

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:350

ANSWERED ON:20.03.2015

RATING STATES ON EASE OF DOING BUSINESS .

Boianapalli Shri Vinod Kumar;Galla Shri Jayadev

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

- (a) whether the Government propose to give rating to States on the basis of ease of doing business in the country;
- (b) if so, the details thereof indicating the parameters fixed/adopted in this regard;
- (c) whether the Government has also circulated action points to States on 'creating an enabling framework for stimulating investments in manufacturing' with specific timelines for each action;
- (d) if so, the details thereof along with the response of the States thereto; and
- (e) the progress made in regard to giving ratings to States along with the extent to which the proposed rating is likely to improve the country's ranking in ease of doing business in the world?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF THE LOK SABHA STARRED QUESTION NO. 350 FOR 20.03.2015 REGARDING RATING OF STATES ON EASE OF DOING BUSINESS .

(a)&(b): Yes, Madam. A detailed document on action to be taken on various measures of ease of doing business by States with specific timelines was prepared and circulated to all States/Union Territories. Following are the parameters under which these action points are grouped:

- i) setting up a business
- ii) land and building
- iii) environment compliances
- iv) labour compliances
- v) infrastructure related utilities
- vi) finance and tax
- vii) inspection reforms
- viii) enforcing contract
- ix) exiting a business

(c) to (e): These action points were subsequently discussed and finalized at the National Workshop on 'Make in India' held on 29th December 2014 at Vigyan Bhawan, New Delhi. Officials from the Ministries of Central Government and States/UTs and representatives of industry participated in the National Workshop. Chief Secretary, Maharashtra made a detailed presentation before the Prime Minister and his Cabinet colleagues, on behalf of all States. All the State Governments/Union Territories have been requested to complete these reform measures against the indicated timelines on the 98 action points. Further, each state has been requested to complete the recommended action points within the identified timelines so that the state is not ranked poorly in sub-national study.

Further, 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 best practices were shared with all State

Governments and Union Territories and their comments were sought. These comments were considered before finally circulating these among States/Union Territories for replication. The best practices were identified for grant of clearance and obtaining compliances in the following areas:

- 1) Finance & Tax related compliances.
- 2) Labour Law Related compliances.
- 3) Infrastructure & Utilities Related Approvals.
- 4) Land & building.
- 5) Environment clearances.
- 6) Other business regulatory compliances.

Chief Ministers of all State and Administrators of all Union Territories have been requested to partner with Department of Industrial Policy and Promotion in taking these initiatives forward to ease the business regulatory environment in the country. This is envisaged as a cooperative and collaborative effort between the Central and State Governments.