

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

LOK SABHA

**UNSTARRED QUESTION NO. 2501.
TO BE ANSWERED ON MONDAY, THE 1ST AUGUST, 2016.**

TRADERS' CONCERNS

2501. SHRI A. ARUNMOZHITHEVAN:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Government is likely to consider the concerns of traders on taxation, banking and other issues getting in the way of ease of doing business;
- (b) if so, the details thereof;
- (c) whether the Government has asked them to adopt new technologies to grow faster and if so, the details thereof;
- (d) whether the traders have been asked to submit the list of issues to the Department of Industrial Policy & Promotion; and
- (e) if so, the details thereof along with the response received and the action taken by the Government thereon?

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) & (b): Government has taken a number of steps towards ease of doing business in the past two years. In this regard, major reforms are underway on various parameters of Doing Business like, starting a business, getting credit, paying taxes etc. The details of such reforms undertaken is placed at Annex. Taking cue from the World Bank's ease of doing business index, a similar ranking has been introduced in India among States and Union Territories. The move is intended at promoting competition between states to improve ease of doing business and address the concerns of business including traders of the country.

(c): No, Madam.

(d) & (e):No, Madam. Traders have not been asked to submit the list of issues to the Department of Industrial Policy & Promotion. However, in May, 2016, Department of Industrial Policy & Promotion had written to Industry associations and had sought suggestions that will help India improve its regulatory environment and consequently its rank in Doing Business Report. Government undertakes such consultations with various stakeholders regularly. Suggestions received from various stakeholders are duly considered and examined before undertaking any regulatory reforms.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE LOK SABHA UNSTARRED QUESTION NO. 2501 FOR ANSWER ON 01.08.2016.

REFORMS UNERTAKEN ON VARIOUS PARAMETERS OF EASE 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 signature on the ebiz platform. PAN and TAN numbers are issued on CBDT's portal within T+3 days.
- 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 is required for 36 white industries.
- Mine prospecting projects have been 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 Environment Clearance has been increased from 5 years to 7 years.
- Online submission of applications for environment/forest/wildlife clearances has been put in place 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 a 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 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 Forest Conservation Act.
- EIA notification, 2006 has been amended delegating higher powers to State Environment Impact Assessment Authority (SEIAA) in respect of projects (category B) which require clearance from SEIAA.

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 maps, thereby eliminating need of physical submission of documents. The manual application for grant of construction permits has been discontinued.
- 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. NOC from Labour Department of Delhi Government is not required if no manufacturing activity is undertaken in the building.
- MCD has introduced digital signing of building permit application, as well as 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 Building 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 online application systems for receiving and issuing NOC/approval. Their requirements have also been integrated in the common application form developed by South Delhi Municipal Corporation/MCGM.
- NMA has designed a system whereby the applicant could himself determine as to whether he requires NOC from NMA or not by the use of the ISRO mobile app (Smarak Citizen).

3. GETTING ELECTRICITY

- Maharashtra and Delhi have implemented lump-sum charges for electric connection thereby removing the need of an estimate and.
- Online application for connections above 100KVA 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.
- Amendments in Central Regulatory Authority regulation has been done to allow installation of transformers up to 500 KVA on double pole structure.
- Amendments in Central Regulatory Authority notification to waive off electrical approval for 11 KV installations carried out by DISCOMs and allowing self-certification by DISCOMs engineers.
- Supply Code Regulation and Standard of Performance (SOP) regulations have been modified by DERC and MERC to complete the process within 15 days.

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 under single window between Customs' ICEGATE and Plant Quarantine Information System (PQIS) has been implemented for import clearances of agricultural commodities.
- Customs' risk management system has been extended to other regulatory agencies to ensure risk- based inspection.
- 168 low phytosanitary risk agricultural commodities listed under schedule VII of the PQ 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%.
- The 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, Gateway Terminals India and Nhava Sheva International Container Terminal 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 by 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

- Insolvency and Bankruptcy Code Bill has been passed in the Parliament.
- Constitution of National Company Law Tribunal and National Company Appellate Law Tribunal has been notified.

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.
- The Delhi High Court Act, 1966 has been amended to increase the pecuniary jurisdiction of the Delhi District Court from INR 2 million to INR 20 million.

7. 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 viz. movable, immovable as well as intangible.

9. PAYING TAXES

- Payment of Employee State Insurance Corporation and Employee Provident Fund Organization contributions can now be made online through 58 banks, debit cards or credit cards.
- ESIC and EPFO returns have been unified.
- Sales tax department of Maharashtra has eliminated physical touch point for filing of tax returns, tax payment and tax compliances by introducing online return filing and online payment through GRAS (Government Receipt Accounting System) for VAT, CST, Profession tax, Luxury Tax and Entry Tax.

- Electronic Verification Code (EVC) has been introduced as one of the possible mode for validation of tax returns. Earlier, some categories of taxpayers were required to submit Form ITR-V manually through post for validation of tax returns. Introduction of EVC has made the exercise of filing tax return electronic. It has also reduced the time period for filing the tax return considerably. During the year, income-tax returns were also made much simpler with culling of many irrelevant columns for all categories of taxpayers. Further, the Tax Audit Report which is required to be filed online was also standardized and harmonized with various provisions of the Companies Act.
- An option for e-filing is available for filing or revising returns.
