

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

LOK SABHA

**UNSTARRED QUESTION NO. 200.
TO BE ANSWERED ON WEDNESDAY, THE 07TH DECEMBER, 2022.**

INVESTOR-FRIENDLY ECOSYSTEM

200. SHRIMATI SAJDA AHMED:

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

वाणिज्य एवं उद्योग मंत्री

- (a) the steps taken by the Government to create investor-friendly ecosystems across the country;
- (b) whether any special initiatives have been undertaken for the States categorized as emerging States to enhance the ease of doing business, particularly for Jharkhand, Delhi and West Bengal;
- (c) if so, the details thereof;
- (d) the details of the reforms undertaken by the Banking Sector to enhance the ease of doing business; and
- (e) whether consolidation of public sector banks has impacted positively in ease of doing business and if so, the details thereof?

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): Department for Promotion of Industry and Internal Trade (DPIIT) is the Nodal Department for coordinating the initiatives under Ease of Doing Business which are aimed at creating an investor-friendly ecosystems across the country. In addition to ongoing schemes of various Departments and Ministries, Government has also undertaken various steps to boost domestic and foreign investments in India. These include the introduction of Goods and Services Tax, reduction in Corporate taxes, financial market reforms, consolidation of public sector banks, Foreign Direct Investment (FDI) policy reforms, reduction in compliance

burden, various policy measures to boost domestic manufacturing, to name a few.

To promote FDI in the country, the Government has put in place an investor-friendly policy, wherein most sectors except certain strategically important sectors are open for 100% FDI under the automatic route. Further, the policy on FDI is reviewed on an ongoing basis, to ensure that India remains attractive and investor friendly destination. Changes are made in the policy after detailed consultations with stakeholders including apex industry chambers, associations, sectoral ministries/ departments and representatives of industries/groups and other organizations. Government has recently undertaken a number of reforms across sectors like Defence, Petroleum and Natural Gas, Insurance etc. .

(b) & (c): DPIIT, in coordination with States and Union Territories (UTs), is spearheading various reforms to improve the business regulatory environment in the country. DPIIT undertakes a dynamic reform exercise called Business Reforms Action Plan (BRAP), wherein all States and UTs are assessed on the basis of implementation of designated reform parameters. The focus of the reforms has been on streamlining the existing regulations and processes and eliminating unnecessary requirements and procedures. The Action Plan for the year 2022 covers 352 reform points.

All the States and UTs, including Jharkhand, Delhi and West Bengal have also participated actively in this exercise over the years and reforms implemented by them are recorded on the BRAP Portal (<https://eodb.dpiit.gov.in/>).

The exercise boosts competitive federalism among the States/UTs and thereby helps to further facilitate investor-friendly ecosystems across the country.

(d): Comprehensive reforms have been undertaken by the Public Sector Banks (PSBs) under Enhanced Access and Service Excellence reforms agenda to improve the ease of doing business including, *inter alia*, the following –

- i. Setting up of Loan Management Systems and Centralised Processing Centres, resulting in retail loan disbursement turnaround time reducing from 31 days to 10 days;
- ii. Enhancement of access to mobile and Internet banking by PSBs through increase in average number of services offered, customer-friendly features, and regional languages available on the customer interface;

- iii. Introduction of end-to-end automated digital lending in most of the larger PSBs for unsecured personal loans, loans to micro-enterprises and renewal of loans to MSMEs;
- iv. Enablement of digital retail loan request initiation through digital channels in all large PSBs; and
- v. Thrust on customer-need-driven, analytics-based credit offers by large PSBs.

(e): The objective of amalgamation of the banks was to facilitate consolidation among PSBs to create strong and competitive banks capable of achieving economies of scale and realisation of synergy benefits with wider product and service offering to customers. As a result of this effort, customers of amalgamated banks received access to increased number of branches and ATMs from which they can now avail banking services. Customers have also received access to a larger bouquet of products and services through harmonization of the same across banks being amalgamated together and enhanced their lending capacity for loans of a larger size. Further, the increased scale and customer base in the amalgamated banks has also enabled banks to opening/reorganizing controlling offices and processing centres, equipping them for better customer serving.
