

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

**LOK SABHA**

**UNSTARRED QUESTION NO. 2047.  
TO BE ANSWERED ON MONDAY, THE 30<sup>TH</sup> JULY, 2018.**

**RANKING ON EODB**

**2047. SHRI BIDYUT BARAN MAHATO:  
SHRI GAJANAN KIRTIKAR:  
PROF. PREM SINGH CHANDUMAJRA:  
SHRI R.P. MARUTHARAJAA:  
SHRI MUTHAMSETTI SRINIVASA RAO (AVANTHI):  
ADV. NARENDRA KESHAV SAWAIKAR:  
SHRI SUDHEER GUPTA:  
KUNWAR HARIBANSH SINGH:  
SHRI A.T. NANA PATIL:  
SHRI S. RAJENDRAN:  
SHRI S.R. VIJAYAKUMAR:  
SHRI T. RADHAKRISHNAN:**

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

**वाणिज्य एवं उद्योग मंत्री**

- (a) whether the Government and the World Bank have recently released the rankings of States/Union Territories in India on the Ease of Doing Business (EoDB) recently;
- (b) if so, the details thereof including the details of ranking of each State/UT and the criteria/parameters fixed/adopted therefor, State/UT-wise;
- (c) whether the Government has taken any feedback from the industry this time to assess whether the reforms percolated to the ground level in various States/UTs;
- (d) if so, the details thereof and the response of the industry in this regard; and
- (e) the steps taken/proposed to be taken by the Government to improve States/UTs and India's performance on EoDB in the country?

**ANSWER**

**वाणिज्य एवं उद्योग मंत्रालय में राज्यमंत्री (श्री सी.आर. चौधरी)**

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY  
(SHRI C.R. CHAUDHARY)**

- (a) to (d):** Department of Industrial Policy & Promotion, in partnership with the World Bank Group, released the rankings of States/Union Territories under the Business Reform Action Plan (BRAP), 2017 on 10<sup>th</sup> July, 2018 in New Delhi. A 372-point Action Plan was prepared and shared with the

States/UTs for implementation. The Action Plan is spread across 12 broad parameters, viz., Labour Regulation Enablers, Contract Enforcement, Registering Property, Inspection Enablers, Single Window System, Land Availability and Allotment, Construction Permit Enablers, Environment Registration Enablers, Obtaining Utility Permits, Paying Taxes, Access to Information & Transparency Enablers and Sector Specific. The ranks obtained by the States/UTs are placed in Annexure-I.

The assessment under the BRAP, 2017 is based on a combined score consisting of – (i) Reform Evidence Score, which is based on evidences uploaded by the States/UTs and (ii) Feedback Score, which is based on the feedback garnered from the actual users of the services provided to the businesses.

The feedback survey on 78 out of 372 reforms was undertaken to ensure that the reforms are actually felt at the ground level. The feedback was collected through interviews of actual users selected from the data of more than 50,000 users provided by the State/UT governments. More than 5,000 private sector users in 23 states/UTs – including more than 4,300 businesses and more than 800 architects, lawyers and electrical contractors from across the country have shared their experience.

Further details on assessment of States/UTs under BRAP, 2017 are available on the web portal: <http://eodb.dipp.gov.in/>.

- (e) : Steps taken/proposed to be taken to improve the overall business regulatory environment in the country are placed in Annexure-II.

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## ANNEXURE-I

**ANNEXURE REFERRED TO IN REPLY TO PARTS (a) to (d) OF LOK SABHA  
UNSTARRED QUESTION NO. 2047 FOR ANSWER ON 30.07.2018.**

TOP ACHIEVERS (Above 95%)		ACHIEVERS (90-95%)		FAST MOVERS (80 - 90%)		ASPIRERS (BELOW 80%)	
Ran k	State	Rank	State	Rank	State	Rank	State
1	ANDHRA PRADESH	10	WEST BENGAL	16	HIMACHAL PRADESH	19	GOA
2	TELANGANA	11	UTTARAKHAND	17	ASSAM	20	PUNJAB
3	HARYANA	12	UTTAR PRADESH	18	BIHAR	21	KERALA
4	JHARKHAND	13	MAHARASHTRA			22	JAMMU & KASHMIR
5	GUJARAT	14	ODISHA			23	DELHI
6	CHHATTISGARH	15	TAMIL NADU			24	DAMAN & DIU
7	MADHYA PRADESH					25	TRIPURA
8	KARNATAKA					26	DADRA & NAGAR HAVELI
9	RAJASTHAN					27	PUDUCHERRY
						28	NAGALAND
				29	CHANDIGARH		
				30	MIZORAM		
				31	ANDAMAN & NICOBAR ISLANDS		
				32	MANIPUR		
				33	SIKKIM		
				34	ARUNACHAL PRADESH		
				34	LAKSHADWEEP		
				34	MEGHALAYA		

**ANNEXURE REFERRED TO IN REPLY TO PART (e) OF THE LOK SABHA UNSTARRED QUESTION NO. 2047 FOR ANSWER ON 30.07.2018.**

**A. World Bank's Doing Business Ranking (DBR)**

Some of the major indicator wise reforms undertaken by the Government towards easing the business environment in the country are as under:

**(a) Starting A Business:**

**Reforms accepted in DBR 2018:** India made starting a business faster by introducing a single form SPICe (Simplified Proforma for Incorporating Company electronically) by merging five different applications i.e. Name reservation, Company incorporation, Director Identification Number (DIN), Permanent Account Number (PAN) and the Tax Deduction/Collection Account Number (TAN), and by improving the online application system. This reform applies to both Delhi and Mumbai.

**Reforms implemented for DBR 2019:**

- Discontinued the INC-1 eform and launched a new and simplified web based service i.e. R.U.N. (Reserve Unique Name) on 26th January, 2018. This has also removed the requirement to use a Digital Signature Certificate (DSC) during name registration
- Applications for obtaining Director Identification Number (DIN) for first time directors in a new company now have to be mandatorily submitted through the SPICe eform
- Incorporation fees has been eliminated for Companies with authorized capital up to INR 10 lakh
- Applications required for PAN and TAN have been completely integrated into SPICe form eliminating need of submitting online a separate form. Additionally, PAN and TAN are mentioned in the Certificate of Incorporation (CoI) which is now a sufficient proof for PAN and TAN
- Registration for EPFO & ESIC is available on Shram Suvidha Portal
- Registrations under Mumbai Shops & Establishments Act are processed in real time and without any physical inspection

**(b) Dealing with Construction Permits:**

**Reforms accepted in DBR 2018:** India made dealing with construction permits less cumbersome by implementing an online system that has streamlined the process at the Municipality of New Delhi and Municipality of Greater Mumbai. The online system has streamlined the process of obtaining a building permit,

thereby reducing the number of procedures and time required to obtain a building permit in India.

**Reforms implemented for DBR 2019:**

- All approvals of the construction lifecycle (i.e. from building plan approval till issuance of completion-cum-occupancy certificate) are issued online
- Introduction of provision of decennial professional liability insurance in Delhi and Mumbai
- Delhi and Mumbai have introduced provision of joint inspection for issuance of Occupancy cum completion certificate

**(c) Getting Electricity:**

**Reforms implemented for DBR 2019:**

- In Delhi, service line charges have been capped to INR 25,000/- in electrified areas for Low Tension loads up to 150 KW
- In Delhi, DERC regulations mandate that the electrical connection process must be completed within 15 days of the application's acceptance
- In Mumbai, Reliance Infrastructure Limited requires the applicant to pay the cost of electricity connection along with the first bill

**(d) Registering Property**

**Reforms implemented for DBR 2019:**

- In Mumbai, deeds/title records have been digitized and have been made available online
- In Mumbai and Delhi, maps have been digitized and made available online
- Grievance Redressal Systems have been implemented for Sub-registrar office (Mumbai and Delhi) and cadastral mapping agency (Delhi)
- In Delhi, property transaction statistics have been made available online

**(e) Getting Credit:**

**Reforms accepted in DBR 2018:** India strengthened access to credit by amending the rules on priority of secured creditors outside reorganization proceedings and by adopting a new law on insolvency that provides a time limit and clear grounds for relief to the automatic stay for secured creditors during reorganization proceedings. This reform applies to both Delhi and Mumbai.

**Reforms implemented for DBR 2019:** Notified and started the implementation of Section 20A of the SARFAESI Act with the objective of integration of all state and central registries with the CERSAI registry.

**(f) Protecting Minority Investors:**

**Reforms accepted in DBR 2018:** India strengthened minority investor protections by increasing the remedies available in cases of prejudicial transactions between interested parties. This reform applies to both Delhi and Mumbai.

**(g) Paying Taxes:**

**Reforms accepted in DBR 2018:** India made paying taxes easier by making payment of Employee Provident Fund (EPF) mandatory electronically and introducing a set of administrative measures easing compliance with corporate income tax. This reform applies to both Delhi and Mumbai.

**Reforms implemented for DBR 2019:**

- The implementation of GST has subsumed all indirect taxes including (i) Service Tax (ii) Value Added Tax (ii) Central Sales Tax and (iv) Excise Duty. Unification of these taxes will reduce the cascading effect of taxes and make taxes paid on inputs creditable to a higher percentage. Also, it is expected to reduce the time spent on filing and returns
- Corporate income tax has been reduced from 30% to 25% for companies with a turnover up to INR 250 crores
- Under the GST, Integrated Goods & Service Tax (IGST) is fully allowed as credit as against Central Sales Tax levied on which no input tax credit was allowable in erstwhile VAT regime, thereby reducing effective tax rate

**(h) Trading Across Borders:**

**Reforms accepted in DBR 2018:** India reduced import border compliance time in Mumbai by improving infrastructure at the Nhava Sheva Port. Export and import border compliance cost were also reduced in both Delhi and Mumbai by eliminating merchant overtime fees and through the increased use of electronic and mobile platforms.

**Reforms implemented for DBR 2019:**

- To reduce the time taken for border compliance time, facility of filing advance bill of entry (import declaration) is provided by customs
- Enhanced facilitation through Risk Management System (Facilitated Bill of Entry) by simplification of Risk Management System inspection process resulting in reduced time taken for clearance.

- Direct Port Delivery for import and Direct Port Entry for export is available at Jawarlal Nehru Port Trust (JNPT) to allow clearance and shipping of cargo directly from port premises, thus reducing the overall dwell time for both import and export
- Promotion of Authorized Economic Operator (AEO) programme: AEO programme seeks to provide tangible benefits in the form of faster Customs clearances and simplified Customs procedures to business entities
- Reduction in paper documentation and physical copies of EXIM related documents with the help of e-Sanchit; e-Sanchit, an online application on ICEGATE portal that allows a trader to submit all supporting documents for clearance of consignments electronically with digital signatures.
- Government of India has mandated the use of e-Payment, e-Invoice and e-Delivery order by all stakeholders in maritime trade from 2nd of April.
- Customs has implemented Electronic Sealing for Containers by exporters under self-sealing procedure; leading to faster export process
- Infrastructure strengthening: In order to handle the rising number of cargo at JNPT, JNPT has added 15 e-RTGCs (Rubber Tyre Gantry Cars) to improve the operational efficiency.
- A fifth container terminal has been inaugurated at JNPT in February, 2018 which has added a capacity of 24 million TEUS (Twenty Feet Equivalent Units) at JNPT.

**(i) Enforcing Contracts:**

**Reforms accepted in DBR 2018:** India made enforcing contracts easier by introducing the National Judicial Data Grid, which makes it possible to generate case measurement reports on local courts. This reform applies to both Delhi and Mumbai.

**Reforms implemented for DBR 2019:** Implemented case management system for judges and lawyers in Delhi district court & Mumbai city civil court for speedier resolution of commercial cases.

**(j) Resolving Insolvency:**

**Reforms accepted in DBR 2018:** India made resolving insolvency easier by adopting a new insolvency and bankruptcy code that introduced a reorganization procedure for corporate debtors and facilitated continuation of the debtor's business during insolvency proceedings. This reform applies to both Delhi and Mumbai.

## **B. Business Reform Action Plan**

Under Business Reform Action Plan, 2017, DIPP has taken numerous initiatives for the reform process as listed below:

- A nationwide workshop was held on 29<sup>th</sup> July, 2017 to discuss the relevance and importance of implementing reforms. The all-day conference witnessed an active involvement of almost 100 participants from 26 States/UTs. The workshop witnessed sharing of the best practices by States/UTs
- A unique handholding method was introduced where leading States were partnered with laggard States/UTs. West Bengal merits a special mention for its effort for conducting a 3 day workshop for Nagaland
- Priority reforms was identified for North east States and others with low implementation score
- 8 workshops were conducted along with the World Bank to address queries posed by States/UTs in Tripura, Punjab, Haryana, Daman & Diu, Dadra Nagar Haveli, Andaman and Nicobar Islands, Goa and Karnataka
- To handhold all the 8 north-eastern States, video conferences were arranged.

Some important achievements under the exercise are as follows:-

- 19 States have designed an Information Wizard providing information for all approvals, licenses, registrations timelines, procedure to establish business/industrial unit (pre-establishment & pre-operation)
- 21 States/UTs have designed and implemented online Single Window System
- 16 States/UTs have stipulated Construction Permits to be provided within 45 days (Building plan approval to be provided in 30 days/ Plinth level inspection to be completed in 7 days, final occupancy certificate provided in 8 days). Telangana, Assam and Tamil Nadu have mandated even shorter timelines of 29, 30 and 37 days, respectively. Tamil Nadu has claimed to have done away with the process of issuance of completion certificate
- 21 States/UTs have implemented a GIS system to provide details about the land earmarked for industrial use across the State
- 23 States/UTs have reduced the number of documents required for Obtaining Electricity connection to only 2
- 18 States/UTs have brought all compliance inspections conducted by Labour, Factories, Boilers Departments and Pollution Control Boards under Central Inspection Framework
- 16 States/UTs have establishing commercial courts at district level to resolve disputes



- 12 States/UTs have merging of the payment of court fees and process fees into a single transaction with some states like Jharkhand, Maharashtra, and Gujarat even repealing process fees from the Court Fees Act
- 29 States/ UTs have actioned notifying a list of white category industries exempted from taking pollution clearances.
- In new sector specific reforms added in 2017, States/ UTs have shown an active participation, with 20 States/UTs implementing an online application system Wholesale Drug License and Retail Drug License (Pharmacy), 18 States/UTs have online systems for Registration of Partnership firms and Societies, 20 States/UTs have implemented an online system for registration and renewal under the Legal Metrology Act, 2009.

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