delhi, model sale deed format for property registration is available on the website of Department of Revenue.
- In Delhi, an electronic database for recording boundaries, checking points and providing cadastral information has been completed.
- In Delhi, linking of land ownership registry and mapping agency database on a pilot basis have been completed.

## **8. GETTING CREDIT**

- SARFAESI (Central Registry) Rules, 2011 has been amended. The amendment modifies rule 4 to include additional types of charges, including: "security interest in immovable property by mortgage other than deposit of title deeds"; "security interest in hypothecation of plant and machinery, stocks, debt including book debt or receivables"; "security interest in intangible assets, being know-how, patent, copyright, trademark or any other business or commercial right of similar nature"; and "security interest in any under construction residential or commercial building or a part thereof". This amendment allows (Central Registry of Securitization Asset Reconstruction and Security Interest) CERSAI to register these additional charges.

## **9. PAYING TAXES**

- Payment of Employee State Insurance Corporation and Employee Provident Fund Organization contributions can now be made online through 58 banks, debit cards or credit cards.
- ESIC and EPFO returns have also been unified and are available on Shram Suvidha Portal.
- Sales tax department of Maharashtra has eliminated physical touch point for filing of tax returns, tax payment and tax compliances by introducing online return filing and online payment through GRAS (Government Receipt Accounting System) for VAT, CST, Profession tax, Luxury Tax and Entry Tax.
- Electronic Verification Code (EVC) has been introduced as one of the possible mode for validation of tax returns. Earlier, some categories of taxpayers were required to submit Form ITR-V manually through post for validation of tax returns. Introduction of EVC has made the exercise of filing tax return electronic. It has also reduced the time period for filing the tax return considerably. During the year, income-tax returns were also made much simpler with culling of many irrelevant columns for all categories of taxpayers. Further, the Tax Audit Report which is required to be filed online was also standardized and harmonized with various provisions of the Companies Act.
- An option for e-filing is available for filing or revising Corporate Tax returns with CBDT.