

GOVERNMENT OF INDIA
Ministry of Commerce and Industries
Department of Industrial Policy and Promotion
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Major Initiatives by DIPP on Improving ‘Ease of Doing Business’ in India.

The Department of Industrial Policy and Promotion (DIPP) has taken up a series of measures to improve Ease of Doing Business. The emphasis has been on simplification and rationalization of the existing rules and introduction of information technology to make governance more efficient and effective. The measures taken are:

1. 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 were circulated among all the states for peer evaluation and adoption.
2. Minister of State (Independent Charge), Commerce and Industries has requested Chief Ministers of all the States and Administrators of all the UTs **to partner with DIPP** in taking these initiatives forward to ease the business regulatory environment in the country.
3. Process of applying for Industrial License (**IL**) and Industrial Entrepreneur Memorandum (**IEM**) **has been made online** and this service is now available to entrepreneurs on 24x7 basis at the **eBiz website**. This had lead to ease of filing applications and online payment of service charges.
4. Vide Press Note 3 (2014), Defence products’ list for industrial licensing has been issued, wherein large number of parts/components, castings/forgings etc. have been **excluded from the purview of industrial licensing**. Similarly dual use items, having military as well as civilian applications (unless classified as defence item) will also not require Industrial License from defence angle. For these items only an Industrial Entrepreneur Memorandum (IEM) has to be filed.
5. Vide Press Note 5 (2014), initial **validity period** of Industrial License has been increased to three years from two years. This will give enough time to licensees to procure land and obtain the necessary clearances/approvals from authorities.
6. MHA has stipulated that it will grant **security clearance** on Industrial Licence Applications within 12 weeks.

7. Partial commencement of production is being treated as commencement of production of all the items included in the license. This has obviated the hardship of licensees to get their Industrial License extended even though they have started production.
8. To facilitate investors and to reply to their queries, **Frequently Asked Questions (FAQs)** by applicants for grant of industrial license have been developed and uploaded **on DIPP website**.
9. Vide Press Note 4 2014), the **NIC Code NIC 2008** has been adopted, which is the advanced version of industrial classification. This code will allow Indian businesses to be part of globally recognized and accepted classification that facilitate smooth approvals/registration.
10. Vide Press Note 6 (2014), the ‘Security Manual for Licensed Defence Industry’ has been issued. This has obviated the requirement of affidavit from applicants. Earlier, **an affidavit signed before Judicial Magistrate** was required from the applicant to confirm that they will comply with the safety & security guidelines/procedures laid down by the Ministry of Defence and Ministry of Home Affairs in Government of India. The applicants were facing difficulties in obtaining such affidavit and this was severely delaying the issue of License even after approval of Licensing Committee.
11. A **checklist with specific time-lines** has been developed for processing all applications filed by foreign investors in cases relating to Retail/NRI/EoU foreign investments. This has been placed on the DIPP website.
12. The issue of time taken in **registration with Employees Provident Fund Organization (EPFO) and Employees State Insurance Corporation (ESIC)** was taken up with the Ministry of Labour and Employment, Director General, ESIC and Central Provident Fund Commissioner. Both the processes have been automated and ESIC registration number is being provided on a real-time basis.
13. To ease trading across borders the Inter-ministerial Committee under DGFT has recommended merging commercial invoice into packing list and Foreign Exchange Control Form to be merged with Shipping Bill. This will bring number of mandatory documents required for export to three.
14. DIPP has requested all Secretaries of Government of India and Chief Secretaries of the States/UT to **simplify and rationalize the regulatory**

- environment.** In order to improve the regulatory business environment they have been requested to take the following measures on priority:
- a. All returns should be filed on-line through a unified form;
 - b. A check-list of required compliances should be placed on Department's web portal;
 - c. All registers required to be maintained by the business should be replaced with a single electronic register;
 - d. No inspection should be undertaken without the approval of the Head of the Department; and
 - e. For all non-risk, non-hazardous businesses a system of self-certification should be introduced.
15. DIPP is implementing the **eBiz project** which will create an investor centric hub-and-spoke based online single window model for providing clearances and filing compliances. This project will establish a single platform to avail business and investment related services. It will provide a bouquet of services through a single composite form and a single payment mechanism which can be apportioned, split and routed to the respective heads of account of Central / State / Parastatal agencies along with generation of challans and MIS reports. This project will result in radical improvements in ease of doing business by reducing time, efforts and costs taken in obtaining clearances and ensuring compliances. Integration with three services is completed; viz., Registration with ESIC, Name availability and Director Identification of Ministry of Corporate Affairs and has moved to their production stage. Other services of the Central Government are being integrated on top priority.
16. A **meeting** was organized by Chief Secretary, Government of NCT of **Delhi** and Chief Secretary of Government of **Maharashtra** on 21st July, 2014 and 19th August, 2014 respectively, in which detailed review of the factors affecting Ease of Doing Business was done and action points for its improvement were identified. Business Process Reengineering and online clearances have been initiated in a vast range of departments. A request has been made to convene another meeting to review the progress made since last meeting.