

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

LOK SABHA

**UNSTARRED QUESTION NO. 1312.
TO BE ANSWERED ON MONDAY, THE 25TH JULY, 2016.**

EASE OF DOING BUSINESS

**1312. SHRI MANSHANKAR NINAMA:
SHRI BHOLA SINGH:**

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

वाणिज्य एवं उद्योग मंत्री

- (a) the performance of India in the recently released World Bank's 'Ease of Doing Business' Index, 2015;
- (b) whether India's position has improved in the latest edition of 'Ease of Doing Business' Index and if so, the details thereof;
- (c) whether the ranking of India in the said index is likely to improve in 2016;
- (d) if so, the details thereof along with the measures taken by the Government to promote India's performance in 'Ease of Doing Business' and if not, the reasons therefor; and
- (e) the reasons for low manufacturing base in the country along with the measures taken by the Government to promote manufacturing sector in India?

ANSWER

**वाणिज्य एवं उद्योग राज्यमंत्री (स्वतंत्र प्रभार)(श्रीमती निर्मला सीतारमण)
THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)**

- (a): India's overall rank in Doing Business Report, 2015 was **142nd**. Indicator-wise ranks are as follows:

S. No.	Indicator Set	Rank
1	Starting a business	158
2	Dealing with construction permits	184
3	Getting Electricity	137
4	Registering property	121
5	Getting credit	36
6	Protecting minority investors	7
7	Paying taxes	156
8	Trading across borders	126
9	Enforcing contracts	186
10	Resolving insolvency	137

India's overall rank in the Doing Business Report, 2016 which was released in October, 2015 was 130th.

- (b): Yes. India's overall rank in the latest Doing Business Report, 2016 released on 28th October, 2015 has been improved to **130th**. Indicator-wise ranks are as follows:

S. No.	Indicator Set	Rank
1	Starting a business	155
2	Dealing with construction permits	183
3	Getting Electricity	70
4	Registering property	138
5	Getting credit	42
6	Protecting minority investors	8
7	Paying taxes	157
8	Trading across borders	133
9	Enforcing contracts	178
10	Resolving insolvency	136

- (c): The ranking of India in the said index in the upcoming Doing Business Report, 2017 to be released in 2016 will be based on the reform measures undertaken by Govt. of NCT of Delhi and Government of Maharashtra and the Ministries/Departments concerned.
- (d): The measures taken by the Government to promote India's performance in 'Ease of Doing Business' are given at annexure.
- (e): The measures undertaken by the Government to promote manufacturing are:
(i) announcement of the National Manufacturing Policy which entails measures to improve industrial infrastructure, simplify business regulations, incentivize clean technology, skill development, and investment in MSMEs. (ii) The Government has launched the 'Make in India' initiative, which aims at promoting India as an important investment destination and a global hub for manufacturing, design and innovation. The initiative is aimed at creating a conducive environment for investment, modern and efficient infrastructure, opening up new sectors for foreign investments and forging partnerships between government and industry.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART (d) OF THE LOK SABHA UNSTARRED QUESTION NO. 1312 FOR ANSWER ON 25.07.2016.

Ease of Doing Business

India's rank in the Doing Business Report 2015 was 142 among 189 countries, which improved to 130 in the Doing Business Report, 2016. Government of India has emphasized on the importance of 'Ease of Doing Business' and it is a major pillar of 'Make in India' initiative. It is working extensively on improving India's rank in the World Bank Group's Doing Business Study.

A. ACHIEVEMENTS IN DELHI AND MUMBAI

Delhi

- Unified building Bye-laws has been notified.
- Online registration of Value Added Tax (VAT) with real-time Tax Identification Number (TIN) allotment has been introduced.
- Delhi VAT Sewa App has been developed whereby permanent business registration is done without need for field verification by VAT inspector. This step has eliminated instances of corruption and irregularities during field verification.
- Commercial divisions and appellate divisions in Delhi High Court have been established.
- Municipal Corporations have introduced fast track approval system for building permits with features such as:
 - I. Common application form
 - II. Use of digital signature for filing application and issue of permits
 - III. Online transfer of application and receipt of NOC
 - IV. Online system has been integrated with Airport Authority of India (AAI), Delhi Urban Arts Commission (DUAC), Delhi Metro Rail Corporation (DMRC) & National Monument Authority (NMA).

Mumbai

- Requirement of inspection has been removed to make registration of Shops and Establishments real-time.
- Commercial divisions and appellate divisions have been established in Bombay High Court.
- VAT and Profession tax registration has been integrated into a single process.
- Municipal Corporation of Greater Mumbai (MCGM) has introduced fast track approval system for building permits with features such as:
 - I. Common application form
 - II. Online transfer of application and receipt of NOC
 - III. Online system has been integrated with AAI & NMA.
- Brihanmumbai Electricity Supply and Transport (BEST) has improved its System Average Interruption Duration Index (SAIDI) by 3% and its System

Average Interruption Frequency Index (SAIFI) by 11% in the period June, 2015-March, 2106.

- Permission for removal of Trees has been integrated with the Municipal Corporation of Greater Mumbai (MCGM) single window application system.
- Site inspection for construction permits has been minimized by way of self-certification and introducing third party certification. During construction, submission of video clips by architects has been introduced in online Auto DCR system.
- VAT Registration Certificate is issued within 1 working day (24 hours).
- AutoCAD based software to scrutinize building plans has been implemented.
- MCGM has implemented a risk based assessment framework with risk parameters in order to enable fast track approval for buildings.
- Cost and time for obtaining construction permit has been reduced by 79.6% and 132 days respectively.
- Property Tax can be paid through mobile app, which can be downloaded from apps.mgov.gov.in.

B. REFORMS UNDERTAKEN ON VARIOUS PARAMETERS OF DOING BUSINESS

1. STARTING A BUSINESS

- Registration with ESIC and EPFO has been made real-time by eliminating all physical touch-points.
- The requirement of opening a bank account has been removed as a mandatory condition for registration with ESIC and EPFO.
- The system of issuing PAN and TAN has been put in place together within T+1 days on an application using digital signatures on the ebiz platform. PAN and TAN numbers can be issued on CBDT's portal within T+3 days without digital signature.
- Maharashtra state has combined the process of registration with VAT and Profession tax. The registration will now be granted in 24 hours and the same has been adopted by Delhi VAT.
- Form INC 29 has been launched by Ministry of Corporate Affairs to avail 3 pre-registration services viz. 'Name Availability', 'Director Identification Number' and 'incorporation of company' with one form and one payment.
- No environment clearance that is , consent to establish and operate is required for 36 white industries.
- Mine prospecting projects are exempted from the requirement of compensatory afforestation and Forest Rights Act (FRA) certificate for grant of forest clearance.
- No site inspection is required for mine prospecting projects on forestland for less than 100 ha. For construction of new roads/drilling of bore hole/ sample collection pits.
- Industrial sheds and educational institutions have been exempted from Environmental Clearance (EC).
- Validity of EC has been increased from 5 years to 7 years.
- Online submission of applications for environment/forest/wildlife clearances for transparent and expeditious decision-making.

- District Environment Impact Assessment authority has been constituted to grant EC for mining of minor minerals for 5 ha. of individual lease and 25 ha. in cluster.
- Regional empowered committees at sub national level have been delegated higher powers to dispose of proposals for Forest Clearance
 - a) Involving diversion of 5 to 40 hectares of forest land and
 - b) All proposals involving diversion of forestland for linear projects irrespective of area of forest land involved.
- The competent authorities in the state government have been delegated the powers to issue permission for tree felling and commencement of work for a period of one year of linear projects without waiting for final approval under the FC Act.
- EIA notification, 2006 has been amended delegating more powers to SEIAA'S in respect of category B projects.

2. CONSTRUCTION PERMITS

- Municipal Corporation of Greater Mumbai (MCGM) has completed the process of single window approval by integrating with internal departments as well as, AAI and NMA through a common application form.
- NoCs from Maharashtra Industrial Development Corporation (MIDC), Director of Industries, Collector and Maharashtra Housing and Area Development Authority (MHADA) have been eliminated.
- MCGM has introduced digital signing of building permit application, as well as sanctioned maps, thereby eliminating need of physical submission of documents. The manual application for grant of construction permits has been discontinued.

IV. Municipal Corporations of Delhi has completed the process of single window approval by integrating with internal departments as well as DMRC, Delhi Fire Services, DUAC, AAI and NMA through a common application form.

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V. NOC from Labour Department of Delhi Government is not required if no manufacturing activity is undertaken in the building.

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- MCD has introduced digital signing of building permit application, as well as sanctioned maps, thereby eliminating the need of physical submission of documents. Manual submission of application for grant of construction permits has been done away with.
- Ministry of Urban Development and Delhi Development Authority (DDA) have notified the Unified Bye-laws.
- Colour coded maps have been developed by AAI, NMA, DUAC and DMRC to enable applicants to determine whether NOC is required for the land for which permission is applied for.
- AAI, NMA, DUAC, DMRC, Delhi Fire service, Mumbai Metropolitan Region Development Authority (MMRDA) and Mumbai Metro Rail Corporation (MMRC) have created their own independent online application systems for receiving and issuing NOC/approval. Their requirements have also been integrated in the common application form developed by SDMC/MCGM.

3. GETTING ELECTRICITY

- Maharashtra and Delhi have implemented lump-sum charges for electric connection thereby removing the need of an estimate and an inspection for the same.
- Online application for connections above 100KVA has been made mandatory in Maharashtra and Delhi.
- Delhi Electricity Regulatory Commission (DERC) has rationalized LT and HT tariff thereby allowing LT connections upto 150KVA.
- DERC has revised the application format of Delhi Electric Supply Code and Performance Standards Regulations, 2007 for faster release of electricity connection. The distribution licensees have been directed to process applications in the revised format along with the declaration form.

Following are the two documents required for getting electricity connection:

1. Identity proof
 2. Proof of ownership/ occupancy of premises.
- NOC/Consent to Establish is not required for getting industrial electricity connection for setting up new industries and projects.

4. TRADING ACROSS BORDERS

- Central Board of Excise and Customs (CBEC) has implemented Single Window Interface for Facilitating Trade (SWIFT) (online single window for clearance of goods) on the ICEGATE portal by integrating FSSAI, Animal Quarantine, Plant Quarantine, Drug Controller and Wildlife Control Bureau for imports.
- Online message exchange system connectivity under single window system between Customs' ICEGATE and Plant Quarantine Information System (PQIS) has been implemented for import clearances of Agriculture commodities.
- Customs' risk management system has been extended to other regulatory agencies to ensure risk- based inspections.
- 168 low phytosanitary risk agricultural commodities listed under schedule VII of the Plant Quarantine order, 2003 have been identified for 5% random inspection.
- Mandatory testing of imports from countries where azo dye has not been banned has been reduced to 25%.
- TEU volume limit on the number of consignments released under direct delivery has been removed facilitating prompt delivery of goods.
- Terminal handling receipts have been eliminated from Jawaharlal Nehru Port Container Terminal, GTI and NSICT by web based e-form 13.
- Filing of import and export declarations and manifests has been made online with digital signature.
- An electronic messaging system between Shipping lines and Custodians for electronic delivery order has been introduced.
- Customs' Clearance Facilitation Committee has been set up at every major customs seaport and airport at Central level.

- The system of physical control and locking of public and private warehouses by Customs has been dispensed with and replaced with record based controls.
- 24x7 customs clearance facilities have been extended to 19 seaports and 17 air cargo complexes.
- Documents required for export and import has been reduced to three.

5. RESOLVING INSOLVENCY

- The Insolvency and Bankruptcy Code 2016, a legislation that is expected to introduce new dimensions in resolving insolvency in India has been enacted.

6. ENFORCING CONTRACTS

- The Arbitration and Conciliation Act has been amended to reduce the time taken in arbitration proceedings and grounds on which an award may be challenged.
- Commercial Appellate Division Bench and Commercial Division Benches are functioning in Bombay High Court and Delhi High Court.

7. DIGITIZATION PROCESS FOR REGISTERING PROPERTY

- In Delhi, all sub-registrar offices have been digitized and Sub-registrar's records have been integrated with the Land Records Department.
- In Maharashtra, all property tax records have been digitized.

8. GETTING CREDIT

- SARFAESI (Central Registry) Rules, 2011 has been amended to record security interest created on all types of property covered by the definition of property in Section 2(1)(t) of the SARFAESI Act, 2002. ~~covered by the definition of property in Section 2(1)(t) of the SARFAESI Act, 2002.~~

C

ONLINE PORTAL

- One-stop access for Investors to know more about Investment opportunities and information on number of licenses/approvals required from Government agencies.
- User-friendly features such as Payments through netbanking, credit & debit cards, status tracking, SMS alerts and Help-desk support enabled.
- Single face of Government - Composite Application Form and one-time payment designed for obtaining approvals from multiple Ministries/Departments viz., Ministry of Corporate Affairs, Central Board of Direct Taxes, Ministry of Labour & Employment including Employees' State Insurance Corporation & Employees Provident Fund Organization.

- Elimination of multiple visits to different agencies. Investor can apply for 20 Central Government services; 14 Andhra Pradesh, 14 Odisha and 2 Delhi state Government services have been integrated with eBiz IT platform as detailed below.

CENTRAL GOVERNMENT SERVICES INTEGRATED ON e-biz PLATFORM

S.No.	Ministry/ Dept. Name	Service Name
1.	Employee's State Insurance Corporation	Employer Registration
2.	Department of Industrial Policy and Promotion	Industrial License
3.	Department of Industrial Policy and Promotion	Industrial Entrepreneur Memorandum
4.	Ministry of Corporate Affairs	Name Availability
5.	Ministry of Corporate Affairs	Director Identification Number
6.	Ministry of Corporate Affairs	Certificate of Incorporation
7.	Ministry of Corporate Affairs	Commencement of Business- 11
8.	Central Board of Direct Taxes	Issue of Permanent Account Number (PAN)
9.	Central Board of Direct Taxes	Issue of Tax Deduction Account Number (TAN)
10.	Reserve Bank of India	Advanced Foreign Remittance (AFR)
11.	Reserve Bank of India	Foreign Collaboration-General Permission Route (FC-GPR)
12.	Employees' Provident Fund Organization	Employer Registration
13.	Petroleum and Explosives Safety Organization	Issue of Explosive License
14.	Directorate General of Foreign Trade	Importer Exporter Code License
15.	Reserve Bank of India	Foreign Currency- Transfer of Shares- 11
16.	Department of Heavy Industry (DHI)	Issue of custom duty concession certificate to entrepreneurs under project import scheme
17.	Central Board of Direct Taxes (CBDT)	Changes or correction in PAN data
18.	Ministry of Labour and Employment (MoL&E)	Registration under the Contract Labour Act, 1970
19.	Ministry of Labour and Employment (MoL&E)	Registration under the Building and other construction workers Act, 1996
20.	Ministry of Labour and Employment (MoL&E)	Registration under the Inter-State Migrant Workmen Act, 1979

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~~⁴ Withdrawn from eBiz Portal w.e.f 15.07.2015 pursuant to the Companies (Amendment) Act 2015.~~

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STATE GOVERNMENT SERVICES INTEGRATED ON e-BIZ PLATFORM

Andhra Pradesh (14 Services)		
S.No	Department Name	Service Name
1.	AP-Ground Water Department	Permission to draw Ground Water
2.	AP-Department of Factories	Approvals of plans from Factories Department
3.	AP-Department of Factories	Factories License
4.	AP-Department of Factories	Annual Filing under Factories Act
5.	AP-Fire Department	NOC from Fire Services Department
6.	AP-Department of Industries	Industrial Incentives (Power)
7.	AP-Department of Industries	Industrial Incentives (VAT)
8.	AP-Department of Industries	Allotment of Scarce raw materials
9.	AP-Department of Industries	MSME Registration
10.	AP-Department of Industries	NOC Acknowledgement from GM, DIC for MSME
11.	AP-Department of Drug Controller	License for manufacturing Bulk Drugs and Formulations
12.	AP - Department of Town & Country Planning	Permission from TCP for Site and Building
13.	AP-Commercial Taxes Department	VAT Registration
14.	AP-Commercial Taxes Department	Central Sales Tax (CST) Registration
Odisha (14 Services)		
S.No	Department Name	Service Name
1.	Industries Department, Odisha	Project Evaluation cum Allotment of Land
2.	Directorate of Factories & Boilers, Odisha	Registration under Boilers Act
3.	Labour Directorate, Odisha	Registration under Shops and Establishment Act
4.	Labour Directorate, Odisha	Registration of Establishment Employing Contract Labour
5.	Water Resources Department, Odisha	Permission to draw Water for Industries-Ground Water & Surface Water
6.	Directorate of Factories & Boilers, Odisha	Approvals of Plan under Factories Act,1948
7.	Department of Energy, Odisha	New Power Connection
8.	Housing and Urban Development Department, Odisha	Permission for Site and Building
9.	Directorate of Factories & Boilers, Odisha	Factories License under Factories Act,1948
10.	Housing and Urban Development Department, Odisha	Completion cum Occupancy Certificate

11.	Commercial Taxes Organisation, Odisha	VAT Registration
12.	Commercial Taxes Organisation, Odisha	CST Registration
13.	Odisha State Pollution Control Board	Consent to Establish
14.	Odisha State Pollution Control Board	Consent to Operate
Delhi (2 Services)		
S.No.	Department Name	Service Name
1.	Factories Department	Factory Filling
2.	BYPL (BSES Yamuna Power Limited)	New Power Connection

COMPOSITE APPLICATION FORMS INTEGRATED

List of joined-up (L3) services		
S.No.	Service Name	Department /Ministry
1.	INC-29 with 7 services viz., Name Availability (MCA), Director Identification Number (MCA), Certificate of Incorporation (MCA), PAN (CBDT), TAN (CBDT), Employer registration of EPFO and ESIC	Ministry of Corporate Affairs, CBDT, EPFO & ESIC
2.	INC-7 with 5 services viz., Certificate of Incorporation (MCA), PAN (CBDT), TAN (CBDT), Employer registration of EPFO and ESIC,	Ministry of Corporate Affairs, CBDT, EPFO & ESIC
3.	5 registration services under Employer registration under EPFO and ESIC Act, Contract Labour Act, Building and other Construction Workers Act, and Inter-state Migrant Workmen Act	Ministry of Labour & Employment

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