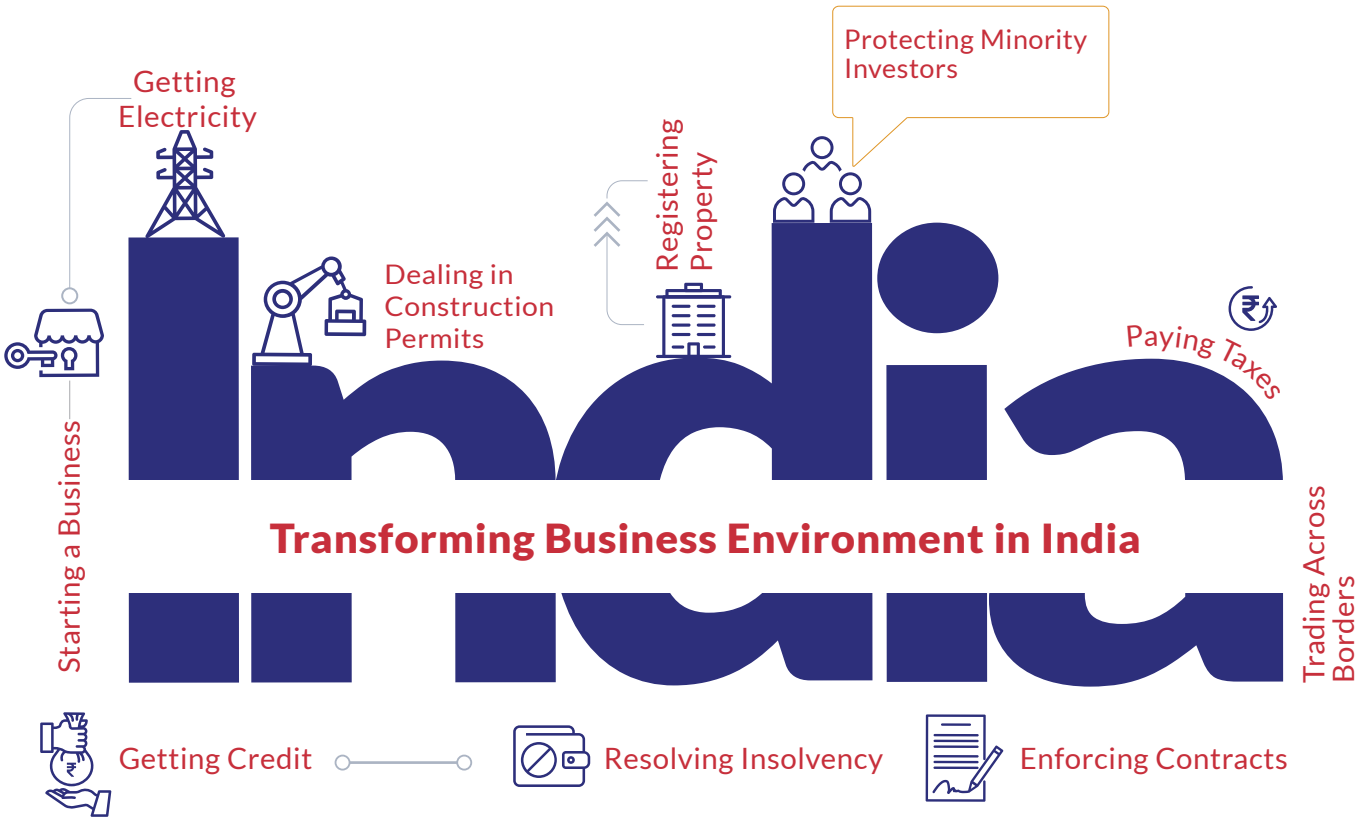
Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade

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 processes 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 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

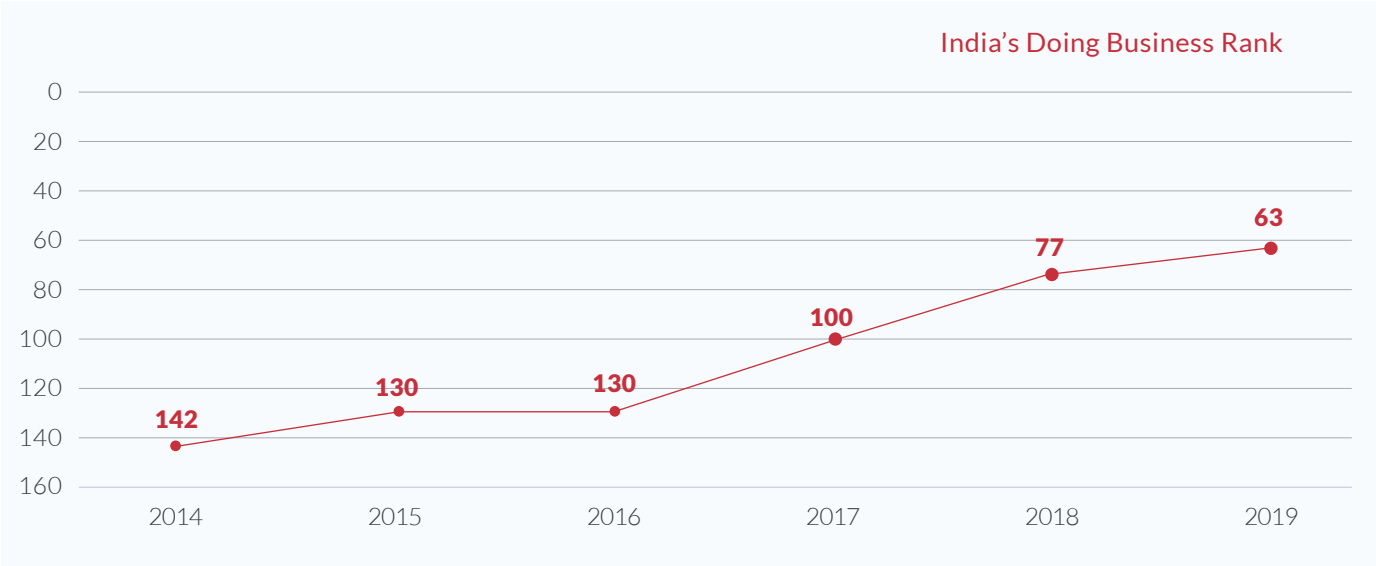
There was a paradigm shift in the approach and strategy of India, soon after Prime Minister Shri Narendra Modi, as part of the "Make in India" initiative made a special mention about the need to improve India's ranking in the World Bank's Doing Business Report. EoDB took center stage as one of the most 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 achieve the vision of Hon'ble Prime Minister of India being in the top 50 countries in the Doing Business rankings, 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

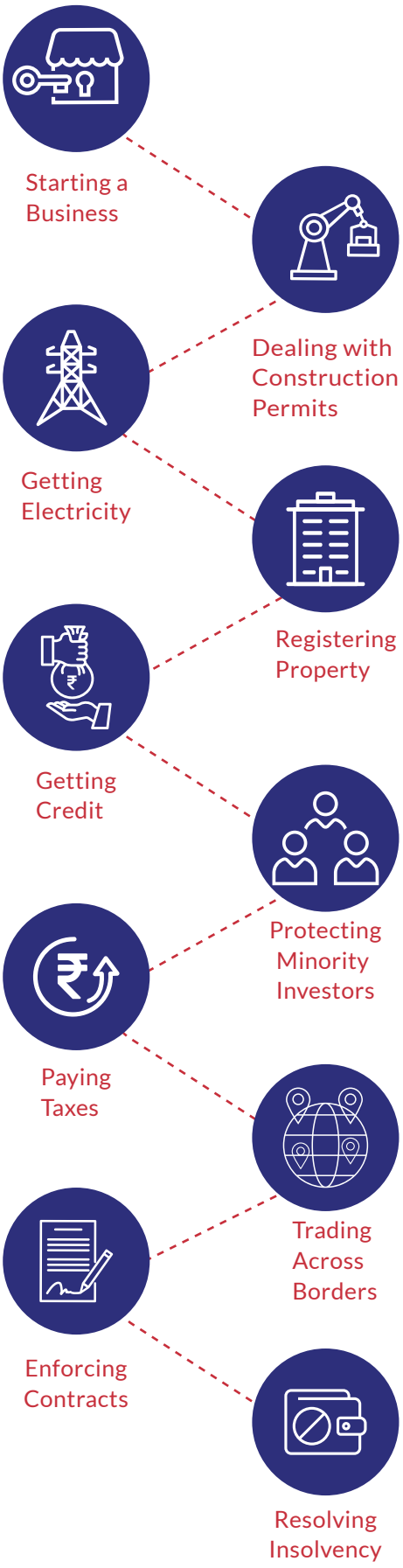
"To be amongst the top 10 improvers for the third year in a row is commendable and speaks volumes about the effort that the government is putting in to unshackle the economy"

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 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.



SPICE+ (Simplified Performa for Incorporating Company Electronically (Plus) is an integrated Web Form

Spice Plus Offers 10 Services By

3 Central Government Ministries & Departments	• Ministry of Corporate Affairs • Ministry of Labour & Employment • Department of Revenue, under the Ministry of Finance
1 State Government	Government of Maharashtra

Features of the web Form:

Part A

Name reservation for new companies

Part B

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), Mandatory Opening of Bank Account for the Company and Allotment of GSTIN (if so applied for)

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
- **2056** Urban Local Bodies across the country have replicated this 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

Construction Permits

Joint Site Inspection

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

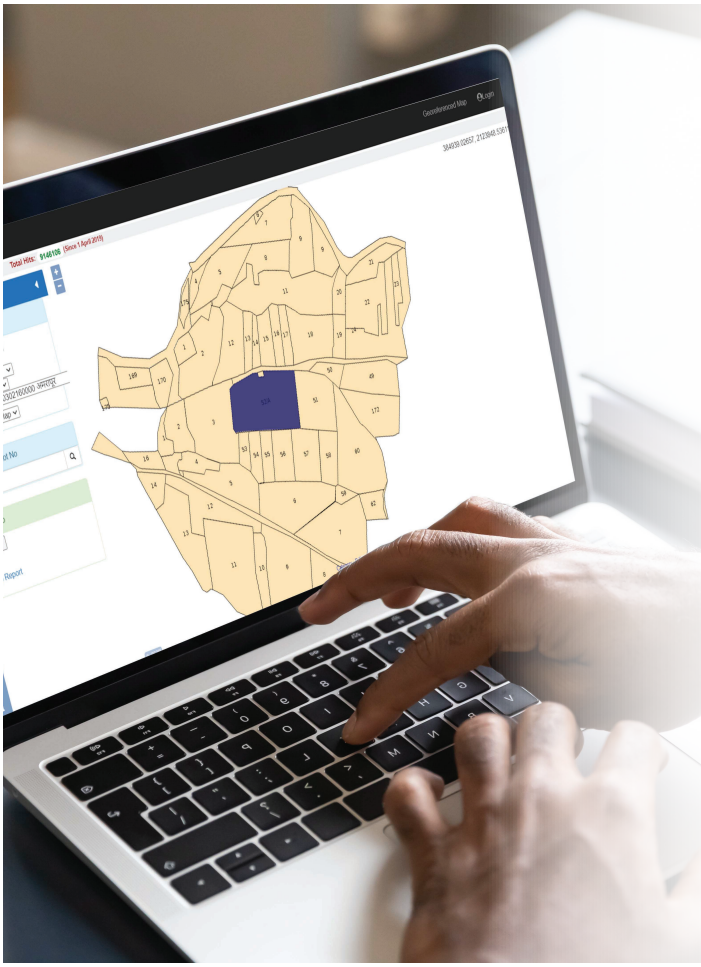
Online Certifications

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:
  - Obtain Property cards by clicking on the property map
  - Detailed Plot Report can be seen just by entering the plot number

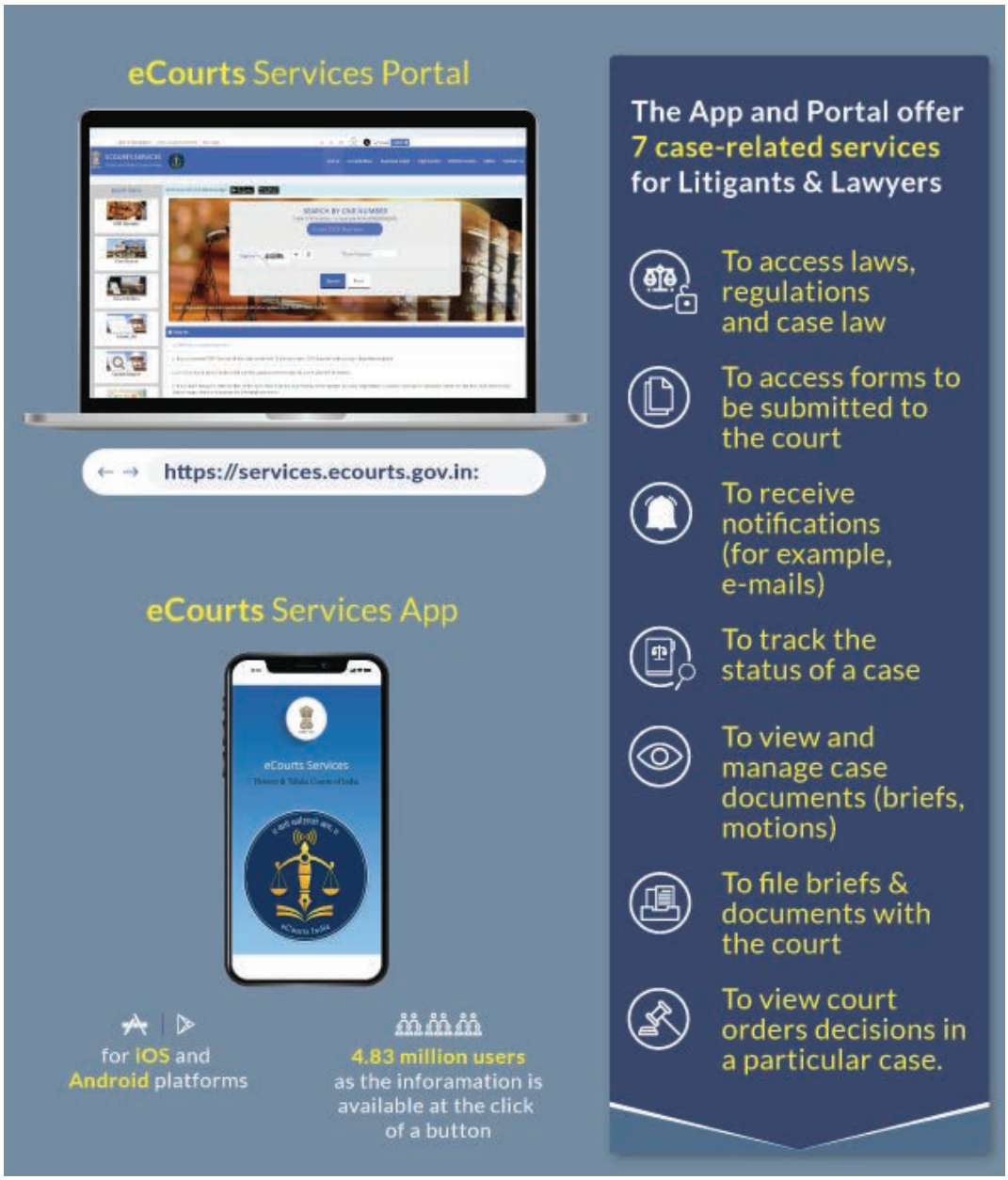
Benefits of Digitized Cadastral Maps*

- 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

Faster resolution of commercial disputes is pivotal to boost investor confidence in the dispute resolution mechanism of the country. Dedicated Commercial Courts have been established in Delhi and Mumbai dealing exclusively with commercial cases. Adoption of technology for case management by lawyers and judicial officers is leading to speedier dispute resolution.



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 maximasiation 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 71 % is evidence of its success. This law is evolving 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

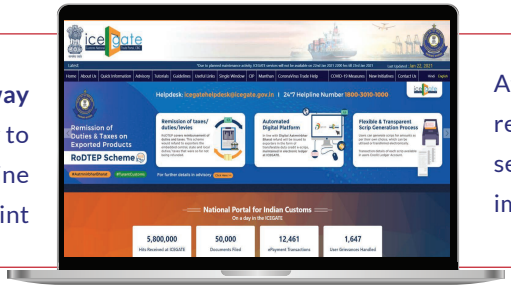
"Since its implementation, more than 2,000 companies have used the new law. Of these, about 470 have commenced liquidation and more than 120 have approved reorganization plans..... Reorganization has become the most likely procedure for viable companies as measured by Doing Business, increasing the overall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

DBR 2020

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 1 of Fourth Container Terminal at the Jawaharlal Nehru Port Trust has been made operational.

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



At present, about **43542** users are registered with ICEGATE who are serving about more than **12.5 lacs** importer/exporter.

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
- e-payment of Central Excise and Service Tax
- online registration for Intellectual Property Rights (IPR)
- 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

"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 assesses the cities of Delhi and Mumbai. To emulate the reforms done at a pan India level, the Business Reform Action Plan(BRAP) was introduced in 2014. DPIIT spearheads this exercise which is driven to promote competitive federalism, incentivising States and UT's to have the most conducive business regime. India is one of the few countries which has a sub-national ranking exercise and under BRAP, all States and UT's are ranked on the basis of reforms undertaken by them on designated parameters.

Spread across 15 reform areas and 301 sub-reform points in its 2020 edition, it is a transformative programme which is now in its fifth edition. 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 and user data for feedback on reforms. It is the first such platform for knowledge sharing on regulatory compliance requirements and rankings across States/UTs in the country. Based on the global best practices, assessment of reform implementation under Business Reform Action Plan 2020 is 100% based on user feedback.

Based on the global best practices, assessment of reform implementation under Business Reform Action Plan 2020 has been based 100% on user feedback. 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 similar transformations and versions across reform sub-areas.

Key highlights of Business Reform Action Plan (BRAP) 2020

- 'Investment enablers' has been introduced as a specific reform indicator in the Action Plan to facilitate access to prospective investors. This encompasses reforms related to Action Plan, to facilitate access to information for prospective investors.
- Single Window system enabled with dashboard has been included as a key reform area in the Action Plan. The envisaged features of this single window system are online submission of application, payment of application fee, tracking of application status, download of the final signed certificate & third-party verification, thereby with the objective of eliminating all physical interfaces.
- Sectoral reforms have been introduced for the first time in the Action Plan for 2020 and sectors like Tourism, Telecom, Hospitality, Trade License, Healthcare, Legal Metrology, Cinema Halls and Movie shooting are studied for reforms to provide a holistic environment for investment.
- Central Inspection System (CIS) is one of the key areas covered by BRAP wherein the States/UTs are required to develop and implement a CIS (integrated risk base shared inspection system) covering Labour, Factories and Boilers, Legal Metrology and State Pollution Control Board.

SIGNIFICANT ACHIEVEMENTS AT STATE LEVEL



DPIIT has undertaken the mandate of enacting the Public Service Delivery Guarantee Act to ensure timely processing, ensuring the setting up of a single window agency to serve as a single point of contact for all licensing required by businesses, mandating joint inspection under 10 labour Acts, etc.

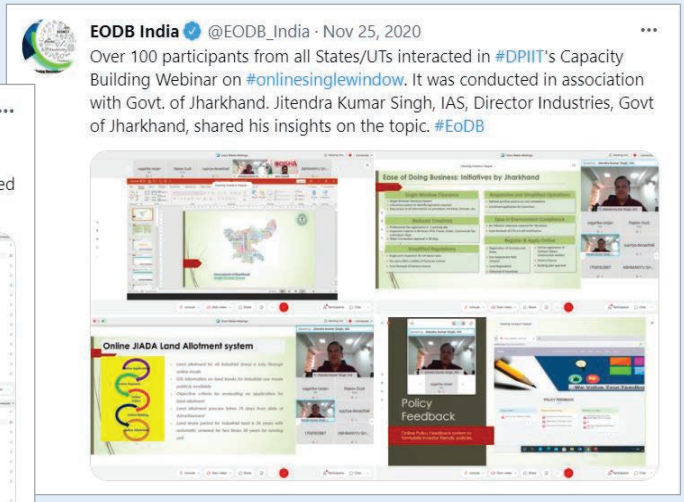
Extensive work was done to streamline inspections and set the nation free from 'inspector raj,' for which best practices across 10 different countries were studied.

- States/UTs have implemented a GIS system to provide details about the land earmarked for industrial use across the State.
- States/UTs have reduced the number of documents required for Obtaining Electricity connection to only 2.
- Generating global interest, countries like South Africa, Nigeria and Brazil have shown keen interest in replicating India's Business Reform Action Plan (BRAP) model.

Top Improvers Since 2015

States/UT	Rank in 2015	Rank in 2019	Change in rank
Himachal Pradesh	17	7	↑ 10
Uttarakhand	23	11	↑ 12
Madhya Pradesh	5	4	↑ 1
West Bengal	11	9	↑ 2
Telangana	13	3	↑ 10
Lakshwadeep	33	15	↑ 18
Daman and Diu	33	18	↑ 15
Manipur	33	29	↑ 4
Mizoram	28	25	↑ 3
Arunachal Pradesh	32	29	↑ 3





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 community as a top business destination.

> *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 in translating the ease of doing business to the ease of living for every citizen of this country.





EASE OF DOING BUSINESS





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