

Conducive environment for easy business

3586. SHRI RAM NATH THAKUR: Will the Minister of FINANCE be pleased to state:

- (a) whether India ranks poorly among countries in International Finance Corporation's "Doing Business Report 2014";
- (b) if so, the details thereof and the reasons therefor;
- (c) whether a company needs about thirty five approvals from multiple agencies for starting a business in India; and
- (d) if so, the steps being taken by Government to create a conducive environment for ease of doing business in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) India ranks 134 out of 189 in the "Doing Business Report 2014" published by the International Finance Corporation.

(b) India's ranking has been shown poorly mainly because of low ranking in the areas of dealing with construction permits (rank 182), enforcing contracts (rank 186), starting a business (rank 179), paying taxes (rank 158), trading across borders (rank 132), resolving insolvency (rank 121) and getting electricity (rank 111). "Doing Business Report" is limited in scope. The report is based on quantitative data and benchmarking and does not measure all aspects of the business environment that matter for firms and investors or affect the competitiveness of the economy.

(c) As per the "Doing Business Report 2014", twelve procedures are required for starting a business in India.

(d) The Government is taking a number of steps to create a conducive environment for ease of doing business in India, which *inter-alia* include the following:

- In order to improve the ranking in World Bank's Doing Business Report, Department of Industrial Policy and Promotion has taken a number of steps which include making the system of Industrial Licence (IL) and Industrial Entrepreneur Memorandum (IEM) completely on-line, delicensing large number of items under the Defence product list of compulsory licensing; extending the validity period of Industrial Licence; doing away with the requirement of affidavit from the applicants in cases of licences related to defence industry; making the process of registration with Employees' Provident Fund Organization and Employees' State Insurance on-line and real-time and implementation of eBiz programme for provision of on-line single window system. Besides, Best Practices of single-window system, land acquisition, labour law implementation, etc. have been shared with all States to provide a ready template for simplifying processes.

- The Ministry of Corporate Affairs has recently enacted the Companies Act, 2013 which replaces the Companies Act, 1956. Two hundred and eighty three sections of the Companies Act, 2013 have been notified *i.e.* 98 sections *w.e.f.* 12.9.2013, one section *w.e.f.* 28.2.2014, 183 sections *w.e.f.* 1.4.2014 and one section *w.e.f.* 6.6.2014. Various approvals from the Government which were required under the Companies Act, 1956 have now been removed leaving such decisions to be taken by the shareholders of the Companies, thereby promoting self-regulation. In addition, the Companies Act, 2013 prescribes enhanced provisions for protecting investor. Further, the fees required for registering a small company with authorized capital upto ₹ ten lakhs and turnover upto ₹ two crore has been reduced to ₹ two thousand which was earlier ₹ twenty four thousand eight hundred.
- Further, as announced in Budget 2014-15, it is proposed to implement an 'Indian Customs Single Window Project' to facilitate trade. Under this, importers and exporters would lodge their clearance documents at a single point only. Required permissions, if any, from other regulatory agencies would be obtained online without the trader having to approach these agencies. This would reduce interface with Governmental agencies, dwell time and the cost of doing business.

Financial assistance to Andhra Pradesh

3587. SHRI Y.S. CHOWDARY: Will the Minister of FINANCE be pleased to state:

- whether Government is considering to provide financial assistance for development of Andhra Pradesh in view of division and its backwardness;
- if so, the details thereof;
- if not, the reasons therefor; and
- the time-frame fixed by Government to complete this process?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) to (d) As per Statement 16 of the Expenditure Budget 2014-15, Volume 1, an amount of ₹ 338408.49 crore is budgeted in BE 2014-15 as 'Central Assistance for State and Union Territory Plans', including Budget provision for State component of 'Backward Region Grant Fund' and 'Other Additional Central Assistance' provided under Demand No. 36. The inter-state allocation of Central assistance, including the assistance for development of Andhra Pradesh in view of division and its backwardness, is decided in consultation with the States within the contours of the respective schemes and factored in at the time of finalization of Annual Plan of the States.

Future trading of food items

3588. SHRIMATI SASIKALA PUSHPA: Will the Minister of FINANCE be pleased to state:

- whether food commodities are being traded in the commodity exchange;