

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA  
UNSTARRED QUESTION NO. 5022  
ANSWERED ON FRIDAY, THE 31<sup>st</sup> MARCH, 2017  
[CHAITRA 10, 1939 (SAKA)]**

**GROWTH OF CORPORATE SECTOR**

**QUESTION**

**5022. SHRI BHARION PRASAD MISHRA:  
SHRI GAURAV GOGOI:**

**Will the Minister of CORPORATE AFFAIRS  
be pleased to state:**

**कारपोरेट कार्य मंत्री**

- (a) the details of growth made by the Indian corporate sector during the last three years including the current year;**
- (b) whether the Government has been successful in achieving Ease of Doing Business in the corporate sector for both corporate/foreign entities and common man of the country;**
- (c) if so, the details thereof along with the targets set for the purpose for the next two years;**
- (d) the details of employment creation in the country in the last three years by the Indian corporate sector; and**
- (e) the alternative measures adopted by the Government to promote growth of corporate sector in the country?**

**ANSWER**

**THE MINISTER OF STATE IN THE  
MINISTRY OF CORPORATE AFFAIRS**

**(SHRI ARJUN RAM MEGHWAL)**

**कारपोरेट कार्य मंत्रालय में राज्य मंत्री**

**(श्री अर्जुन राम मेघवाल)**

**(a): The growth of Indian corporate sector in terms of number of active companies for the financial year 2013-14, 2014-15, 2015-16 and 2016-17 is given below:**

<b>As on 31<sup>st</sup> March</b>	<b>Number</b>
<b>2014</b>	<b>9,52,433</b>
<b>2015</b>	<b>10,22,011</b>

<b>2016</b>	<b>10,88,780</b>
<b>2017*</b>	<b>11,58,095</b>

**\*As on 28.02.2017.**

**Contd....P.2/**

**-2-**

**(b)&(c): Yes, Madam. The Doing Business Report ranks countries on the basis of Distance to Frontier, an absolute score that measures the gap between India and the global best practice on the 10 specified indicators. India's absolute score improved from 53.93 in DBR 2016 to 55.27 in DBR 2017. This is the first time that India has improved its absolute score in two consecutive years. Additionally, India's Distance Frontier score improved on 7 out of the 10 indicators, showing that India is increasingly progressing towards best practice. The Government's target is to improve the business regulatory environment of India and India's ranking in World Bank's Doing Business Report. Reforms undertaken on various parameters of Doing Business towards easing the business environment in the country are given at annex-I.**

**(d) : The impact of corporate growth on employment scenario in the country has not been assessed.**

**(e) : The Ministry of Corporate Affairs has taken a number of measures to promote growth of corporate sector and improve ease of doing business in the Country. These include, inter alia, (i) doing away with the payment of minimum paid up capital at the time of incorporation as well as declaration of commencement of business by the companies, (ii) mandatory common seal for companies is made optional, (iii) setting up of Central Registration Centre (CRC) for name availability and incorporation/registration of**

**companies as a part of government process re-engineering (GPR), (iv) deployment of Simplified Proforma for Incorporating Company electronically (SPICe), and (v) granting of various exemptions/relaxations from the provisions of the Companies Act, 2013 to companies including startups, subject to certain conditions.**

**\*\*\*\*\***

**ANNEXURE REFERRED TO IN ANSWER TO LOK SABHA UNSTARRED  
QUESTION NO. 5022 FOR 31.03.2017 REGARDING GROWTH OF  
CORPORATE SECTOR**

**Ease of Doing Business (as on 02.02 2017)**

---

- 1. Ease of doing business is a fundamental priority of our Government's Make in India campaign. Unless we can make it easier for business to invest, operate and stay in India, we will not be able to create the jobs that India's young population requires. The ease of doing business index is meant to measure regulations directly affecting businesses and a nation's ranking is based on the average of 10 indicators.**
- 2. The Central Government along with State Governments and UT administrations has undertaken a strategic and comprehensive reform package over the last two years which has greatly contributed to strengthening investor confidence.**
- 3. In Doing Business Report (DBR) 2016, India had jumped 12 places. However, in the 2017 report the ranking showed only a minor improvement despite the efforts and reforms undertaken by the Centre and the States. The World Bank recognized reforms under four of the 10 indicators. The "distance to frontier" (DTF) score measurement used by the World Bank to ascertain the distance between each economy and the best performance in that category has improved for seven of the 10 indicators.**
- 4. Some of the improvements mentioned in the DBR 2017 are in the parameters 'getting electricity' in Delhi, 'paying taxes' through the electronic system for employees State insurance contributions, 'trading across borders' by launching of the ICEGATE portal and simplification of border and documented procedures and 'enforcing contracts' through establishment of dedicated divisions for resolving commercial cases. The report has especially lauded India for achieving significant reduction in time and cost to provide electricity connections to businesses in Delhi.**
- 5. Some of the reforms undertaken by the country towards easing the business environment in the country are listed below:-**

## **REFORMS UNDERTAKEN ON VARIOUS PARAMETERS OF DOING BUSINESS**

---

### **1. STARTING A BUSINESS**

- **The Companies (Amendment) Act, 2015 has eliminated the need of a common company seal for incorporation.**
- **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.**
- **"Shram Suvidha" Portal has been launched to issue Unique Labour Identification Number (LIN), submission of common electronic returns under 16 Labour Acts and facilitate risk based inspections.**
- **Maharashtra has combined the process of registration with VAT and Profession Tax. The registration is now being granted within 24 hours in Mumbai.**

**Contd...P.2/**

**-2-**

- **SPICe form has been notified as sole application form for incorporation of companies (w.e.f., from 01.01.2017). The fee for filing the incorporation form has been reduced from Rs.2000/- to Rs.500.**
- **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.**
- **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.**

## **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 external Departments like AAI and NMA through a common application form.**
- **In Mumbai, the building completion certificate and occupancy certificate can now be processed simultaneously through single-window approval 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.**
- **AutoCAD based software to scrutinize building plans has been implemented.**
- **Both Municipal Corporation of Delhi (MCD) and 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.**
- **MCGM and MCD Single Window Application System have a provision for online transfer of application and receipt of NOC.**
- **MCD has completed the process of single window approval by integrating with internal departments as well as external Departments like 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 being undertaken in the building.**
- **MCD has eliminated the need for applicant to visit the Property Tax Department to collect receipt of tax payment.**
- **Delhi Development Authority (DDA) has notified the Unified Building Bye-laws. The unified building bye laws have provision of deemed approval of sanctioning building plans within 30 days.**
- **Colour coded maps have been developed by AAI, DUAC and DMRC to enable applicants to determine whether NOC is required for the land for which permission is applied for.**

**Contd....P.3**

- **88% of building plans have been sanctioned online by Municipal Corporation of Delhi.**
- **Infrastructure charges have been abolished by Delhi Jal Board Authority for commercial/ industrial connections. The development Charges for commercial and industrial water connections upto 50 sq. m is Rs. 45000 and above 50 sq. m is Rs. 1 lakh.**

### **3. GETTING ELECTRICITY**

- **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.**
- **In Delhi and Mumbai, for getting a new electricity connection the number of procedures has been reduced to 3. Further, 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.**
- **Now the industrial/ commercial connections are being granted within 15 days in Delhi and Mumbai.**
- **Tata power has improved its System Average Interruption Duration Index (SAIDI) by 2.42 and it's System Average Interruption Frequency Index (SAIFI) by 2.41.**
- **Brihanmumbai Electricity Supply and Transport (BEST) has improved its System Average Interruption Duration Index (SAIDI) by 1.72 and it's System Average Interruption Frequency Index (SAIFI) by 3.26.**

### **4. TRADING ACROSS BORDERS**

- **Reforms affecting import of automobile parts from Korea: In JNPT there are 1637 import declarations filed during the period from 1st June 2015 to 31st May 2016 (the period of World Bank case study). The average time taken for giving cargo clearance by Customs authorities is 19.59 hours, wherever importer has paid appropriate Customs duty. Further, it is important to note that more than 80% of automobile shipments coming from Korea are treated as risk-free and Customs gives clearance within 6 hours, in cases where importer has paid appropriate Customs duty.**
- **Reforms affecting export of electrical machinery to New York: As of January 1, 2016, Indian Customs Authorities do not require users to physically sign any documents, provided that the documents are digitally signed.**

**Contd...P.4/**

**-4-**

- **On April 1, 2016, the Central Board of Excise and Customs of India launched the Customs Electronic Commerce Interchange Gateway (ICEGATE) portal, which allows for e-filing of integrated customs declaration, bill of entry and the shipping bill. ICEGATE also facilitates data and communication exchanges between applicants and customs.**
- **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 6 other Departments viz. FSSAI, Animal Quarantine, Plant Quarantine, Drug Controller, Wildlife Control Bureau and Textile Committee for imports. Also, 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. Importers, exporters using services of Customs Brokers, shipping lines and airlines can file customs documents under digital signature mandatorily w.e.f. 01/01/2016.**
- **Electronic messaging system between shipping and custodians' i.e. electronic delivery order instead of manual, paper based delivery order was introduced vide circular dated 14/10/2016.**
- **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.**
- **Customs 24x7 clearances is now available on 19 sea ports and 17 Air Cargo ports.**
- **Reduction in number of mandatory documents required for exports and imports to 3 each for export and import. Earlier 7 documents were required for exports and 10 for imports. Implemented vide notification dated 12.03.2015.**
- **The port has reduced the "Gate in" time period for export containers from 5 days to 4 days which will further reduce export dwell time by another 24hrs.**
- **CBEC relaxed KYC norms with regard to consignments imported by individual vide circular dated 26.04.2016.**
- **Facility of deferred payment for select category of importers and exporters has been introduced. This provision enables release of cargo without payment of duty, which shall enable speedier clearance and improved liquidity in hands of the businesses.**

#### **5. RESOLVING INSOLVENCY**

- **Constitution of National Company Law Tribunal and National Company Appellate Law Tribunal has been operationalized.**

**Contd.....P.5/**

- **Insolvency and Bankruptcy Board of India has notified liquidation norms on 15<sup>th</sup> December, 2016 under Insolvency and Bankruptcy Code.**

- **The Corporate Insolvency Resolution provisions have been notified on 30th November, 2016 to implement the Insolvency and Bankruptcy Code.**
- **Regulations for Insolvency Professionals have been notified on 23<sup>rd</sup> November, 2016 for implementing the Insolvency and Bankruptcy Code.**
- **Regulations for Insolvency Professionals Agency have been notified on 21<sup>st</sup> November, 2016.**

## **6. ENFORCING CONTRACTS**

- **On 7th January 2016, the Maharashtra High Court established Commercial Division benches and Commercial Appellate Division benches under the High Court.**
- **Commercial divisions and appellate divisions in Delhi High Court have been established.**
- **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.**
- **National Judicial Data Grid (NJDG) was opened to general public on 19th September, 2015. NJDG is a national data warehouse for case data including case registration, cause list, case status and orders/judgments of courts across the country till District Level Courts.**

## **7. REGISTERING PROPERTY**

- **Mumbai: Integration of Sub Registrars' offices with the Land Records Department has been completed. Registration data is being shared with the Land Records Department as part of the LR-SRO linkage under the National Land Records Modernization Program. This has been done for e-mutation in rural areas, and is presently being implemented across 358 tehsils comprising 427 Sub Registrar Offices in the state.**
- **In Maharashtra, all property tax records have been digitized.**
- **In Mumbai, citizens can review the property details using e-search facility.**
- **In Mumbai, appointments to SRO have been made online through e-StepIn books slot.**
- **Grievances related to immovable property registration in Maharashtra has been made online.**
- **Further, a project for "e-DISNIC software" (Revenue Courts) for making the land dispute information available online has been rolled out.**
- **Delhi: Out of 356 villages, 52 villages have their textual data fully digitized and online digitally signed RORs are being issued. An additional 63 villages will have their RORs issued online soon. Digitization of cadastral maps has been done. 28 maps have been validated. The integration of textual and spatial data has started.**

- **In Delhi, all sub-registrar offices have been digitized and sub-registrars' records have been integrated with the Land Records Department.**
- **In Delhi, model sale deed format for property registration is available on the website of Department of Revenue.**
- **In Delhi, an electronic database for recording boundaries, checking points and providing cadastral information has been completed.**
- **In Delhi, linking of land ownership registry and mapping agency database on a pilot basis have been completed.**

**Contd.....P.6/**

**-6-**

#### **8. GETTING CREDIT**

- **SARFAESI (Central Registry) Rules, 2011 has been amended. The amendment modifies rule 4 to include additional types of charges, including: "security interest in immovable property by mortgage other than deposit of title deeds"; "security interest in hypothecation of plant and machinery, stocks, debt including book debt or receivables"; "security interest in intangible assets, being know-how, patent, copyright, trademark or any other business or commercial right of similar nature"; and "security interest in any under construction residential or commercial building or a part thereof". This amendment allows (Central Registry of Securitization Asset Reconstruction and Security Interest) CERSAI to register these additional charges.**

#### **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 also been unified and are available on Shram Suvidha Portal.**
- **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 Corporate Tax returns with CBDT.**

\*\*\*\*\*