

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

**UNSTARRED QUESTION NO. 586.
TO BE ANSWERED ON WEDNESDAY, THE 20TH NOVEMBER, 2019.**

EASE OF DOING BUSINESS

**586. DR. HEENA GAVIT:
SHRI SHRIRANG APPA BARNE:
SHRI VINAYAK RAUT:
PROF. SAUGATA RAY:
SHRI HEMANT SRIRAM PATIL:
DR. DNV SENTHILKUMAR S.:**

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether India has jumped 14 places to rank 63rd on the World Bank's 'Ease of Doing Business' 2020 recently and if so, the details thereof;
- (b) the details of the factors responsible for improved ranking;
- (c) the steps taken to foster market-oriented development and broad-based growth in each of the sectors;
- (d) whether the Government considers the said ranking as a criterion for tangible progress of the country and if so, the details thereof;
- (e) the details of the sectors that are lagging and need improvement for further improving India's ranking;
- (f) whether the Union Government has sought the help of States for working in the lagging sector to further improve the ranking and if so, the details thereof and the response of each of the State Governments;
- (g) whether the Government is targeting to join the club of top 50 economies on the Ease of Doing Business ranking in the coming years; and
- (h) if so, the steps taken by the Government to achieve the target?

ANSWER

**वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)
THE MINISTER OF COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)**

(a) to (d): Yes, Sir. In the latest Doing Business Report (DBR), 2020 released by the World Bank on 24th October, 2019, India stands at 63rd position out

of 190 countries, registering a jump of 14 places from its last year's rank. The details are at Annexure. Under Ease of Doing Business initiative, business processes are made simpler through which informal sectors are formalized. These efforts attract investments from other countries which in turn lead to more jobs in the country.

- (e):** India's rank in the indicators Paying Taxes, Starting a Business, Registering Property and Enforcing Contracts need further improvement. Department for Promotion of Industry and Internal Trade (DPIIT) is closely working with the concerned Ministries/Departments and Governments of Maharashtra and NCT of Delhi to implement the reforms and improve the ranking in these indicators.
- (f):** The Union Government has been working in unison with the Governments of Maharashtra and NCT of Delhi in implementing the reforms and improve the rankings. The reform measures to be implemented in all the sectors related to the Govt. of Maharashtra and NCT of Delhi has been shared with them. The response has been forthcoming which can be seen from the fact that India recorded highest improvement (67 rank) in 3 years by any large country since 2011. India has also been recognized in top ten countries with most reforms undertaken for 3 consecutive years under Doing Business 2020.
- (g) & (h):** Yes, Sir. DPIIT has, in coordination with Central Ministries/Departments and Governments of States/UTs, taken several steps to improve regulatory environment in India during last three years with an aim to bring India within top 50 ranks. Several business regulatory processes have been streamlined across the business lifecycle. As a result of the efforts made by the Government, India has improved its rank from 77th in DBR, 2019 to 63rd in DBR, 2020, with an improvement of 14 ranks during the last year.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA UNSTARRED QUESTION NO. 586 FOR ANSWER ON 20TH NOVEMBER, 2019.

The indicator-wise rank of India as the DBR, 2020 is given as under:

Sl. No.	Indicator	Rank (DBR 2020)
1	Protecting Minority Investors	13
2	Getting Electricity	22
3	Getting Credit	25
4	Dealing with Construction Permits	27
5	Resolving Insolvency	52
6	Trading across Borders	68
7	Paying Taxes	115
8	Starting a Business	136
9	Registering Property	154
10	Enforcing Contracts	163
	Overall Score	63

Significant improvements have been registered in **resolving insolvency, dealing with construction permits, registering property, trading across borders and paying taxes indicators**. Some of the major indicator wise reforms undertaken by the Government towards easing the business environment in the country are as under:

i) Resolving insolvency

India's rank in resolving insolvency improved from 108 to 52 recording a jump of 56 ranks with the Distance to Frontier improving from 40.84 to 62.0. India made resolving insolvency easier by promoting reorganization proceedings in practice. The Insolvency and Bankruptcy Code is recognized as a mode of resolving insolvency. Also, time taken in resolving insolvency is now comparable to OECD Countries.

ii) Dealing with construction permits

In Delhi, obtaining construction permits was made easy by reducing the time and cost and building quality control was improved by strengthening professional certification requirements. Mumbai streamlined the process of obtaining a building permit and reduced costs of scrutiny fees by 90%. The introduction of these reforms resulted in a jump of 25 ranks from 52 last year to 27 in DBR 2020. Also, the Distance to Frontier improved from 73.81 to 78.7.

iii) Trading across borders

Another area which saw significant improvement was trading across borders indicator which saw a jump of 12 places. From 80th place in 2018, India stands at 68th place in 2019. Trading across borders was made easier by enabling post-clearance audits, integrating trade stakeholders in a single electronic platform,

upgrading port infrastructure, and enhancing electronic submission of documents. This reform is applicable to both Delhi and Mumbai.

iv) Paying Taxes:

- Paying taxes has been made easier by replacing many indirect taxes with a single indirect tax, Goods and Service Tax (GST), for the entire country. The previous sales taxes including the central sales tax, CENVAT, state VAT and service tax have been merged into the GST. Unification of these taxes will reduce the cascading effect of taxes and make taxes paid on inputs creditable to a higher percentage.
- Corporate income tax has been reduced from 30% to 25% for companies with a turnover up to INR 250 crores
- Administrative charges on The Employees' Provident Funds Scheme, 1952 (EPFS) have been reduced in March, 2017 from 0.85% to 0.65% of the monthly pay. The Employees' Deposit Linked Insurance (EDLI) administrative charges of 0.01% have been removed.

v) Starting a business

With applicability in both Delhi and Mumbai, India made starting a business easier by abolishing filing fees for the SPICe company incorporation form, electronic memorandum of association and articles of association.
