

by Controller General of Accounts. The system is already in place and State Bank of India and Punjab National Bank are in the process of integration with the system.

Rankings given to India in WER

989. SHRI A.W. RABI BERNARD: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that India is among the worst-ranked countries when it comes to taxation and inflation burden on economy and has negative impact of crime, terrorism and health hazards on business environment;

(b) whether it is also a fact that World Economic Report (WER) has placed India 133rd in terms of inflation, 130th for taxes and 131st for starting business in the list of 144 countries analysed by the forum; and

(c) if so, the details thereof and the steps taken to improve the rank?

THE MINISTER OF FINANCE (SHRI ARUN JAITLEY): (a) The World Economic Forum publishes a Global Competitiveness Report in which it ranks 144 countries based upon a perception survey. India's overall competitiveness ranking is 71.

(b) Yes, Sir.

(c) In order to improve the ranking in each area, the Government is emphasizing on simplification and rationalization of the existing rules and introduction of information technology to make governance more efficient and effective. A number of steps are being taken to improve ease of doing business which *inter-alia* include:

(i) A comparative study of practices followed by the States for grant of clearance and ensuring compliances was conducted and six best practices were identified. These were circulated among all the States for peer evaluation and adoption.

(ii) Process of applying for Industrial License (IL) and Industrial Entrepreneur Memorandum (IEM) has been made online and this service is now available to entrepreneurs on 24x7 basis at the eBiz *website*. This had lead to ease of filing applications and online payment of service charges;

(iii) *Vide* Press Note 3 (2014), Defence products' list for industrial licensing has been issued, wherein large number of parts/components, castings/forgings etc. have been excluded from the purview of industrial licensing. Similarly dual use items, having military as well as civilian applications (unless classified as

defence item) will also not require Industrial License from defence angle. For these items only an Industrial Entrepreneur Memorandum (IEM) has to be filed.

- (iv) *Vide* Press Note 5 (2014), initial validity period of Industrial License has been increased to three years from two years. This will give enough time to licensees to procure land and obtain the necessary clearances/approvals from authorities.
- (v) MHA has stipulated that it will grant security clearance on Industrial Licence Applications within 12 weeks.
- (vi) Partial commencement of production is being treated as commencement of production of all the items included in the license. This has obviated the hardship of licensees to get their Industrial License extended even though they have started production.
- (vii) To facilitate investors and to reply to their queries, Frequently Asked Questions (FAQs) by applicants for grant of industrial license have been developed and uploaded on DIPP website.
- (viii) *Vide* Press Note 4(2014), the NIC Code NIC 2008 has been adopted, which is the advanced version of industrial classification. This code will allow Indian businesses to be part of globally recognized and accepted classification that facilitate smooth approvals/registration.
- (ix) *Vide* Press Note 6 (2014), the 'Security Manual for Licensed Defence Industry' has been issued. This has obviated the requirement of affidavit from applicants. Earlier, an affidavit signed before Judicial Magistrate was required from the applicant to confirm that they will comply with the safety and security guidelines/procedures laid down by the Ministry of Defence and Ministry of Home Affairs in Government of India. The applicants were facing difficulties in obtaining such affidavit and this was severely delaying the issue of License even after approval of Licensing Committee.
- (x) A checklist with specific time-lines has been developed for processing all applications filed by foreign investors in cases relating to Retail/NRI/EoU foreign investments. This has been placed on the DIPP website.
- (xi) Procedures regarding payment of taxes are reviewed from time to time to increase compliance.