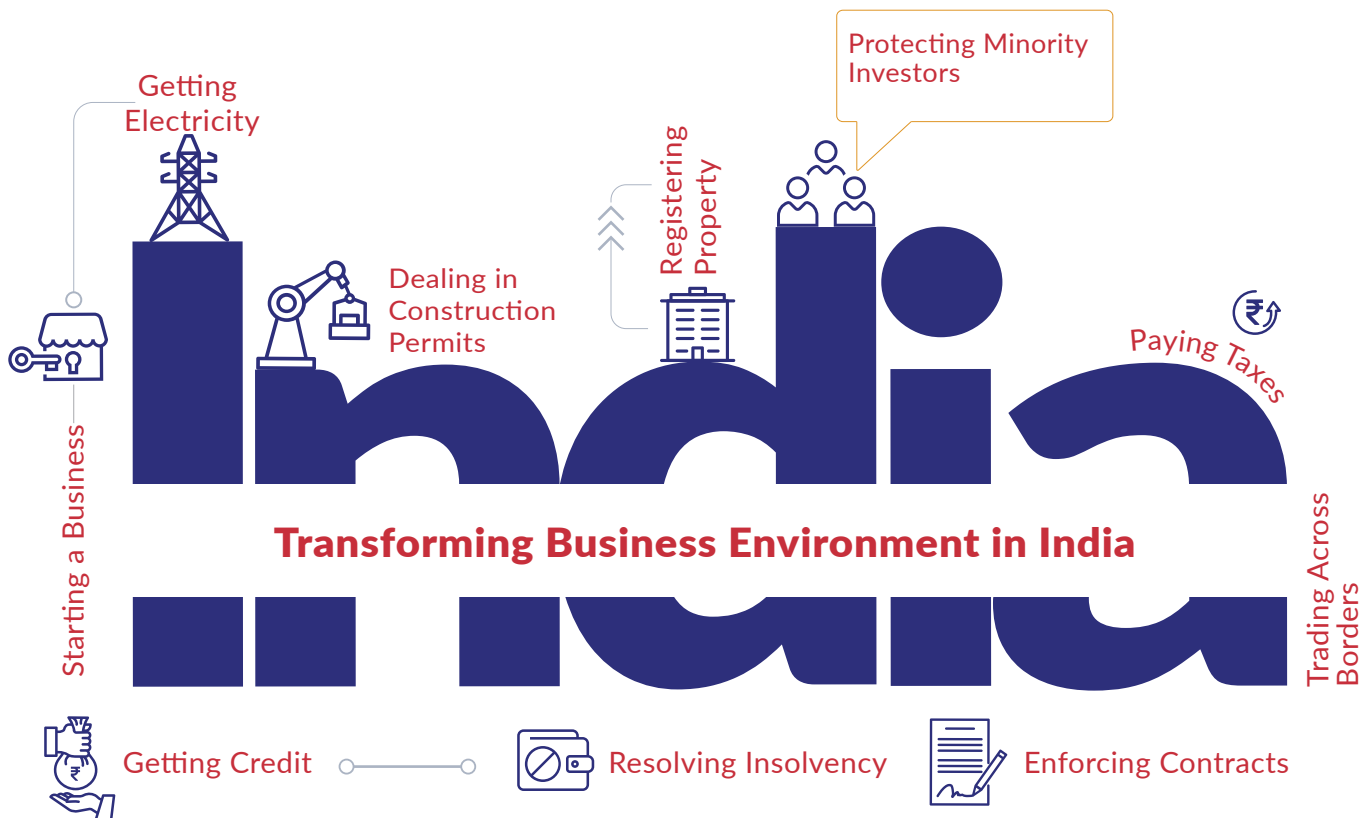




Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade

Ease of Doing Business





Due to the circumstances which existed before, there was a time when it was asked - Why India? Now after looking at the impact of the reforms that have taken place in the country, it is being asked - 'Why not India'?

Prime Minister Narendra Modi

ASSOCHAM Foundation Week 2020

THE JOURNEY SO FAR



A decade back, India being a top business destination seemed like a farfetched dream. Any person wanting to do business in India would have to navigate in a sea of complex and arduous processes. The poor Foreign Direct Investment numbers were a reflection of the dismal image of India as a business location.

India was marred with myriad problems. The investor had to run from pillar to post for grant of licenses and approvals and had to deal with multiple agencies for getting clearances. To get a case resolved in India would mean to endure the punishing waiting periods and even winding up business operations was an uphill task. The confidence of the international community in India was at an all time low. India's dubious distinction of being the hub of red tapism in addition to the confounding systems and regulations did not inspire investor confidence.

The World Bank conducts an annual assessment of 190 economies ranking them on how easy it is to do business in a country based on 10 parameters which span over the business lifecycle, published as the Doing Business Report (DBR). India's investment climate was mirrored in the World Bank's Doing Business Report of 2014 (DBR 2015) where India stood at a grim 142nd position amongst 190 economies.

In 2014, under the visionary leadership of

Hon'ble Prime Minister Shri Narendra Modi, this process underwent a complete change with the Government responding innovatively. This started the journey of government process reengineering, bringing various ministries and departments of the Centre and State together to achieve a common goal of making India the most preferred business destination.

This daunting task was entrusted to the Department for Promotion of Industry and Internal Trade (DPIIT) for being the institutional anchor for the Ease of Doing Business program. DPIIT acted as a fulcrum and brought in a cohesive approach by breaking the silos and working in networks with all the government agencies. A detailed gap assessment of business ecosystem, spring cleaning of regulations, concerted efforts to bridge the digital divide alongwith regular stakeholder feedback to actively gauge reform implementation at the ground level were the key reformative steps undertaken.

It bore fruit as India today ranks 63 in the World Bank's Doing Business Report 2020, a meteoric rise of 79 ranks from 142 in 2014. India's increased ease of doing business now provides a conducive business environment and DPIIT is committed to chartering the path of furthering this initiative; to translate it to ease of living for its citizens.

A PARADIGM SHIFT - SCALING GREATER HEIGHTS

There was a paradigm shift in the approach and strategy of India, soon after Prime Minister Shri Narendra Modi, as part of the “Make in India” initiative made a special mention about the need to improve India’s ranking in the World Bank’s Doing Business Report. EoDB took center stage as one of the most important pillars along with other programmes, towards developing India

as a preferred investment destination.



“Today, the focus is on service delivery, as much as it is on improving the business environment. The result is in front of you. Between 2014 and 2019, India has improved the Ease of Doing Business Ranking by 79 ranks. This time too we are one of the top 10 performers in the world. Every year we are rapidly improving a new parameter. Last year we have been able to improve 6 out of 10 Indicators.”

Prime Minister Narendra Modi

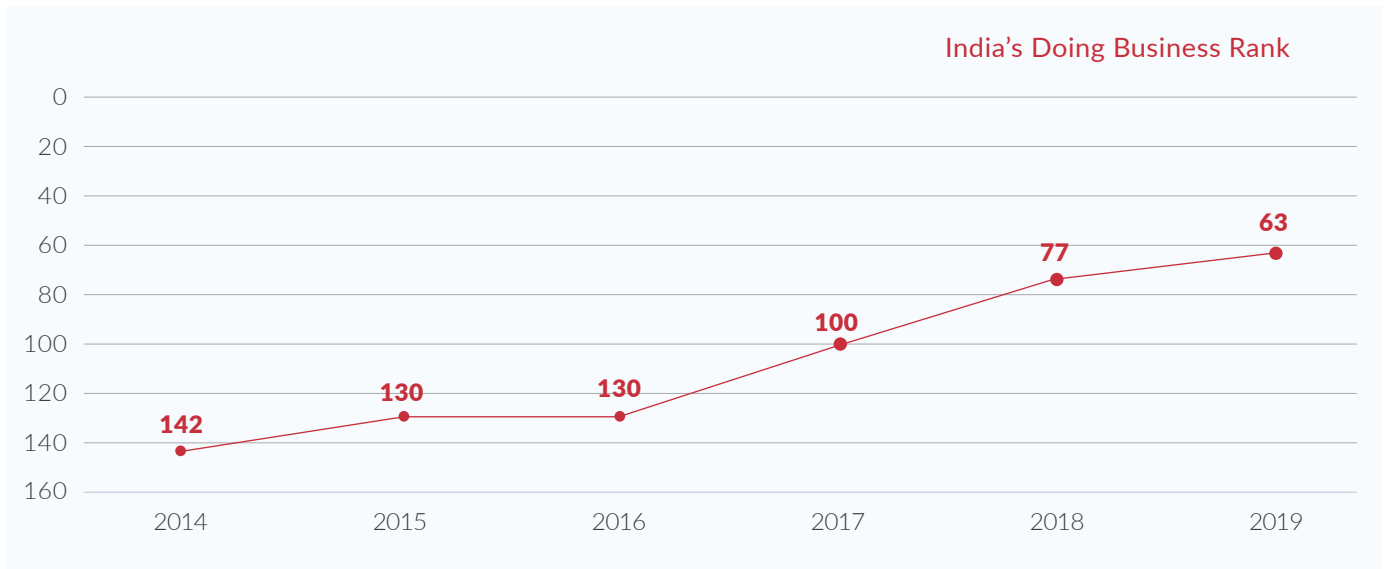
The Global Investors' Meet 2019, Dharamshala (Himachal Pradesh)

To enhance Ease of Doing Business in the Country, systematic and targeted efforts are being made to reduce the number of processes, reduce average time taken, rationalize costs and making it easier to do business in India. Intense engagement with the World Bank to better understand the methodology and also study

global best practices helped India in devising its strategy for improving business environment. A detailed roadmap was developed in consultation with Nodal Ministries and States for timely implementation of reforms. As a result, India’s rank improved to 63 in Doing Business Report 2020 (Published in October 2019) from 142 in

Doing Business Report 2015 (Published in October 2014) As a result of continued efforts by the Government, **India has improved its rank by 79 positions in the last five years [2014-19].** India

continues to maintain its first position among South Asian countries as compared to being at 6th position in 2014.



"This is the third year in a row that India has made it to the top 10 (improvers) in doing business, a success that very few countries have done over the 20 years of the project."

Mr. Simeon Djankov,
Director, World Development
Report 2019

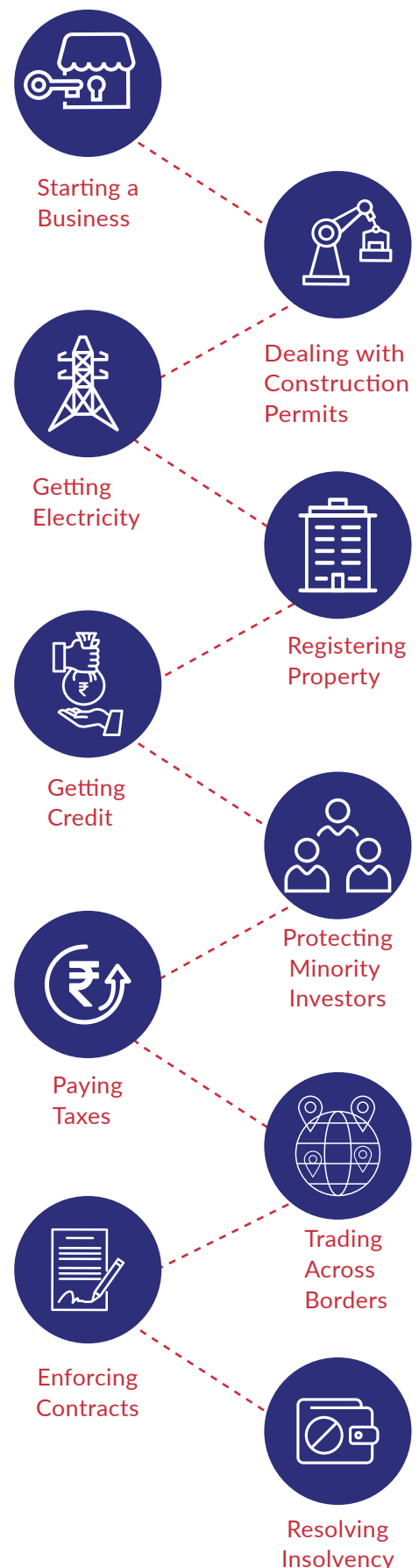
"To be amongst the top 10 improvers for the third year in a row is commendable and speaks volumes about the effort that the government is putting in to unshackle the economy"

Mr. Adi Godrej,
Chairman, Godrej

Simplifying the Business Ecosystem in India

The World Bank's Ease of Doing Business Project is the key driver of regulatory reforms. It ranks 190 economies on ten parameters from cradle to grave of a business cycle on a set methodology which indicate how easy it is to do business in the country.

These parameters are Starting a Business, Registering Property, Dealing with Construction Permits, Getting Electricity, Getting Credit, Paying Taxes, Trading Across Borders, Protecting Minority Investors, Enforcing Contracts and Resolving Insolvency.



STARTING A BUSINESS

Introduction of SPICe+ and AGILE PRO-S form by Ministry of Corporate Affairs (MCA) saves time and effort required for a nascent Company Incorporation. This form combines various services like PAN/TAN/Director Identification Number/GSTN etc.

Zero fee is being charged for incorporation of all companies with authorized capital upto Rs. 15 Lakh or upto 20 members where no share capital is applicable.



SPICe+ (Simplified Proforma for Incorporating Company Electronically (Plus) is an **integrated Web Form**

SPICe+ Offers 11 Services By

3 Central Government Ministries & Departments

- Ministry of Corporate Affairs
- Ministry of Labour & Employment
- Department of Revenue, under the Ministry of Finance

4 States/UTs Governments (Maharashtra, Karnataka, West Bengal and NCT of Delhi)

Features of the web Form:

Part A Name reservation for new companies

Incorporation, DIN allotment, Mandatory issue of PAN, Mandatory issue of TAN, Mandatory issue of EPFO registration, Mandatory issue of ESIC registration, Mandatory issue of Profession Tax registration - Maharashtra (Mumbai), Karnataka and West Bengal (Kolkata), Delhi Shops and Establishment Registration, Mandatory Opening of Bank Account for the Company and Allotment of GSTIN (if so applied for)

Part B

DEALING WITH CONSTRUCTION PERMITS



Online Building Permission System (OBPS) is an online Single Window for obtaining all building permissions. In Delhi and Mumbai, all relevant agencies have been brought onboard this single window system thereby eliminating requirement on the part of the applicant to engage with each agency individually.

India will now be counted among the top nations in the world where it is easiest to obtain all permits related to construction

- Building Plan Approval
- No Objection Certificates (NOC)
- Completion certificates (Plinth and Building Completion)
- Application for Joint Site Inspection which essentially stipulates all inspections with regards to Fire, Water, Sewage, Environment, Archeological etc. be conducted simultaneously. This ensures transparency and efficiency in obtaining the required No Objection Certificates (NOC)
- Implementation of Risk Based Classification of buildings helped in strengthening building regulations considerably
- 2,530 Urban Local Bodies across the country have replicated Online Building Permission System

Defined Timelines

All procedures and permits are issued within defined timelines. Concept of deemed approval introduced in cases where permits are delayed

Online Single Window System

An Online Single Window System for all construction permits - Online Building Permission System



Joint Site Inspection

All inspections of various agencies like Fire, Water, Sewerage are carried out jointly on the same day.

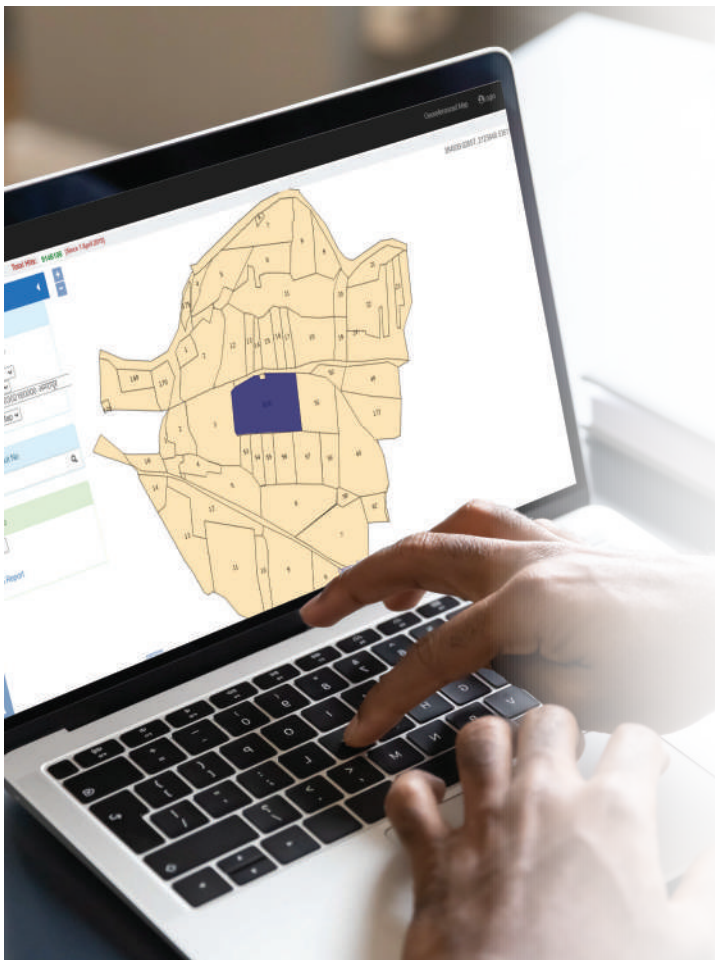
Online Certifications

NoCs and other certificates are issued through Online Building Permission System

REGISTERING PROPERTY



Digitization of land records has been one of the top priorities to bring efficiency and transparency in property related transactions. It allows citizens to view property transaction records in a digital mode.



Salient Features*

- You can access all the property maps on a portal for free
- You can View & Download:
 - Maps by clicking on the property map
 - Detailed Plot Report can be seen just by entering the plot number

Benefits of Digitized Cadastral Maps*

- No need to physically visit government departments for obtaining maps
- Anytime, Anywhere access to maps
- No hassle of handling bulky hard copies

*Only Delhi & Mumbai

ENFORCING CONTRACTS

The present Government has been aggressively pursuing various reform measures to create an effective, efficient and transparent “Contract Enforcement Regime”. Enforcing Contract indicator measures the performance of a country in terms of the time taken for disposal of a commercial dispute, costs involved in resolving a commercial dispute and the quality of judicial process and good practices followed by the Commercial Courts.

eCourts Services Portal



← → <https://services.ecourts.gov.in:>

eCourts Services App



for **iOS** and
Android platforms

1.50 crore
downloads of
e-Courts Services app

The App and Portal offer
7 case-related services
for Litigants & Lawyers



To access laws,
regulations
and case law



To access forms to
be submitted to
the court



To receive
notifications
(for example,
e-mails)



To track the
status of a case



To view and
manage case
documents (briefs,
motions)



To file briefs &
documents with
the court



To view court
orders/decisions in
a particular case.

In this context, the Commercial Court Act, 2015 is an important legislative reform to facilitate the process of ease of doing business and ease of living simultaneously. Delhi High Court has already made functional 22 Dedicated Commercial Courts. In addition, 42 more Commercial Courts have been notified by the Delhi High Court, against which 13 Dedicated Commercial Courts have been recently made functional which includes on pilot basis 2 Digital Paperless Commercial Courts (Saket). Thus, there are 35 Dedicated Commercial Courts presently functional in Delhi. Delhi High Court has made e-filing compulsory across all these 35 Dedicated Commercial Courts.

RESOLVING INSOLVENCY

Introduction of Insolvency and Bankruptcy Code of India (IBC) in 2016 was a game changer in resolving insolvency. The objective of the Code is maximization of value of assets by aiming at reorganization rather than liquidation of the Corporate Debtor. The Code has seen success as the creditor is in charge rather than debtor in charge. The increase in recovery rate to 72 % as per DBR 2020 is evidence of its success. The Code has been amended to introduce pre-packaged insolvency resolution process

(PPIRP) for MSME corporate debtors (CD). This aims at causing minimal disruption to MSME debtors' business activities to ensure job preservation, by combining the efficiency, speed, cost, effectiveness and flexibility of workouts outside the courts, with the binding effect and structure of formal insolvency proceedings. The insolvency law is evolving in India and once a long drawn and painful process of closure of business is now a faster and more efficient process."



"The Insolvency and Bankruptcy Code, financial sector policies, and amendments to the regulatory systems added immensely to the economic framework."

Mr. Vikram Kirloskar,
MD, Kirloskar Systems Ltd & VC,
Toyota Kirloskar Motor

"Since its implementation, more than 2,000 companies have used the new law. Of these, about 470 have commenced liquidation and more than 120 have approved reorganization plans..... Reorganization has become the most likely procedure for viable companies as measured by Doing Business, increasing the overall recovery rate from 27 to 72 cents on the dollar."

DBR 2020

PROTECTING MINORITY INVESTORS

Class Action Suit: - Section 245 of the Companies Act, 2013 (2013 Act) and Rules thereunder provide for class action suits that can be filed by a certain number of members or depositors to claim damages or compensation or demand any other suitable action.

MCA has issued the National Company Law Tribunal (Second Amendment) Rules, 2019 specifying that the requisite percentage of the members/depositors who may apply for a class action suit is 5% of the total number of the members or 100 members, whichever is less. Now any 5% of the members or 100 members can now claim damages or compensation from the directors or the company.

TRADING ACROSS BORDERS

Time and cost to export and import has been considerably reduced by electronic sealing of containers, upgradation of port infrastructure and allowing electronic submission of supporting documents with digital signatures. Phase I of Fourth Container Terminal at the Jawaharlal Nehru Port Trust has been made operational and Phase II is expected to be fully operational by 2022-23.

India Customs Electronic Gateway (ICEGATE) allows traders the facility to lodge their clearance documents online at a single point



At present **1, 27,329** users are registered with ICEGATE and **1,12,752** importers and exporters are using ICEGATE



ICEGATE offers a host of services

- Electronic filing of Bill of Entry
- Shipping bill
- E-payment of custom duty
- Web-based Common Signer utility for signing all the Customs Documents
- Facility to file online supporting documents through eSanchit
- End-to-end electronic IGST Refund



In addition to e-filing, ICEGATE also provides other services like

- 24X7 helpdesk facility for its trading partners
- Document Tracking status at Customs Electronic Data Interchange (EDI)
- Online verification of DEPB/DES/EPCG licenses
- IE code status
- PAN based Customs House Agent (CHA) data,
- IGST Refund Status and
- Links to other important websites/information related to EXIM Trade
- Web-based registration of goods on imports
- Online registration of Banks Accounts/Authorised dealer codes
- Facility for Anonymised Escalation of grievances on import
- Compliance Information Portal for assisting trade

"Integrated Risk Management System and Direct Port Delivery are some of the crucial reforms undertaken by the Government"

Mr. Milon K Nag,
Co-Chairman, CII Task Force on EoDB

ENGAGING THE STATES & UTs- TOWARDS CO-OPERATIVE FEDERALISM

The Doing Business Report of the World Bank assessed the cities of Delhi and Mumbai. To emulate the reforms done at pan India level, the Business Reforms Action Plan (BRAP) was introduced in 2014. DPIIT spearheads the dynamic exercise of BRAP which aims to promote competitive federalism, incentivising States and UTs to have the most conducive business regime. India is one of the few countries which has a sub-national ranking exercise. Under BRAP which is now in its sixth edition, all States and UTs are ranked on the basis of reforms implemented by them on designated parameters.

A dedicated online portal (www.eodb.dipp.gov.in) has been developed by DPIIT for States/UTs to submit evidences of implementation of these reform points along with user data for feedback on reforms. BRAP is a transformative exercise providing a first of its kind platform for knowledge sharing on regulatory compliance requirements across States/UTs in the country. Based on the global best practice, assessment of reform implementation under BRAP is 100% based on user feedback. Feedback exercise is conducted by independent Survey Agency. Feedback is obtained in approximately 10 Indian languages besides English and Hindi.

The assessment of BRAP 2020 (fifth edition) was released on 30th June 2022 and based on the implementation of reforms and user feedback, States/UTs were placed into four categories – Top Achievers, Achievers, Aspirers and Emerging Business Ecosystems as follows:

Top Achievers	Andhra Pradesh Gujarat Haryana Karnataka Punjab Tamil Nadu Telangana
Achievers	Himachal Pradesh Madhya Pradesh Maharashtra Odisha Uttarakhand Uttar Pradesh
Aspirers	Assam Chhattisgarh Goa Jharkhand Kerala Rajasthan West Bengal
Emerging Business Ecosystems	Andaman & Nicobar Bihar Chandigarh Dadra & Nagar Haveli and Daman & Diu Delhi Jammu & Kashmir Manipur Meghalaya Nagaland Puducherry Tripura

*Feedback could not be obtained for Sikkim, Mizoram, Arunachal Pradesh, Lakshadweep & Ladakh due to insufficient user data
States/UTs are organised in alphabetical order in each category*

As a landmark achievement 7,496 reforms were implemented across States and UTs as part of BRAP 2020 indicating commitment of States in implementing reforms to create conducive business environment. Various Capacity Building Programs are conducted for handholding States/UTs in this exercise of reform implementation. Best practices by States are also shared with all States/UTs encouraging replicability of reforms.

KEY HIGHLIGHTS OF BRAP 2022

- BRAP 2022 has a unique blend of Business Centric Reforms (Action Plan A) and Citizen Centric Reforms (Action Plan B).
- To enhance Ease of Doing Business, Action Plan A includes 261 reforms related to Land administration and Transfer of Land and Property, Labour regulation enablers, Construction Permits enablers, etc.
- To enhance Ease of Living, Action Plan B includes 91 reforms related to obtaining certificates from Urban Local Bodies (birth and death certificate), revenue department (income, domicile and caste certificate), department of registration and stamps (marriage certificate), obtaining utility permits, ration card, driving license etc.
- National Single Window System (NSWS) is one of the flagship initiatives of DPIIT to significantly enhance business experience by providing complete information online at one place so that Investors may identify and apply for the required approvals (Central as well as State) through NSWS. For extending NSWS's outreach and wider usage by Investors, reforms related to NSWS have been included in BRAP 2022. As per the reform requirements, States and UTs are encouraged to integrate their Online Systems with NSWS for enhancing Ease of Doing Business experience.
- BRAP 2022 also covers the reform related to integration of States' Online Single Window System with Central Portals like Online National Drug Licensing System (ONDLS), SARATHI (for driving license services) etc.

SIGNIFICANT ACHIEVEMENTS AT STATE LEVEL

BRAP encourages States/UTs to set up States' Online Single Window System through legislation to serve as a single point of contact for issuances of all licenses/approvals/NOCs required by businesses. 24 States/UTs have developed their Online Single Windows, while other States are in the process of development. 16 States/UTs have been onboarded on National Single Window System (NSWS).

Central Inspection system (CIS) is an integral part of BRAP wherein States are encouraged to develop integrated risk-based inspection system covering various departments including Labour, Factories and Boilers, Legal Metrology, State Pollution Control Board, etc. Key features of CIS include centralized random allocation of inspectors, limiting inspections to the pre-decided checklist (except in case of complaint-based inspections), preventing visit of same inspector to an establishment consecutively and ensuring upload of inspection report by the inspector within 48 hours of inspection. 25 States/ UTs have Institutionalized Central Inspection System (CIS)

States/UTs have implemented a Geographic Information System (GIS) to provide details about the land earmarked for industrial use across the State.

States have enabled Integrated application process for obtaining Construction Permit. 17 States/UTs have developed online single window system for granting construction permits

27 States/UTs have developed online system for granting electricity connection. 26 States/UTs have developed online system for granting water connection for enhanced service delivery.

WAY FORWARD

The Ease of Doing Business rankings are a yardstick to measure the improvement in the realm of Government reforms and is an integral part of the AtmaNirbhar Bharat Abhiyaan. The Government of India is determined to put in place an investment friendly ecosystem that strongly supports domestic as well as foreign investments.

To translate this vision into reality, the next generation of reforms are focused on reducing compliance burden for businesses and citizens. Many compliance requirements have become irrelevant and unnecessary with changing times and technological development. In line with the same, a time bound systematic exercise across Ministries and States is being coordinated by DPIIT. This exercise is aimed at simplification and rationalisation of compliances, decriminalisation of minor civil offences and removal of redundant laws. The endeavour is that the Citizens interface with the Government should be a pleasant experience.

DPIIT has been an agent of change since 2014, improving the business ecosystem by collaborating with various Ministries, States, Sectors and Industry Associations for reform implementation under the Ease of Doing Business Project and Business Reform Action Plan. The Honourable Prime Minister's mantra of **"Minimum Government Maximum Governance"** has secured India's place in the international

I say this with full confidence- this is the best time to be in India! In today's India, many things are rising and many are falling. 'Ease of Doing Business' is rising and so is 'Ease of Living.'

Shri Narendra Modi,
Prime Minister of India

This prodigious vision of the Honourable Prime Minister to achieve the unthinkable, has been possible with his staunch belief in **"Governance"** instead of **"Government"**. The unflinching commitment of the Government of India to initiate change from the apex level to the ground level has yielded results. However, there are still leaps and bounds to grow. Together with political and administrative will, and an endeavor to move closer to international best practices, the Government of India is committed to translating the Ease of Doing Business to the Ease of Living for every citizen of this country.



EASE OF DOING BUSINESS



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