

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---------------------|--------------------------------|--------|---------|--------|--------|--------|
| 4. | Northern Centre, Chandigarh | 14.00 | 280.00 | - | 30.00 | - |
| 5. | Gandhinagar | 11.00 | 255.00 | - | 31.00 | 12.00 |
| 6. | Maharashtra and Goa | 20.00 | 185.00 | - | 29.00 | 8.00 |
| 7. | Bhopal | 15.00 | 450.00 | 70.00 | 20.00 | 85.00 |
| 8. | Lucknow | 12.00 | 310.00 | - | 25.00 | - |
| 9. | Patiala | - | 75.00 | - | - | 55.00 |
| 10. | Thiruvananthapuram | - | 553.00 | 210.00 | 60.00 | 45.00 |
| TOTAL | | 150.00 | 3400.00 | 600.00 | 225.00 | 350.00 |
| (North-East) | | | | | | |
| 1. | Imphal | 5.50 | 250.00 | 420.00 | 20.00 | 35.00 |
| 2. | Guwahati | 8.00 | 170.00 | 240.00 | 10.00 | - |
| 3. | Kolkata | 1.50 | - | 40.00 | - | - |
| TOTAL | | 15.00 | 420.00 | 700.00 | 30.00 | 35.00 |

- Note:-* 1. Amount of ₹ 400.00 Lakh has been allocated for National Sports Academies during the year 2015-16 (Rest of India).
2. An amount of ₹ 1150 Lakh (₹ 1070 for Rest of India and 80.00 North East Region) has been allocated for under ABSC Scheme.

WRITTEN ANSWERS TO UNSTARRED QUESTIONS

New initiatives to attract foreign investment

1761. SHRI TARUN VIJAY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the new initiatives by the Ministry to attract foreign investment and help increase ease to do business in India; and

(b) the results of such initiatives in terms of Foreign Direct Investment (FDI) and accelerating domestic industrial growth?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) India has one of the most liberalized FDI policy regimes in the world. Government has put in place an investor-friendly policy on FDI, under which FDI, up to 100%, is permitted, under

the automatic route, in most sectors/activities. Significant changes have been made in the FDI policy regime from time to time, to ensure that India remains increasingly attractive and investor-friendly.

In the light of the importance of foreign direct investments for economic growth and development, the Government announced key FDI reforms in the defence and railways sectors. The entire range of rail infrastructure was opened to 100% FDI under the automatic route, and in defence, sectoral cap was raised to 49%. To boost infrastructure creation and to bring pragmatism in the policy, the Government reviewed the FDI policy in the construction development sector also by creating easy exit norms, rationalizing area restrictions and providing due emphasis to affordable housing.

To give impetus to the medical devices sector, a carve out was created in FDI policy on the pharmaceutical sector and now 100% FDI under automatic route is permitted. The Government, in order to expand insurance cover to its large population and to provide required capital to insurance companies, raised the FDI limit in the sector to 49%. Pension sector has also been opened to foreign direct investment up to the same limit. The FDI policy provisions pertaining to NRI investment have also been clarified by providing that for the purposes of FDI policy, investment by NRIs on non-repatriation basis under Schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident Outside India) Regulations will be deemed to be domestic investment at par with the investment made by residents.

Government has undertaken a number of steps to improve Ease of Doing Business in India. Amongst the other important steps, Ministries and State Governments have been advised to simplify and rationalize the regulatory environment through business process re-engineering and use of information technology. The other measures taken by the Government to boost the business regulatory environment and to improve Ease of Doing Business in the country are given in the Statement (*See below*).

(b) These measures are expected to increase FDI, which complements and supplements domestic investment. Domestic companies are benefited through FDI, by way of enhanced access to supplementary capital and State-of-art-technologies; exposure to global managerial practices and opportunities of integration into global markets resulting into accelerated domestic growth of the country. Further, as FDI is largely a matter of private business decisions, global investors normally take time to assess a new policy and its implications in the context of a particular market before making investment.

Statement*Major Initiatives on Improving 'Ease of Doing Business' in India*

The Department of Industrial Policy and Promotion (DIPP) has taken up a series of measures to improve Ease of Doing Business. The emphasis has been on simplification and rationalization of the existing rules and introduction of information technology to make governance more efficient and effective. The measures taken are:

1. 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 bases at the eBiz website. This had led to ease of filing applications and online payment of service charges. Following 14 services are integrated with eBiz portal which will function as a single window portal for obtaining clearances from various Governments and Government agencies:

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|---|--|
| a. Industrial Licence (DIPP) | b. Industrial Entrepreneurs Memorandum (DIPP) |
| c. Employer Registration with ESIC | d. Employer Registration with EPFO |
| e. Company Name Availability (MCA) | f. Allotment of Directors' Identification Number (DIN) |
| g. Certificate of Company's Incorporation | h. Declaration of Commencement of Business (MCA) |
| i. RBI's Foreign Collaboration-General Permission Route | j. Advance Foreign Remittance (RBI) |
| k. Permanent Account Number (PAN) | l. Tax Deduction Account Number (TAN) |
| m. Issue of Explosive licence (PESO) | n. Importer Exporter Code (IEC-DGFT) |

2. Notification has been issued on 12.03.2015 by DGFT to limit number of documents required for export and import to three.
3. Ministry of Corporate Affairs has introduced an integrated process for incorporation of a company, wherein applicants can apply for Director's Identification Number (DIN) and company name availability simultaneous to incorporation application [Form INC-29].
4. The Companies Amendment Act, 2015 has been passed to remove requirements of minimum paid-up capital and common seal for companies. It also simplifies a number of other regulatory requirements.

5. A comparative study of practices followed by the States for grant of clearance and ensuring compliances was conducted through M/s Accenture Services (P) Ltd. and six best practices were identified. These were circulated among all the States for peer evaluation and adoption. The study has also identified important bottlenecks faced by industries and important steps required to improve the business environment in States.
6. Application forms for Industrial Licence (IL) and Industrial Entrepreneur Memorandum (IEM) have been simplified.
7. *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.
8. *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.
9. MHA has stipulated that it will grant security clearance on Industrial Licence Applications within 12 weeks. In matters other than Explosives and FIPB cases, security clearances are valid for three years unless there is a change in composition of management or shareholding.
10. 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.
11. 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.
12. *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.
13. *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.
14. 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.
 15. An Investor Facilitation Cell has been created in 'Invest India' to guide, assist and handhold investors during the entire life-cycle of the business.
 16. Process of applying for Environment and Forests clearances has been made online through Ministry of Environment and Forests' portals <http://environmentclearance.nic.in/> and <http://forestsclearance.nic.in/>.
 17. Requirement for Environment Assessment Report is required for industrial shed, school, college, hostel for education institution above 20,000 square meters of build-up area up to 150,000 square meters of build-up area.
 18. The issue of time taken in registration with Employees Provident Fund Organization (EPFO) and Employees State Insurance Corporation (ESIC) was taken up with the Ministry of Labour and Employment, Director General, ESIC and Central Provident Fund Commissioner. Both the processes have been automated and ESIC registration number is being provided on a real-time basis.
 19. An order facilitating revival and rehabilitation of MSMEs through banker's committee has been issued by Ministry of MSME.
 20. A unified portal for Registration of Units for LIN, Reporting of Inspection, submission of returns and Grievance Redressal has been launched by Ministry of Labour and Employment.
 21. DIPP has requested all Secretaries of Government of India and Chief Secretaries of the States/UT to simplify and rationalize the regulatory environment. In order to improve the regulatory business environment they have been requested to take the following measures on priority:
 - a. All returns should be filed on-line through a unified form;
 - b. A check-list of required compliances should be placed on Department's web portal;
 - c. All registers required to be maintained by the business should be replaced with a single electronic register;

- d. No inspection should be undertaken without the approval of the Head of the Department; and
 - e. For all non-risk, non-hazardous businesses a system of self-certification should be introduced.
22. Registration process of VAT and Professional tax has been merged into a single process with single ID on 1st January, 2015 by the Government of Maharashtra.
23. Registration for VAT in Delhi has been made online. TIN allotment is done real-time and business can start immediately on receipt of TIN number.
24. The time required for giving a new electric connection in Mumbai has been reduced to 21 days from 67 days. The number of procedures involved has been cut down to 3 from existing 7.
25. Simplified procedure for new electric connection in Delhi with reduced procedures and time.
26. Municipal Corporation of Delhi has launched online application process for grant of construction permits for residential and industrial buildings on 16th March, 2015 and commercial buildings in May, 2015.

**Industrial Development Centres in Uttar Pradesh,
Bihar and Maharashtra**

1762. SHRIMATI RAJANI PATIL:
SHRI KIRANMAY NANDA:
SHRI K. C. TYAGI:

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

- (a) the number of Industrial Development Centres opened in the country including the number of such centres opened in Uttar Pradesh, Bihar and Maharashtra during the last two years;
- (b) the amount of funds provided by Government for Industrial Development Centres in the States during last two years; and
- (c) the number of such centres likely to be opened in future?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) Department of Industrial Policy and Promotion under Ministry of Commerce and Industry has notified "Modified Industrial Infrastructure Upgradation Scheme (MIUS)" in July, 2013 for taking up new projects to upgrade infrastructure in existing Industrial Parks/Estates/Area. Greenfield projects in backward areas and North Eastern Region (NER) have