



सत्यमेव जयते

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION

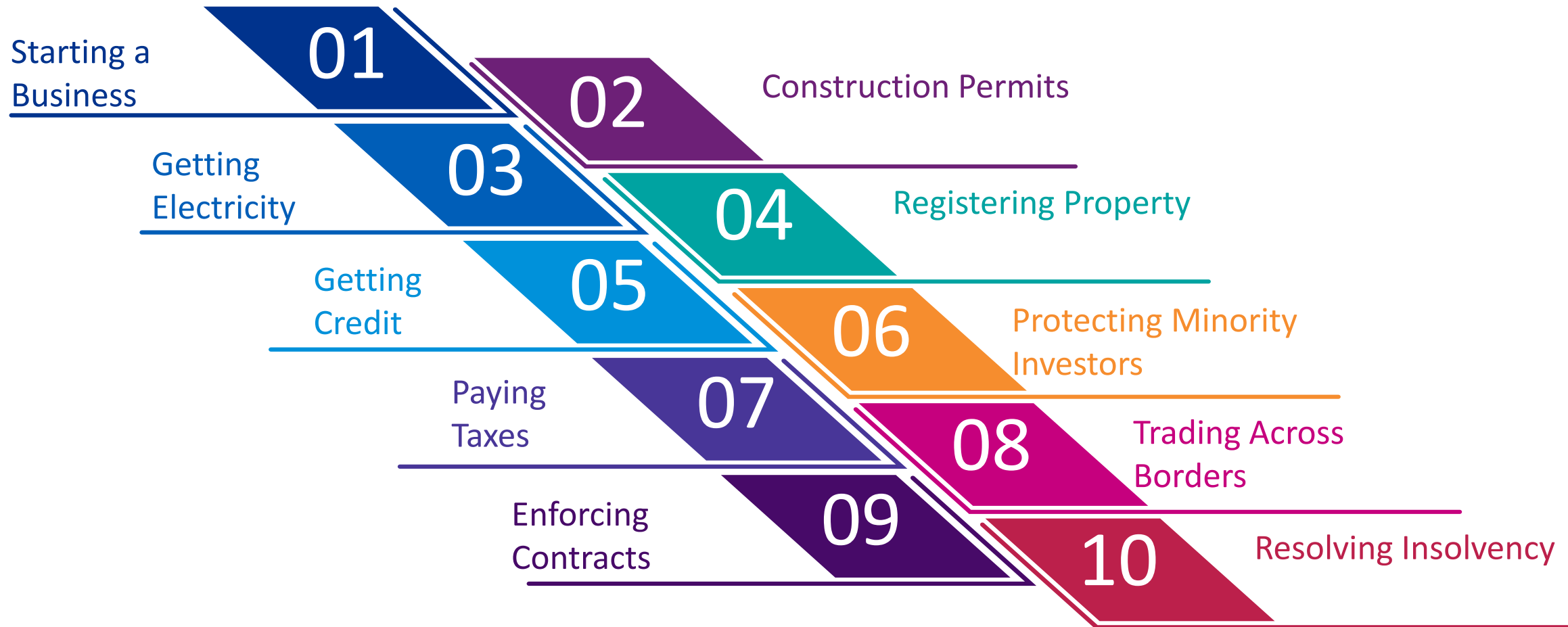
# Ease of Doing Business Reforms 2014-18



# World Bank's Doing Business Report



Launched in 2003 the report is an independent objective assessment of business regulation across 190 economies which covers the lifecycle of a business from end to end.



# Doing Business (DB) – India successively scales greater heights



Note: Data as published in respective Doing Business reports



# DB 2019 | Indicator wise rank improvement over last year



Indicator	2017	2018	Improvement
Construction Permits	181	52	129
Trading Across Borders	146	80	66
Starting a Business	156	137	19
Getting Credit	29	22	7
Getting Electricity	29	24	5
Enforcing Contracts	164	163	1



# DB 2019 | India Highlights



**23 rank improvement**  
in current year



Highest improvement (53  
rank) in 2 years by any  
**large country** since  
2011



India recognized among  
top 10 Improvers for the  
**second consecutive**  
year



First BRICS and South  
Asian country to be  
**recognized as top**  
**improver** in consecutive  
years



**India is now ranked 1st**  
among South Asian  
countries compared to 6th  
rank in 2014



# DB 2019 | India Highlights



India improves its rank in BRICS countries from 5<sup>th</sup> (in 2014) to 3<sup>rd</sup>



Rank improved in 6 indicators over last year



53 rank improvement over 2 years



65 rank improvement over 4 years



# DB 2019 | Dealing with Construction Permits (#52)



- Rank improved from **181 to 52** recording a **jump of 129 ranks**
- Online single window in Delhi and Mumbai has streamlined the processes
- Procedures reduced from 37 to 20 in Mumbai and from 24 to 16 in Delhi
- Time reduced from 128 to 99 days in Mumbai and from 157 to 91 days in Delhi
- Building quality control index improved from 12 to 14 in Mumbai and 11 to 14 in Delhi
- Cost reduced from 23.3% to 5.3% (% of cost of construction)
- Distance to Frontier improved from 38.80 to 73.84

Distance to Frontier (DTF) is achievement as compared to best performing country



# DB 2019 | Trading Across Borders (#80) (1/2)



- Rank improved from **146 to 80** recording a **jump of 66 ranks**
- Robust Risk Management System (RMS) has reduced inspections
- e-Sanchit, now allows traders to file all documents electronically
- Electronic sealing of containers enabled faster movement of goods
- Distance to Frontier improved from **58.56 to 77.46**



Distance to Frontier (DTF) is achievement as compared to best performing country

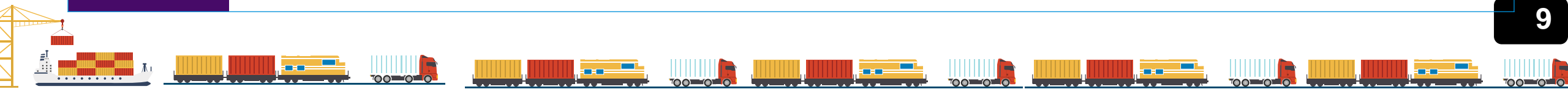


# DB 2019 | Trading Across Borders (#80) (2/2)



Delhi	Import				Export			
	Documentary Compliance		Border Compliance		Documentary Compliance		Border Compliance	
	Time (hrs.)	Cost (\$)	Time (hrs.)	Cost (\$)	Time (hrs.)	Cost (\$)	Time (hrs.)	Cost (\$)
2017	58	140	262	550	21	90	125	413
2018	25	100	92	323	6	80	77	253

Mumbai	Import				Export			
	Documentary Compliance		Border Compliance		Documentary Compliance		Border Compliance	
	Time (hrs.)	Cost (\$)	Time (hrs.)	Cost (\$)	Time (hrs.)	Cost (\$)	Time (hrs.)	Cost (\$)
2017	65	129	267	536	58	94	85	348
2018	35	100	102	340	24	75	54	250



# DB 2019 | Starting a Business (#137)



- Rank improved from **156 to 137** recording a **jump of 19 ranks**
- Single form (SPICe) for company incorporation, PAN, TAN and DIN
- No requirement of inspection for registration under Shops and Establishments Act in Mumbai
- Procedures reduced from 11 to 10 in Delhi and 12 to 10 in Mumbai
- Time **reduced from 30 to 16 days** in Delhi and **29 to 17 days in Mumbai**
- Distance to Frontier improved from **75.40 to 80.96**



Distance to Frontier (DTF) is achievement as compared to best performing country

# DB 2019 | Getting Credit (#22)



- Rank improved from **29** to **22**
- Secured creditors are now given absolute priority over other claims within insolvency proceedings
- Strength of legal rights index improved from 8 to 9
- Distance to Frontier improved from **75** to **80**

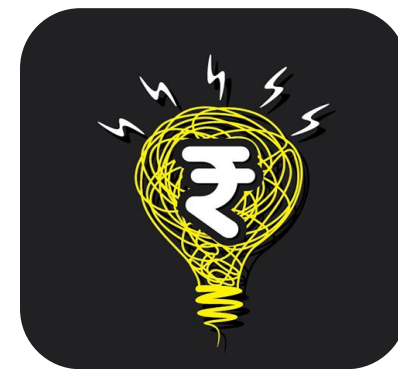


Distance to Frontier (DTF) is achievement as compared to best performing country

# DB 2019 | Getting Electricity (#24)



- Rank improved from **29** to **24**
- Cost to obtain an electricity connection reduced from 96.7% to 29.5% (% of income per capita)
- Procedures reduced from 5 to 3 in Delhi and 5 to 4 in Mumbai
- Distance to Frontier improved from **85.21** to **89.15**



Distance to Frontier (DTF) is achievement as compared to best performing country



# India's performance over last 4 years

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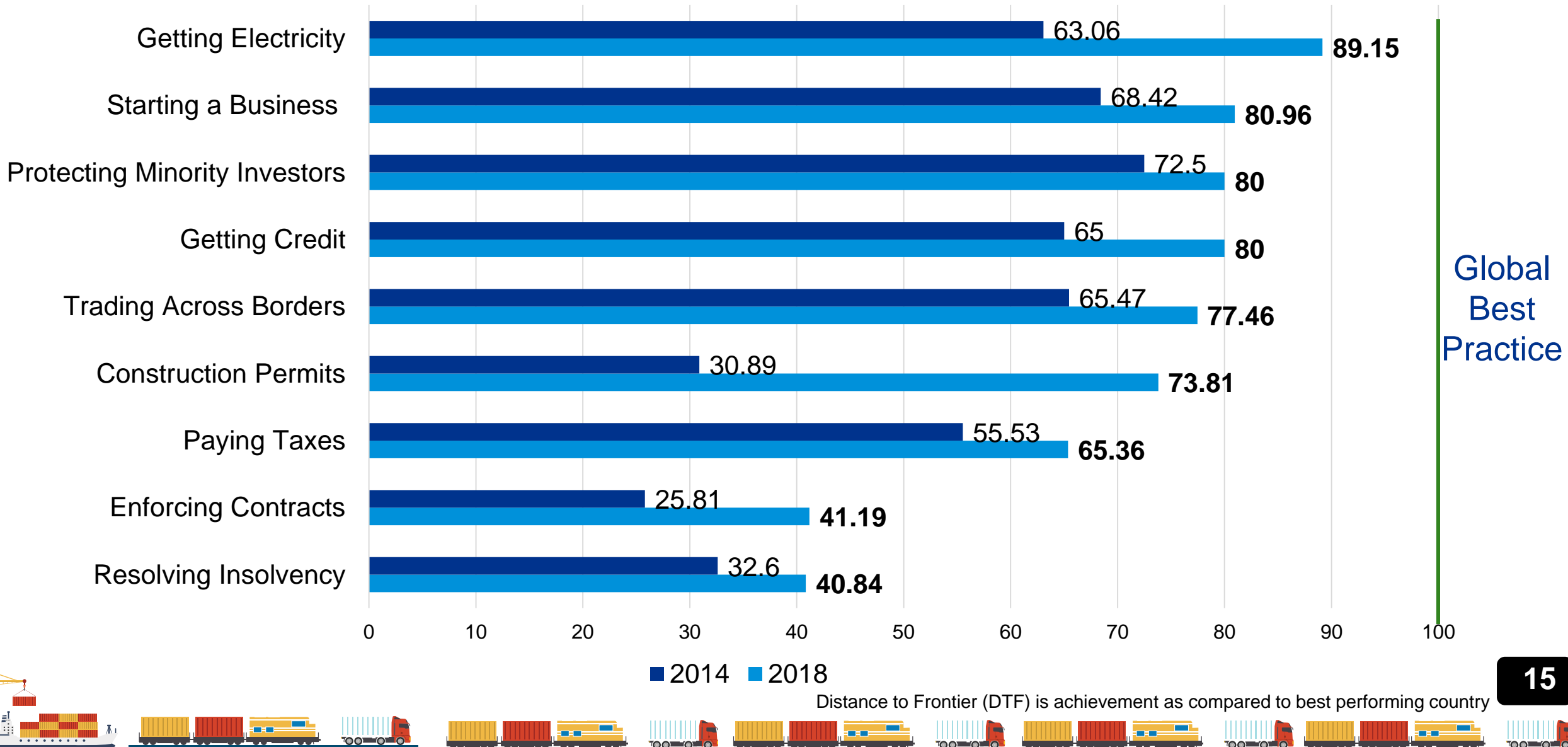
# India's performance over the last four years



Indicator	2014	2016	Current Rank	Improvement in last 2 years	Improvement in last 4 years
Construction Permits	184	185	52	133	132
Getting Electricity	137	26	24	2	113
Trading Across Borders	126	143	80	63	46
Paying Taxes	156	172	121	51	35
Resolving Insolvency	137	136	108	28	29
Enforcing Contracts	186	172	163	9	23
Starting a Business	158	155	137	18	21
Getting Credit	36	44	22	22	14



# India moves closer to global best practices



# Major reforms recognized by World Bank



**20 reforms**

(last 4 years)

**14 reforms**

(last 2 years)

**11 reforms**

(in 8 years)

**6 reforms**

(last 1 year)

2006

2014

2016

2017

2018





# Dealing with Construction Permits



**132 rank improvement over 4 years**

Implemented an **online single window system**, integrating internal and external departments, removing requirement of visiting them individually

**Time** taken to process all approvals during the construction lifecycle has been **reduced from 185.9 to 94.8 days**

**Deemed approvals** introduced if approvals are not granted within defined timelines

**Risk based classification** of buildings introduced for fast-tracking building plan approval, inspection and grant of occupancy-cum-completion certificate

Introduction of **Unified Building Bye Laws** in Delhi

**Cost** for obtaining construction permits **reduced from 28.2% to 5.3%** (% of cost of construction)

Procedures reduced **from 27 to 20 in Mumbai and 24 to 16 in Delhi**

**Note:** All references to change in rank and data are based on comparison with DBR 2015 (*Data as published in respective Doing Business reports*)



# Getting Electricity



113 rank improvement over 4 years



**Rationalization of tariff** to bring connections up to 150 kVA under Low Tension category, has made it simpler to obtain electricity connection

**Elimination** of inspection by utility

**Process** of getting a new commercial electricity connection **streamlined by reducing procedures and made online**

**Time** taken for obtaining an electricity connection has been reduced **from 105 to 55 days**

**Cost** to obtain electricity connection reduced **from 487.7% to 29.5%** (% of income per capita)

**Procedures reduced from 7 to 3.5**

**Note:** All references to change in rank and data are based on comparison with DBR 2015 (*Data as published in respective Doing Business reports*)



# Trading Across Borders



46 rank improvement over 4 years

**Electronic self-sealing** option at factory premises reduces time associated with customs clearance

**Single Window Interface for Facilitating Trade** on ICEGATE portal

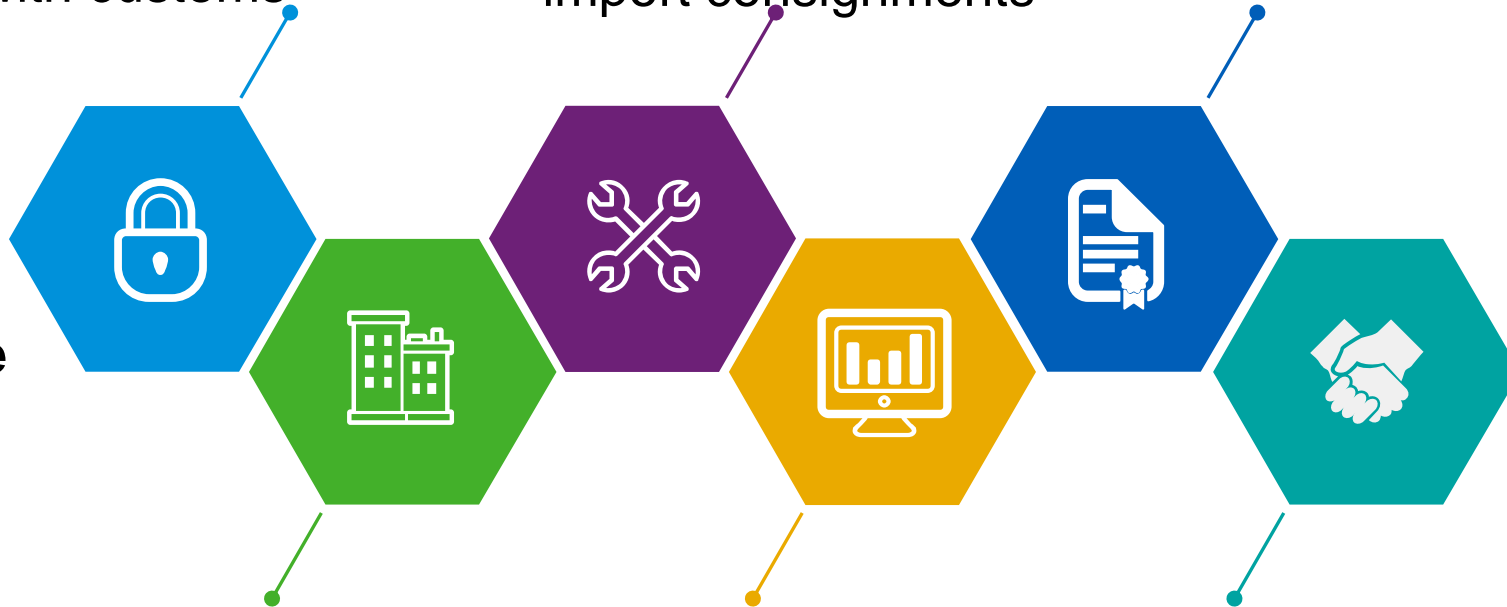
**Fourth container terminal at JNPT** provided an additional capacity of 2,400,000 TEUs

**Robust Risk Management System** has reduced physical inspections of import consignments

**Advance bill of entry** facility allows importers to initiate customs clearance before arrival of goods at the port, thus reducing clearance time

Introduction of **e-Sanchit** enabled digital filing of documents

**Three-tier AEO** programme enables priority treatment for customs clearance



# Paying Taxes



35 rank improvement over 4 years

- 
- Introduction of GST, a landmark reform, **replaced multiple indirect taxes with a single tax**
  - **Electronic system for payment of EPF & ESI** enabling easier filings and return payment
  - **Reduction in administrative charges by EPFO**
  - Provisions related to **income tax audit simplified**
  - **Reduced corporate income tax rate** for companies with turnover up to INR 250 crore



# Resolving Insolvency



29 rank improvement over 4 years



Introduction of reorganization as a resolution mechanism through enactment of a new **Insolvency and Bankruptcy Code**



Introduced a time bound **reorganization procedure for corporate debtors** and facilitated continuation of the debtor's business during insolvency proceedings



**Professional institutions** established resulting in effective handling of Restructuring and Insolvency Proceedings



# Starting a Business



21 rank improvement over 4 years

## Single form SPICe for five services

i.e. Name reservation, Company Incorporation, DIN, PAN, TAN

Simple and easier process through **common registration for EPF and ESI**

**Faster registration under Goods and Service Tax**

**Real time registration under Shops and Establishments Act** without any inspection

Eliminated the requirement of **minimum capital requirement**

**Eliminated the requirement of physical PAN card** with PAN and TAN mentioned on the certificate of incorporation

**Fees reduced for incorporation** of companies with authorized capital up to INR10 Lakhs



# How did this dramatic change happen?

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# DIPP spearheaded Ease of Doing Business initiative in the country (1/2)



Prepared **reform action plan** based on **global best practices**, with support of World Bank's expert team



**Identification** of nodal Departments and constitution of Task Force

**Sensitized Departments** and worked with them for reform implementation



**Communication Plan:** Dissemination of reforms to users and other stakeholders, to generate awareness



**Feedback:** Regular feedback to identify implementation gaps and corrective measures





# DIPP spearheaded Ease of Doing Business initiative in the country (2/2)



**Monitoring:**  
Regular review of reforms and removing bottlenecks in implementation



**Support from Apex Level:**  
Periodic review by Prime Minister's Office and Cabinet Secretariat



**Pan-India coverage of reforms:**  
Implementation of reform action plans for States



**Effective dialog with DB team:**  
Indian delegation visited World Bank multiple times to explain the reforms implemented and understand areas of improvement



# Regular feedback sought by DIPP to understand on ground implementation of reforms



Engaged **expert agencies** to receive regular industry feedback on reforms

Consulted **stakeholders frequently** to understand the gaps in reform implementation

Conducted **focused group discussions** and one-to-one meetings with users



Created WhatsApp groups to share reforms and **address concerns of users**

Ran twitter Polls and conducted live Twitter chat sessions to gauge user perception

Identified **corrective measures** based on feedback received



# Transformative Measures



## Legislative and Regulatory Changes

- **GST, IBC and Commercial Courts Act**
- Introduction of **Unified Building Bye Laws, 2016**  
Amendment of **Arbitration and Conciliation Act**  
and **Companies Act, Development Control Regulations**

## Government Process Reengineering

- **Common Application Form** for Construction Permits
- **Joint inspections** for obtaining construction permits
- Introduction of provision for **deemed approvals** in  
Construction Permits and Starting a Business
- **Direct Port Delivery/Entry** for faster custom clearance
- Adoption of single form for 5 services – **SPICe**



## Trust & Verify

- **Risk based profiling and approvals** for Construction  
Permits & Trading Across Border
- Introduction of **third-party and self-certification**
- Notarized affidavits replaced by **e-undertakings**

## Reduction in Fees

- Zero fee for **registration under Shops and Establishments Act**
- Cost of obtaining **Construction Permits** reduced
- Cost of getting **electricity connection** reduced



# Technology driven Governance **eliminates** **personal interface**



- Electronic system for approvals to improve public service delivery



- Single Window Interface for Facilitating Trade on ICEGATE portal
- e-Sanchit enabling **digital filing of documents**
- **Mandatory use of e-payment, e-invoice and e-delivery** by all maritime stakeholders (through Port Community System)
- Online registration under GST
- Electronic system for payment of social security contributions enabling easier return payment and filing
- Online registration under Shops and Establishments Act in Mumbai and Delhi
- **Online single window** for all construction related approvals
- Color coded zonal maps of various agencies made available online to determine NoC requirement for plots



# Way Forward - 2019



1

**Paying Taxes:** GST implementation has been acknowledged, **only partial impact has been taken into account**, but improvement is expected to be factored next year

2

**Resolving Insolvency:** **Increased usage will lead to recognition**; the indicator will improve as more insolvent companies opt for reorganization plans instead of liquidation

3

**Enforcing Contracts:** Faster resolution of commercial disputes through dedicated commercial courts

4

**Registering Property:** Digitization of land records and maps and transparency on encumbrances will ease the process of registering property

# Thank you

