

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

LOK SABHA

**UNSTARRED QUESTION NO. 1618.
TO BE ANSWERED ON MONDAY, THE 21ST SEPTEMBER, 2020.**

RANKING IN EASE OF DOING BUSINESS

**1618. SHRI THIRUNAVUKKARASAR SU:
SHRI P.C. GADDIGOUDAR:**

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether India's position has moved forward on the rankings of Year 2020 for 'Ease of Doing Business;
- (b) if so, the details thereof;
- (c) whether any steps are being taken by the Government to boost the investors' confidence and to remove the hurdles being faced by them;
- (d) if so, the details thereof;
- (e) the steps taken to further improve the global ranking of the country in the coming years; and
- (f) whether the Government has also launched 10-in-1 form for starting company faster and if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)

**THE MINISTER OF COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)**

- (a) & (b):** 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. India has improved its rank in 7 out of 10 indicators in DBR, 2020 and has moved closer to international best practices. The DBR, 2020 also acknowledges India as one of the top 10 improvers, third time in a row.
- (c) to (e):** Department for Promotion of Industry and Internal Trade (DPIIT), in coordination with Central Ministries/Departments and States/UTs, has taken several steps to improve the regulatory environment in the country thereby boosting investors' confidence. The details of reforms

undertaken to improve business regulatory environment in the country thereby improving India's ranking in the World Bank's Doing Business Report are given in Annexure.

- (f):** Yes Sir. Ministry of Corporate Affairs has introduced a new web-based 'SPICe+ and AGILE-PRO' form which integrates ten different services from three Central Ministries/Departments and one State Government. These services are – (i) Name Reservation, (ii) Company Incorporation, Registration of – (iii) Permanent Account Number (PAN), (iv) Tax Deduction and Collection Account Number (TAN), (v) Director Identification Number (DIN), (vi) Employees' Provident Fund Organisation (EPFO), (vii) Employees' State Insurance Corporation (ESIC), (viii) Goods & Services Tax (GST) & (ix) Profession Tax (Maharashtra); and (x) opening of bank account.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (c) TO (e) OF LOK SABHA UNSTARRED QUESTION NO. 1618 FOR ANSWER ON 21.09.2020.

Some of the major indicator wise reforms undertaken by DPIIT/Nodal Ministries/Departments/States towards easing the business regulatory environment in the country are as under:

a. **Starting A Business:**

- Ministry of Corporate Affairs has introduced a new Web form called SPICe+ replacing the existing SPICe form. SPICe+ offers 10 services like Incorporation, DIN allotment, mandatory issue of PAN and TAN, mandatory registration of EPFO and ESIC, mandatory issue of Profession Tax registration in case of companies being incorporated in Maharashtra, opening of Bank account of the company and allotment of GSTIN.
- Removing the requirements of company seal, minimum capital and obtaining certificate of commencement.
- Incorporation fee has been eliminated for companies with authorized share capital up to INR 15 lakh.
- The requirement to issue a physical PAN card has been eliminated. Additionally, PAN and TAN are mentioned in the Certificate of Incorporation (CoI) which is considered as a sufficient proof for PAN and TAN.
- Registrations under Mumbai Shops & Establishments Act are provided instantly at no cost through an online application removing requirement of physical inspection.

b. **Dealing with Construction Permits:**

Mumbai

- PR card can now be digitally retrieved from Online Building Permission System.
- Digitally authenticated CTS maps can now be downloaded from 'Mahabhunakasha' portal.
- All NOCs required for Construction Permits including Fire and Water can now be applied online and Single Joint Site Inspection is being carried out.
- Risk based approval for construction permits has been made mandatory.

Delhi

- Online application for building plan approval has been introduced.
- Online submission of application for NOCs and final site inspection has been introduced.
- MCDs have introduced joint inspection by all associated agencies (including Fire).

c. **Getting Electricity:**

- The number of processes involved has been reduced by elimination of non-essential processes. This has also reduced the time taken for grant of a new electric connection.
- The number of documents required has been restricted to (i) a proof of identity, and (ii) a proof of address/ownership/occupancy.

- A load based estimate has been introduced to reduce time taken in this process.
- Reduction in Service Line Development (SLD) charges to INR15000 from INR 25000 in Delhi.

d. Registering Property:

Mumbai

- Online access of land records for last 30 years (deeds & cadastral maps).
- Land ownership registry and mapping agency database are linked.
- Automatic Mutation and Name Changes in Land Record after deed execution.
- Independent Grievance Redressal mechanism for citizens.
- Online payment of Stamp duty.
- All privately held land plots are formally registered and mapped.

Delhi

- Online access of land records is available on DORIS Portal (deeds & cadastral maps).
- Comprehensive and functional electronic database for checking encumbrances.
- Independent Grievance Redressal mechanism for citizens.
- Online payment of Stamp duty

e. Getting Credit:

Following Amendments have been made in SARFAESI Act with effect from 24.01.2020:-

- All creditors can now file security interest transaction on Central Registry.
- Attachment orders and court orders relating to various properties can also be filed on Central Registry.
- Creditor gets priority from the date and time of filing security interest on Central Registry.

f. Protecting Minority Investors:

- Class Action suits may be filed for seeking inter alia to claim damages or compensation or any other suitable action from or against the company or its directors.

g. 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 the 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.
- Minimum Alternate Tax Rate reduced from 18.5% (earlier) to 15% (now).
- Domestic company has an option to pay income-tax at the rate of 22% subject to condition that they will not avail any exemption / incentive. Also, such companies are not required to pay Minimum Alternate Tax.
- New companies incorporated on or after 1st October 2019 making fresh investment in manufacturing, has an option to pay income-tax at the rate of 15%.
- Payments for the contribution for EPFO and ESIC have been made online.

h. Trading Across Borders:

- Enhancement of risk-based inspections for both imports and exports, whereby only about 5% of goods are physically inspected.
- Adoption of the Advance Bill of Entry which allows importers to start the process of customs clearance before the arrival of the vessel.
- Importers can self-register their goods online on ICEGATE Portal.
- Electronic delivery of customs clearance copy has been introduced.
- Priority assessment and examination module are facilitated at JNCH.
- Direct payment of Terminal Handling Charges can now be made to Terminal Operators.
- Authorized Economic Operator Scheme has been streamlined and utilization of Direct Port Delivery/Direct Port Entry scheme has been enhanced.
- Implemented in April 2018, e-Sanchit is an online application system, under the Single Window Interface for Trade (SWIFT) that allows traders to submit all supporting documents electronically with digital signatures.

i. Enforcing Contracts

- Dedicated Commercial Courts have been established in Delhi (22) and Mumbai (4).
- Pecuniary Jurisdiction of District Commercial Courts has been reduced to INR 3 lakh.
- Facility of E-filing and E-Summons have been extended.
- Automated System for Random Allocation of Cases has been introduced.
- Judges and Lawyers may access online information about cases and other relevant details through Integrated Electronic Case Management Tools (ECMT).

j. Resolving Insolvency

- The Insolvency & Bankruptcy Code, 2016 (IBC) has been introduced with the aim of resolution of insolvency in a time bound manner along with maximization of the value of assets of the debtor in default. The objective of the act is that the debtor is a going concern rather than it being liquidated or sold piece meal.
- IBC has given time bound procedure for disposal of corporate insolvency thereby limiting possibility of delays in the process.
- Creditors can now initiate both liquidation and reorganization processes.
- Continuation of essential goods or services critical to protect and preserve the value of the debtor during the proceedings is allowed.
- Financial creditors not agreeing to reorganization proceedings will receive same amount, they would have received if liquidation were to take place.
