

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

**UNSTARRED QUESTION NO. 5718.  
TO BE ANSWERED ON WEDNESDAY, THE 6<sup>TH</sup> APRIL, 2022.**

**EASE OF DOING BUSINESS**

**5718. SHRI N.K. PREMACHANDRAN:**

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

**वाणिज्य एवं उद्योग मंत्री**

- (a) whether the Government proposes to initiate action to attract investors and if so, the details of the action taken thereon;
- (b) whether the Government has relaxed the exiting provisions of law for ease of doing business and if so, the details of action taken thereon;
- (c) whether the Government has initiated action for legislative support for ease of doing business and if so, the details thereof;
- (d) whether the Government has given incentives to the Corporates for ease of doing business and if so, the details thereof;
- (e) whether the Government has exempted the provisions of environmental protection laws for ease of doing business and if so, the details thereof;
- (f) the details of the reforms of the Government for ease of doing business; and
- (g) whether the Government has amended the Labour Laws for 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 a conducive business environment. In addition to ongoing schemes of various Departments and Ministries, Government has taken 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, enactment of four labour codes, Foreign Direct Investment (FDI) policy reforms, reduction in compliance burden, policy measures to boost domestic manufacturing

through public procurement orders, Phased Manufacturing Programme, 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 having consultations with stakeholders including apex industry chambers, associations, representatives of industries/groups and other organizations.

**(b) & (c):** Department of Justice (DoJ) and Department of Legal Affairs (DoLA) have taken following measures for timely disposal of commercial cases which promote Ease of doing Business:

- i. The Commercial Courts Act, 2015, amended in 2018, provides for the constitution of Commercial Courts at the district-level and Commercial Division in all High Courts. To streamline their functioning, the pecuniary value of commercial cases has been reduced to Rs. 3 lakh from earlier Rs. 1 crore.
- ii. Designated Special Courts for hearing Infrastructure projects-related disputes have been set up in 23 High Courts alongwith Special Commercial Benches in High Courts for dealing with high value commercial disputes i.e. above Rs. 500 crores, that have been set up in 8 High Courts.
- iii. Alternate Dispute Resolution Mechanism by way of Pre-Institution Mediation & Settlement (PIMS) has been provided in the Act as an opportunity to the parties to resolve commercial disputes outside the ambit of the courts.
- iv. The Act mandates holding of Case Management Hearing (Pre-Trial Conference) to complete the trial in a time bound manner.
- v. Commercial cases are randomly and automatically assigned to Judges using Case Information System (CIS) software eliminating human intervention, thus, enhancing judicial transparency. To ensure compliance of three adjournment rule, a facility of colour banding in CIS software has been created which provides information regarding the number of adjournments per case.
- vi. Electronic filing of commercial cases (E-Filing) has been operationalised in most Commercial Courts. Electronic service of Summons (E-Summons) of commercial cases has been operationalised in few commercial courts which reduces the delay in sending summons to parties. Electronic Case Management Tools (ECMT) for Judges and Advocates have been integrated into one single CIS Software, which has enhanced judicial productivity. Dedicated websites have been started for Commercial Courts.
- vii. The Commercial Courts (Statistical Data) Rules, 2018 has been notified for making available detailed data points on various aspects of commercial cases for effective monitoring of time taken in case disposal by these courts.

**(d):** Ministry of Corporate Affairs (MCA) has undertaken a number of steps to boost ease of doing business, which are as under:-

- (i) A single integrated new web form called SPICe+ along with AGILE PRO-S has been deployed. This form provides eleven services related to 'starting a business' namely (i) Name Reservation, (ii) Incorporation, (iii) Permanent Account Number (PAN), (iv) Tax Deduction Account Number (TAN), (v) Director Identification Number (DIN), (vi) Employees' Provident Fund Organisation (EPFO) Registration, (vii) Employees' State Insurance Corporation (ESIC) Registration, (viii) Goods and Services Tax (GST) number, (ix) Bank Account Number, (x) Profession Tax Registration (Mumbai, Kolkata and Karnataka), (xi) Delhi Shops and Establishment Registration.
- (ii) Zero fee is now charged for incorporation of all companies with authorized capital up to Rs. 15 lakh or with up to 20 members where no share capital is applicable.
- (iii) A Central Registration Centre (CRC) has been set up for name reservation and incorporation of companies & Limited Liability Partnership (LLP) within 1 day.
- (iv) The LLP Incorporation Form called FiLLiP has also been integrated with Central Board of Direct Taxes (CBDT) to provide PAN/TAN at the time of Incorporation of LLP itself.
- (v) The Companies (Incorporation) Third Amendment Rules, 2020, now provide for extension of reservation of name through a simple web service available at [www.mca.gov.in](http://www.mca.gov.in).
- (vi) Provisions with regard to incorporation and functioning of One-Person Companies (OPCs) have been revised so as to incentivize incorporation of OPCs. Now, Non-Resident Indians (NRIs) are also allowed to incorporate OPCs. OPCs are now allowed to convert into private or public companies at any point of time. The restrictions with regard to maximum amount of paid-up capital and turnover for OPCs have also been removed.

**(e):** Ministry of Environment, Forest and Climate Change (MoEFCC) has not exempted any provisions of environmental protection laws for ease of doing business, however the Ministry has taken various reforms for ease of doing business as mentioned below:

- (i) Environment clearances made faster while taking care of environment:
  - a. Environmental clearances (EC) processes simplified for activities including EC for new projects, expansion of

existing projects, capacity expansion, change of product mix etc. through PARIVESH portal leading to reduced issuance time for businesses.

- b. Application process for EC transfer made online and frequency of EAC meeting increased (bi-monthly) for speedy clearances.
- c. Exempted prior environmental clearance in case of change of product mix, raw material etc. provided there is no increase in pollution load and extended validity of environmental clearance to 7 years.

- (ii) Compliance made easy for businesses engaged with Ozone depleting substances:

Simplified compliance provisions across manufacture/ import/ export of compressors, production/ sale of ozone depleting substances etc. by instituting one-time registration under Ozone Depleting Substance (Regulation and Control) Rules, 2000 and migrating all returns and filings (6 annual and 4 quarterly) online.

- (iii) Freedom provided to businesses in e-waste and fly ash management:

Eliminated requirement of separate account for fly ash sale proceeds and use of proceeds for infrastructure development to provide greater operational flexibility to thermal power plants.

- (iv) Under provisions of The Water (Prevention & Control of Pollution) Act, 1974 and The Air (Prevention & Control of Pollution) Act 1981, following steps have been taken to ensure uniformity and ease of doing business:

- a. Online consent management system has been introduced for grant of Consent to Operate and Consent to Establish.
- b. The Central Pollution Control Board has categorized industries as Red, Orange, Green and White, based on pollution potential and frequency of renewal of consent has been linked with the category to ease out the burden. Timeline for renewal of consent is 5 years for Red, 10 years for Orange, and 15 years for Green category industries. White category industries are exempted from Consent.

- (f): DPIIT, in coordination with Central Ministries/Departments, States and Union Territories (UTs), has spearheaded various reforms to improve business regulatory environment in the country. On the lines of annual assessment done by the World Bank for its Doing Business Report, DPIIT undertakes a dynamic reform exercise called Business Reforms Action Plan, which ranks all the States and UTs in the country based on 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 covers number of reform areas such as Investment Enablers, Online Single Window System, Land administration and Transfer of Land and Property, Construction Permits Enablers, Labour Regulation Enablers, Environment Registration Enablers, Inspection Enablers, Paying Taxes, Obtaining Utility Permits, etc.

DPIIT coordinates with Ministries/Departments and States/UTs also for initiatives to reduce compliance burden on citizen and business activities. The key focus areas of the initiative are:

- (i) Simplification of procedures related to applications, renewals, inspections, filing records, etc.,
- (ii) Rationalization by repealing, amending or subsuming redundant laws,
- (iii) Digitization by creating online interfaces eliminating manual forms and records, and
- (iv) Decriminalization of minor technical or procedural defaults

**(g):** Ministry of Labour and Employment (MoLE) has taken several initiatives towards simplification of Labour Laws for ease of doing business. The Government has enacted the four Labour Codes, namely, the Code on Wages, 2019; the Industrial Relations Code, 2020; the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 after simplification, amalgamation and rationalization of 29 Central Labour Laws. These codes have not yet come into force.

In order to ensure transparency and accountability in enforcement of labour laws and to catalyze ease of doing business and creation of employment opportunities, the codification has made the existing labour laws in sync with the emerging economic scenario and technological advancements; reduced the complexity by providing uniform definitions; simplified the process of registration and licensing, filling of returns and maintaining registers and forms, and also, reduced multiple authorities under various Acts.

Through Labour Codes, provisions have been made for one registration for an establishment instead of multiple registrations, one license and one return in place of multiple license and returns.

In addition, Shram Suvidha Portal (SSP) is a major technological initiative of MoLE that aims at enhancing ease of doing business and reducing the complexities related to compliance of labour laws.

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