

Major Initiatives by DIPP on Improving

'Ease of Doing Business' in India

The Department of Industry Policy and Promotion (DIPP) has taken a series of measure to improve Ease of Doing Business. 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 Service (P) Ltd. As result of this study, six best practices were identified. These best practices were circulated among all the States for peer evaluation.
2. A letter has written by Minister Of States (Independent Charge), Commerce and Industries to Chief Minister of all the States and Administrators of all the UTs to partner with DIPP in taking initiative forward to ease the business regulatory environment in the country.
3. Process of applying for Industry License (IL) and Industry Entrepreneur Memorandum (IEM) has been made online and this service is now available to entrepreneur on 24X7 basis at the eBiz website, without human interface. This will lead to ease of filing applications and online payment of service charges and ensure that no entrepreneur has to come to the Ministry to file his/her application or make payment.
4. Vide Press Note 3(2014), Defence products' list for industry licensing has been issued, where in large number of parts/components, casting/forgings etc. have been excluded from the purview of Industrial licensing. Similarly dual use item, having military as well as civilian application (unless classified as defence item) will also not require Industrial License from defence angle. This will enable domestic and international companies to undertake manufacturing without going through a lengthy process. The application now only needs to file an Industry Entrepreneur Memorandum (IEM) for these items.
5. Vide Press Note5 (2014), initial validity period of Industrial License has been increased to three year from two year. This will enable the licensees more time for implementation of the industrial license by way of obtaining the necessary clearances/approval from local authorities, putting in place the security aspects, machinery manpower, implementation of technology, etc.
6. Guidelines have been issued, vide Press Note 5(2014), to streamline the process of application for grant of extension of validity of Industrial Licenses. This has made the grant of extension extremely simple.
7. A maximum timeline of 12 week has been finalized by MHA for grant security clearance on Industrial License Applications.
8. Partial commencement of production will be treated as commencement of production of all the items included in license. This will facilitate the entrepreneurs from hardship of repeatedly coming to the administrative Ministerial for extension of validity of Industrial License.
9. To facilitate investors and provide answer to their queries, Frequently Asked Questions(FAQ) by applicants for grant of industrial license have been developed and uploaded on DIPP website.

10. Vide Press Nte 4 (2014), the advanced of NIC Code (NIC 2008) has been adopted, which is a highly contemporary industrial classification. NIC 2008 is an improved version of NIC 1987 and will allow Indian businesses to undertake globally recognized and accepted classification that facilitate smooth approvals/registration and categorization.
11. Vide Press Note6(2014), the 'Security Manual for Licensed Defence Industry' has been issued. With the issue of the security Manual, the requirement of affidavit from application, has been done away with. Earlier, an affidavit from a Judicial Magistrate was required from applicant to confirm that they will abide and comply with the safety & Security guideline/procedures recommendation for the firm & its supply chain and as and when laid down by Department of Defence Production, M/o Defence, Ministry of Home Affairs in Government of India. The application were facing difficulties in obtaining such affidavit and this was severely delaying the issue of License even after approval of Lecesing Committee.
12. A checklist with specific time-lines has been developed for processing all applications filed by foreign investors in cases rating Ratail/NRI/Eou foreign invenstments. This has been placed on DIPP website.
13. The issue of time taken in registration eith Employees Provident Fund Organization (EPFO) and Employees States Insurance Corporation (ESIC) was taken up with the Ministry of Labour and Employment, Director General, ESIC and Central Provident Fund Commissioner. This has led to both process being automated through on-line registration and ESIC registration number being provided on a real-time basis.
14. An Advisory has been sent to 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 all departments/State Governments have been requested to tqke the following measures on priority:
 - a. All returns should be filed on-line through a unifird form;
 - b. A check-list of required compliances should be placed on Ministry's/Department's web portal;
 - c. All registers required to maintained by the business should be replaced with a single electronic register;
 - d. No inspection should be undertaken without the approval of Head od Department; and
 - e. For all non-risk, non-hazardous businesses a system of self-certification should be introduced.
15. The Department if Industrial Policy and Promotion is implementing the eBiz project which will create an investor centric hub-and-spoke based online single window model for providing clearances and filling compliances. This project well provide single platform to avail business and investment related service. It will provide a bouquet of services through a single composite form and single payment mechanism which can be apportioned, split and routed to respective heads of account Central/State/Parastatal agencies along with generation of challans and MIS reports. This project will result in radical improvements in case of ease of doing business by reducing time, efforts and cost taken in obtaining clearances and ensuring compliances. Integration with Central Government service is being done on highest priority.
16. Meetings are being organized with States Governments for undertaking review of the factors affecting Ease of Doing Business and Identifying action points for its improvement.