

Ease of Doing Business in Gujarat



Ease of doing business

To enhance business conductiveness,
through investor-friendly measures

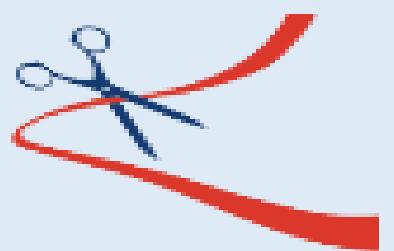




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Ease of Doing Business in India



Ease of Doing Business - India

Accelerating growth of the manufacturing and service sector is key to stimulate higher economic growth of a nation. To this effect, the Make in India flagship initiative was launched in 2014 to give a comprehensive push to industrial development by introducing a business friendly regulatory environment, enhancing the ease of doing business and improving manufacturing infrastructure, among others.

The Government of India (GoI) recognized Ease of Doing Business (EoDB) is critical to attract investments into the country. Thus, it introduced new de-licensing and deregulation measures to significantly reduce complexity in the government procedures and help increase efficiency and transparency.

While it facilitates indigenous companies, particularly MSMEs to venture into newer businesses, it also increases the attractiveness for International companies to make significant, meaningful investments in the country.

Since 2014, government has executed a promising plan of action to bring in structural reforms. Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India started a concerted effort towards improvement of a business regulatory climate in the country.

India undertook more than 7,000 steps at the central- and state-level, to simplify business regime and attract foreign investments in the country. Some of the major measures are time bound clearance of applications, de-licensing manufacturing of defense equipment, the creation of a single-window clearance mechanism and reducing number of documents required for trade.

World bank has been ranking economies across the globe on "Ease of Doing Business" criteria since 2006. The World bank assessment is based on 10 indicators, spanning the lifecycle of a business. India jumped a record 30 places in World Bank's Doing Business Report, 2018 to achieve 100th rank. The country was one of the top performers in the report for the year 2017 and was credited with registering the highest ever jump.

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Major Reforms by Government of India

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Consequently, India jumped a record 30 places in World Bank's Doing Business Report, 2018 to achieve 100th rank. The country was one of the top performers in the report for the year 2017 and was credited with registering the highest ever jump.

Starting a business

- The requirement of Common company seal is eliminated.
- Introduction of form -29 by MCA.
- The provision is in place for getting PAN and TAN in T+1 day using digital signature.
- ESIC and EPFO are completely online with no physical touch point for registration or document submission.

Resolving Insolvency

The Insolvency and Bankruptcy Code, 2016 is expected to introduce new dimensions in Resolving Insolvency in India.

Trade Across Borders

The Central Board of Excise and Customs (CBEC) has implemented 'Indian Customs Single Window Project' to facilitate trade. Now importers and exporters can electronically lodge their customs clearance documents at a single point only with the customs.

The number of mandatory documents required by customs for import and export of goods have been reduced to three viz.

1. Bill of Lading,
2. Invoice cum Packing List and
3. Import Declaration.



This is India's first comprehensive legislation in the area of corporate insolvency.

Paying Taxes

- The Employees' State Insurance Corp. (ESIC) has developed a fully online module for electronic return filing with online payment. This has greatly reduced the time to prepare and file returns.
- With introduction of e-Verification system, there remains no physical touch point for document submission to Income tax authorities.

Major Reforms by Government of India

Single Window

14 central government services are integrated with e-Biz portal.

Simplified procedures

Distinction between partial & full commencement of production for all products is no longer applicable.

AAI NOCs

Color-coded maps for locations requiring NOC from the Airports Authority of India (AAI) could be viewed online.

Minimum Paid up capital

Companies Act has been amended to remove provision of minimum paid-up capital to start a new business in the country.

Company Registration

To simplify & fast track the procedure for company registration, Ministry of Corporate Affairs has introduced an "Integrated Incorporation Form" : INC-29.

Arbitration

Arbitration Act has been amended to fix deadline to finish commercial disputes

Ease Foreign Investments

A checklist with specific timelines to process all applications filed by foreign investors for cases related to retail/NRI/EoU foreign investments.

Investor Facilitation Cell

Investor Facilitation Cell has been established to handheld investors during the entire life cycle of a business.

Ease of Doing Business in Gujarat



Ease of Doing Business in Gujarat

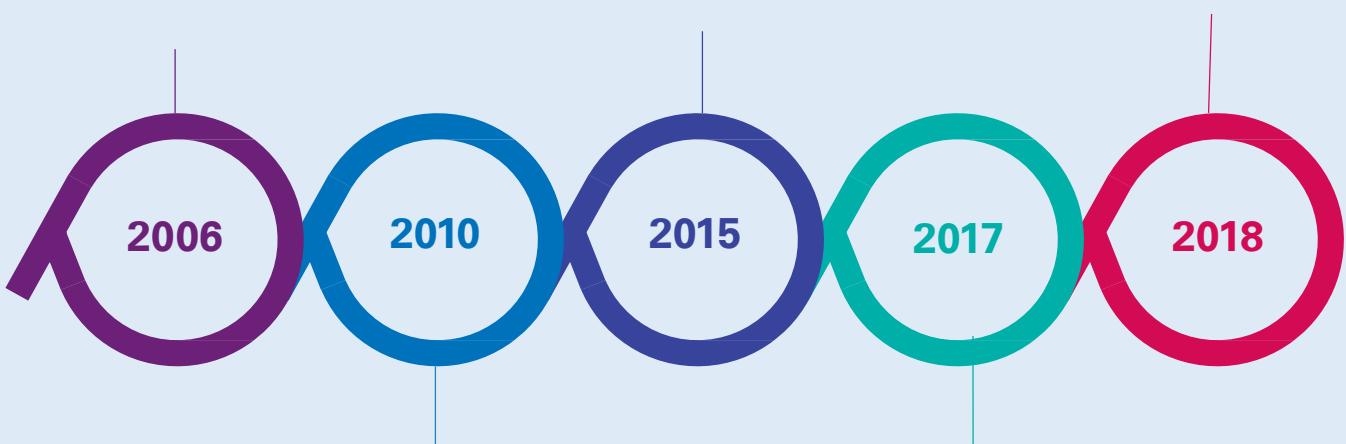
Gujarat has always been the forerunner in creating an ecosystem that aims to strike a balance between the need to facilitate the activities of the businesses. As a result Gujarat has always been among the most preferred destinations for doing business.

The state has believed in continuous improvement and has emerged as one of the states to set examples of best practices of doing business and determined to adopt global best practices for building a better business environment supported by modern industrial infrastructure.

Introduced Integrated Work Flow and Document Management System (IWDMS). The main aim of IWDMS was that government functioning can be faster, reliable and secure

Investor Facilitation Portal (IFP). Total 51 applications where introduced including 12 departments demarcated in pre-establishment, pre-operation and renewals

All the incentives given to Industries under various policies like Industrial Policy, Defense Policy etc. have been made online on IFP



Investor Facilitation Portal (IFP) was started by Government of Gujarat. Online approvals in 4 areas i.e. application for land, water connection, electricity connection and environmental compliance. MoU Monitoring follow up facility was also enabled through IFP

Investor Facilitation Portal (IFP). Total 90 applications where introduced including 18 departments demarcated in pre-establishment, pre-operation and renewals. It also includes Digi-locker, Common Application form, Digital payment gateway, online approval submission, digitally signed certificates

Ease of Doing Business: A journey of continued efforts

Robust infrastructure facilitates growth



Road

- **156,177 km of well-surfaced roads providing excellent connectivity across the State**



Rail

- Railway route length 5259 km
- Upcoming HSR* between Ahmedabad & Mumbai
- 36% of DFC is in Gujarat



Power

- > 30 GW installed power generation capacity providing 24x7 un-interrupted supply
- Peak demand of about 15 GW



Connectivity

- Tele-density ('00 popl.): 113.70 among the highest in India
- Internet subscribers: 27.3 million



Airports

- 17 operational airports and airstrips with 2 International airports
- India's largest airport coming up in Dholera



Ports

- 48 large ports handling over 450 million tonnes cargo (2016-17)
- 40% of India's Port Cargo handled by Gujarat ports



Water Grid

- State-wide 120,769 km long water supply grid

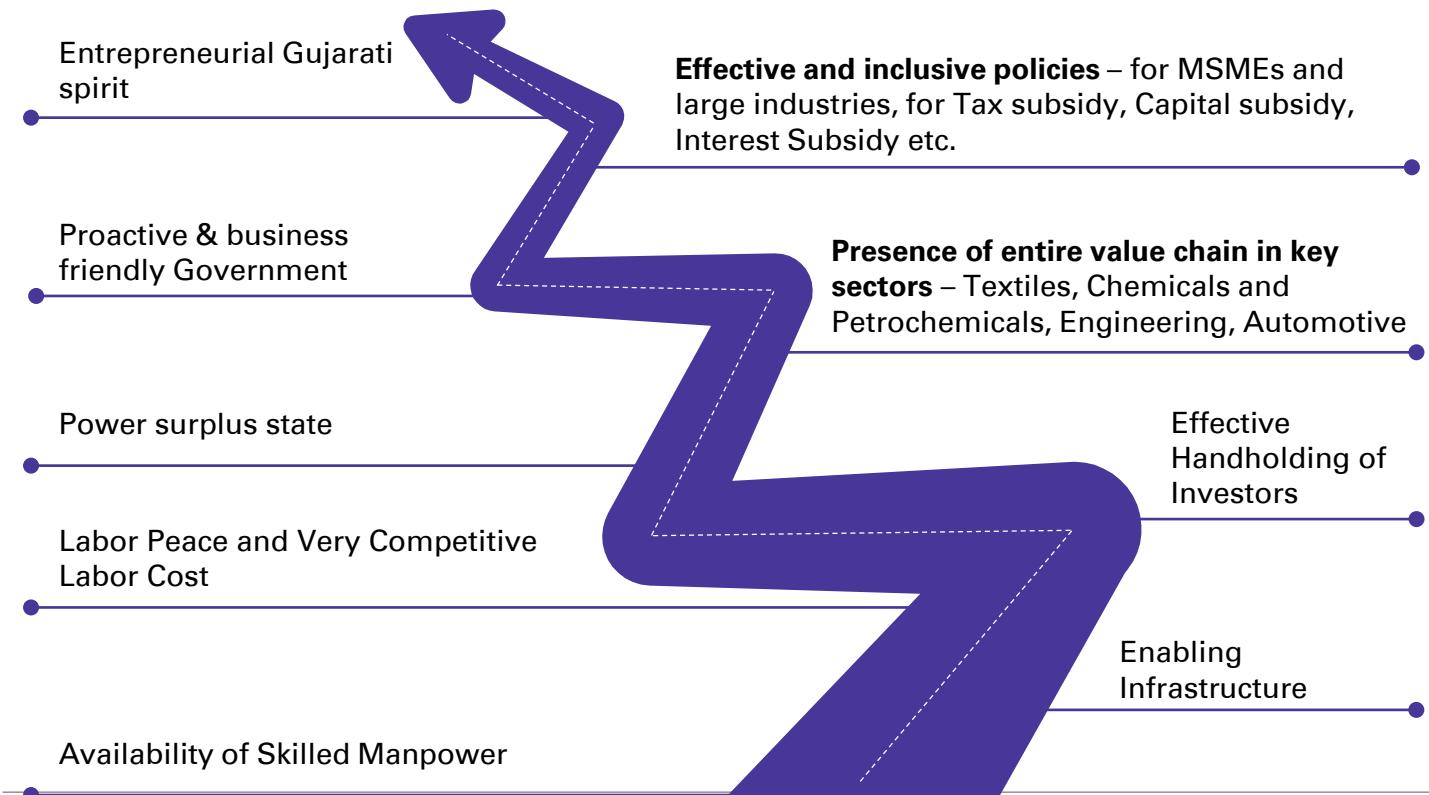


Natural Gas Grid

- 2600 km operational pipeline gas grid network passing through 25 districts

Pillars of Gujarat's industrialization

Conducive Business – friendly policies



Investor Facilitation Portal (IFP)

An investor looking to set up business in the state is required to apply for different approvals across departments depending upon the sector of business. By bringing in Technology, one can maximize Governance with minimum Government, which ultimately leads to increased effectiveness, efficiency and transparency in public service.

Keeping this in mind, Industries and Mines Department, Government of Gujarat has developed an online Investor Facilitation Portal to promote a conducive business environment through transparency and time-bound clearances.

Providing all requisite information/clearances to investors in a hassle-free and paper-less manner, the portal is a “One-stop Solution” for information on clearances required; land banks available; application, payment, tracking & approval of G2B services; risk-based synchronized inspection by regulatory agencies; incentive administration; post land allotment services and grievance redressal for the prospective investors in the State.

The portal provides different details which are required by the investors through One Stop Information platform.



Features of IFP

The portal allows the investor to create and submit the project details online, pay the applications fees, track & monitor the status of the applications, respond to the queries raised by the departments (if any) and view & download the approval certificates.

Thus it reduces the contact between the investor and officials of different departments and makes the approval process more transparent and faster.

Within the IFP, the approval process for 90 services from 18 State government departments is made online, with following key features:

Know Your Approvals

An investor can find the list of all the required approvals which he/she may need while setting up a business. Before setting up the business, the investor gets a comprehensive list of all required licenses, registrations and NOCs along with all industry-specific clearances on the Investor Facilitation Portal.



Common Application Form

The Common Application Form available on the portal allows the investor to fill in the general details about the industry/unit. These details will be auto-populated while the investor will apply for different approvals, thus reducing the repetitive steps to fill in the same information.

Digital Signed Certificates

Once the approval is given, the digitally signed certificate is auto-generated by the system and sent online to the applicant directly.

The screenshot shows the 'List of Approvals' dropdown menu open, displaying categories such as Pre-establishment Approvals, Pre-operation Approvals, Other Approvals, and Incentive. The background features a banner with the text 'Knowledge pays the way' and a portrait of an Honorable Chief Minister. The navigation bar includes links for About Us, One Stop Information, Single Window Guide, Central Inspection Agency, Grievance Redressal, Media, and Contact Us.

Features of IFP

Grievance Redressal

The Grievance Redressal portion of the portal allows the applicant/investor to raise a grievance online that is handled by dedicated Relationship Managers and it is ensured that it is disposed in timely and a transparent manner.

Digi Locker

Digi Locker is one of the new introduced feature of the portal. It allows the investor to upload the scanned documents such as PAN card, Aadhar Card, Residential Proof etc. The investor can fetch the documents uploaded in Digi Locker while applying for various approvals.

Pre-Establishment

- ▶ Land Allotment - GIDC
- ▶ NA Permission
- ▶ Consent to Establish (CTE)
- ▶ Electricity Application
- ▶ Building Plan Approval
- ▶ Factory Plan Approval
- ▶ Electrical Plan Approval
- ▶ Water Application

Risk based inspections

To reduce the human intervention in scheduling various inspections, the portal provides a facility where the inspections are scheduled online and inspectors are auto assigned based on the jurisdiction. The details of the inspection are populated on the dashboard of the investor.

Integrated Payment Facility

A mechanism has been developed within the Investor Facilitation Portal wherein the applicant can apply for multiple approvals to different departments and subsequently pay the registration fee for these applications as a single payment.

Pre-Operation

- ▶ Building Use Permission
- ▶ Consent to Operate (CTO)
- ▶ Factory License
- ▶ Professional Tax Registration
- ▶ Registration for Contract Labour
- ▶ Boiler License
- ▶ Electricity Duty Registration

Others

- ▶ Applications for Incentives
- ▶ Registration of Partnership Firm
- ▶ Legal Metrology related licenses
- ▶ Drug Manufacturing & Sales License
- ▶ Tax payment for ULBs and Panchayats
- ▶ Profession Tax Returns

Monitoring Mechanism

Nodal Officers, HoDs and monitoring committees can monitor the status of applications and overall performance of each office at a macro and micro level using Ageing Analysis tool developed within IFP

Online tracking, SMS/Email Alerts

The investors can also monitor the real-time status of their submitted applications through a Dashboard on the portal. IFP also sends out SMS and e-mail notifications to the investors at critical stages of processing of applications.

Gujarat Single Window Clearance Act 2017

In 2017, Government of Gujarat formally passed the Gujarat Single Window Clearance Act 2017 to further streamline the ecosystem around Ease of Doing Business.

The act aims to expedite processes for issuance of various licenses, clearances and certificates required for setting up a business and to provide an investor friendly environment in the State.

The Act has helped in increasing transparency, facilitate online applications and enhanced monitoring of applications.

Key Features of the Act include:

| | |
|---|---|
| Defined Timelines | Monthly Review Meetings |
| Over 90 Applications for 18 State govt. departments | Monitoring committees at District & State level |
| Power to Call Information | Robust Grievance redressal mech. |
| Dedicated Helpdesk | Investor Facilitation Agency |
| Digi Locker | Self-Certification |

Robust online IT system has been developed to support the proposed Gujarat Single Window Clearance Act

To ensure better coordination and faster decision making, the Single Window Clearance Act defines various committees.

| Monitoring Committees set up under the Act | |
|--|--|
| Lead by: | Committee |
| District Collector | District Level Facilitation Committee (DLFC) |
| Chief Secretary | Single Window Facilitation Committee (SWFC) |
| Chief Minister | State Level Facilitation Committee (SLFC) |

Investor Facilitation Agency (IFA)

A dedicated agency to ensure coordination amongst various stakeholders has been set up to ensure effective implementation of the Gujarat Single Window Clearance Act 2017.

Headed by the Industries Commissioner, the IFA acts as single point of contact to assist entrepreneurs for setting up their business in the state.

IFA conducts regular stakeholder workshops to promote initiatives and gather industry feedback.

The team along with helpdesk is stationed at the Industries Commissionerate office in Gandhinagar, Gujarat. The team may be reached at toll free no. 1800-233-1847 or icifc@gujarat.gov.in.

Department wise Initiatives for Ease of Doing Business



Electricity Connections

Uninterrupted and good quality power supply is paramount for the industry to run business.

Online, transparent application procedure for obtaining electricity connections within time limits significantly reduces the time required for setting up an industry.

An applicant can make application for fresh electricity connections and related approvals online on the Investor Facilitation Portal (IFP).

Applications for Certification of Electrical Installation by Chief Electrical Inspector are processed online through the Investor Facilitation Portal.

Key features of online applications

- The applicants can submit all related plans online and also make necessary payments online
- The electrical plans are passed within 15 days from the date of application and subsequently, final certification is awarded within 15 days of completion of work.
- Digitally signed certificates are issued to the applicants.



- Applications for New HT & LT connections including payment of fees can be made online on the Investor Facilitation Portal



- Only 2 documents required for obtaining electricity connection, i. e. proof of ownership/ occupancy & authorization document



- It has been mandated that charged electricity connections for applications for electricity connections (up to 150 KVA) are given within 7 days (where no Right of Way – RoW is required) and in 15 days where RoW is required.



- Distribution Companies (DISCOMs) use automated tools to monitor outages and service restoration. This has ensured improving the quality of electricity supply available



- Third party electrical contractors have been empaneled to certify internal electrical installations for LT installations.
- List of such empaneled contractors is available on DISCOMs' websites

Water Connections

Detailed Procedure and Checklist in Public Domain

An applicant can find the detailed procedure covering all applicable steps from application submission to application approval and a comprehensive list of the documents that need to be submitted while applying for water connection on IFP.

No Physical Touchpoint

There are no physical touch-points for the submission of documents in the application process which means applicants are not required to be physically present and submit all documents for verification before the approval is issued.

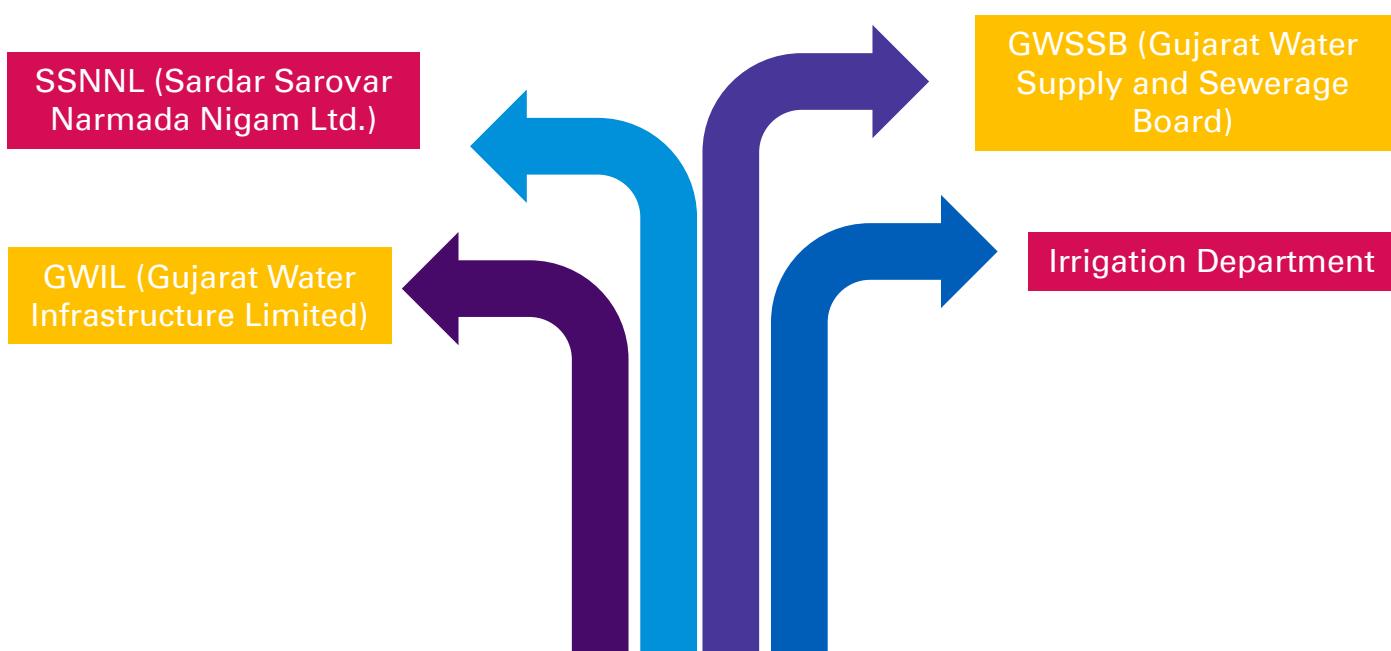
Clear Timelines

Clear timeline is mandated by Right of Citizen to Public Services Act for an applicant to avail water connection. Upon submission of application with required documents attached, an applicant shall get a water connection within 90 days.

E-payment of Bills

Users can make online payments reducing the burden on the users to manually visit banks/DISCOMs to pay bills. Third parties / other users can too view and verify the records of past payments by entering connection number on the IFP.

Water Agencies under Water Resources Department



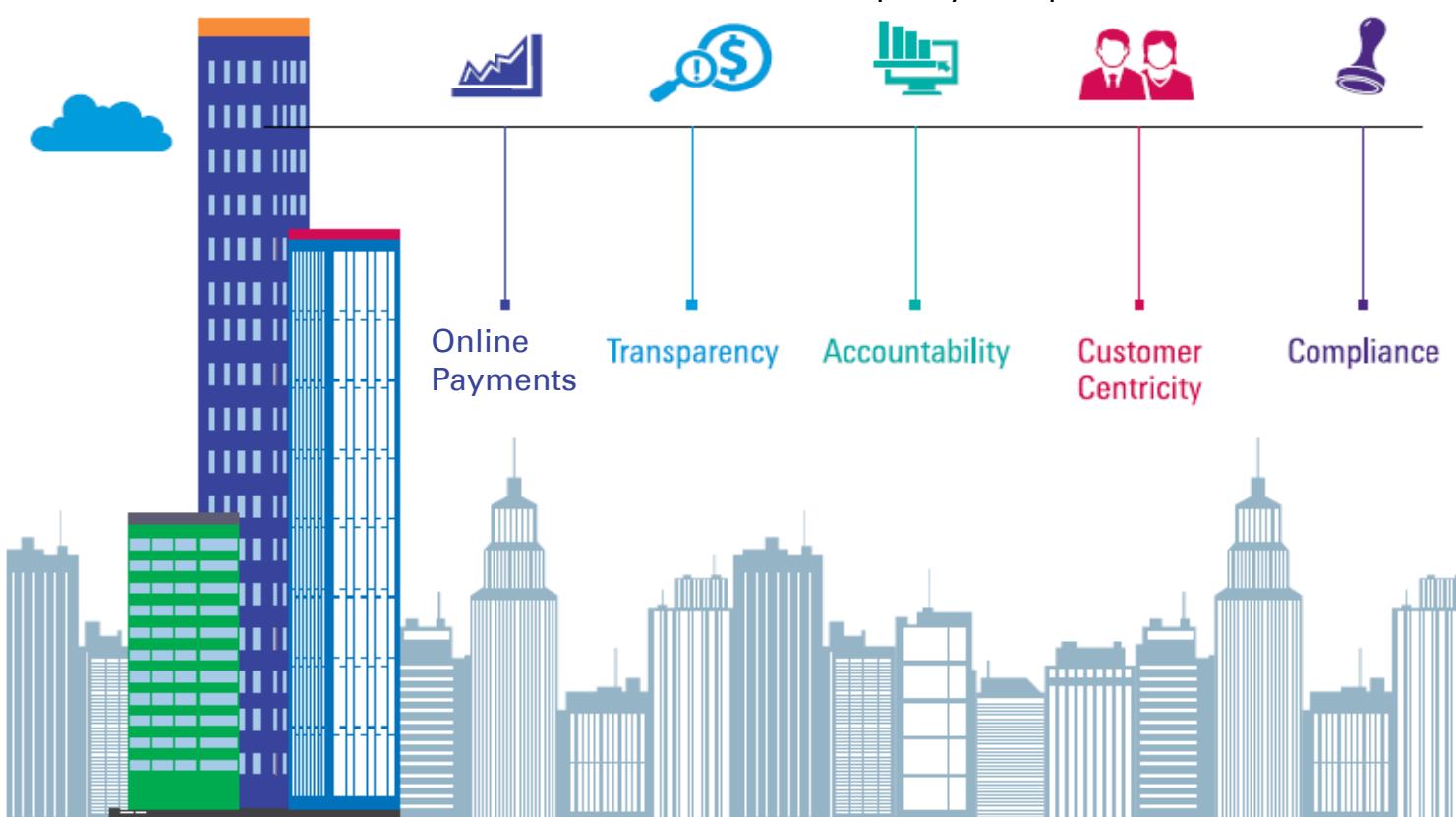
Construction permit enablers

Online, transparent application procedure for obtaining construction permits within time limits significantly reduces the time required for setting up an industry



Key features of applications

- The Common Application Form for Building Plan approval application allows the investor to get NoCs from AAI, NMA & other agency
- Applicants can submit building plans online, it will be scrutinized by AutoCAD
- Building plans are passed within 30 days from the date of application and subsequently, Building use permission awarded within 30 days of completion of work
- Digitally signed certificates are issued to the applicants
- Only 2 documents required for obtaining Shops & Establishment License, i. e. proof of ownership/ occupancy & ID proof of owner



Environment related clearances

Gujarat Pollution Control Board (GPCB) is the regulatory arm of Forest and Environment Department, Government of Gujarat for implementation of pollution related laws across the state.

GPCB has been one of the most proactive boards across the state. In 2008, GPCB became the first state pollution control board in India to come up with an innovative e-governance tool i.e. XGN, which includes various services like online application forms, payment facility, status tracking facility, online return filing etc.

168 Industries exempted from obtaining NOC from GPCB

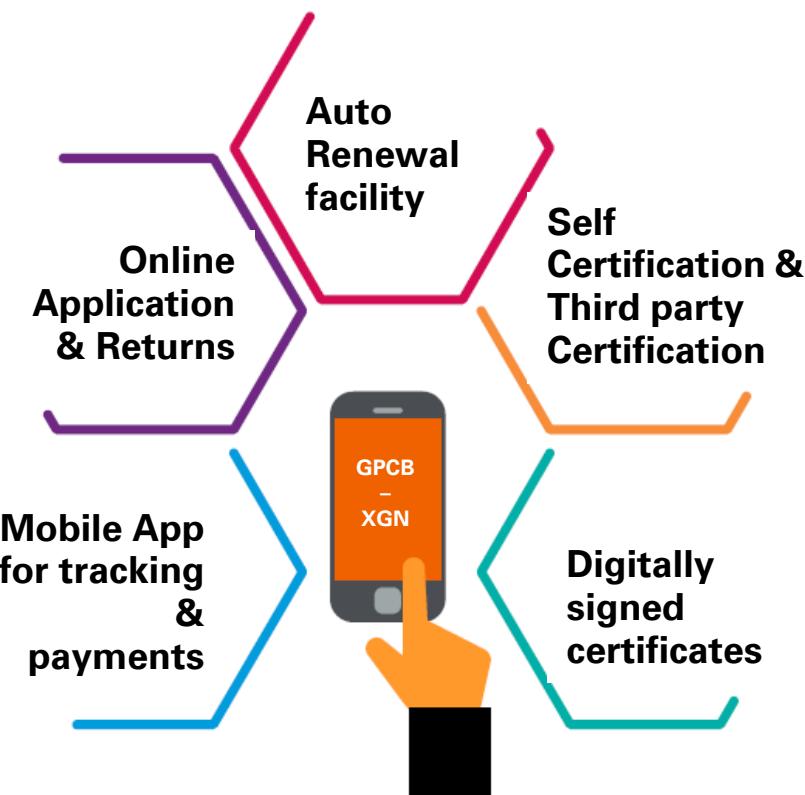
Gujarat Pollution Control Board has categorized 168 industries with no pollution potential as "White Category Industries". These industries have been exempted from obtaining Consent to establish from the State Pollution Control Boards. This 'Re-categorization' is a part of the efforts, policies and objective to create a clean & transparent working environment in the country and promote the Ease of Doing Business.

Auto-renewal of NOCs

Annual renewals imply repeated paperwork, inspection and increase unnecessary compliance burden on the industries.

Hence, a facility of online auto renewal of the Consent has been developed, subject to self- or third-party certification for industries where no changes in pollution levels or activities have been undertaken

GPCB was the first board in India to offer consolidated consent & authorization (CC&A) under various acts as a single license.



Self Certification & Third Party Certification

GPCB has exempted green category industries with a history of satisfactory compliance from annual inspection in lieu of self-certification.

Orange Category industries have been exempted from routine inspections in lieu of compliance report by Third Parties. List of authorized third parties has also been uploaded on department website.

Increased validity of certificates

Validity of Consent to Establish (CTE) and Consent to Operate (CTO) extended up to 7 years

Gujarat Industrial Development Corporation

Gujarat Industrial Development Corporation (GIDC)

GIDC has been created for securing the orderly establishment and organization of industries in industrial areas and industrial estates in the state.

Land Allotment

With the new amendment GIDC is replacing the earlier system of evaluation by scrutiny committee and introducing a new system without any physical touch point where submission of all support documents and presentation will be done through online system for Land allotment.

Online Building Plan Approval

GIDC has introduced a facility for online application of Building Plan Approval.

The applicant can submit all related plans online and also make necessary payments online

The application allows auto scrutiny of building plans according to the uniform comprehensive General Development Control Regulations using Auto DCR

Digitally signed certificates are issued to the applicants.

Self-Certifications for Plinth check & Building Completion certificate



Well defined objective criteria for evaluating an application for land allotment



Self certification for Plinth level check & Completion certificate



Online application and payment without the need for a physical touch point



Comprehensive General Development Control Regulations (GDCR) for the entire State of Gujarat

Revenue Department

Online Property Registration

Revenue Department of Government of Gujarat has made available an online application for property registration on GARVI portal

(<https://garvi.gujarat.gov.in/>) which enables the user to fill out and submit the application online without visiting the Department. The system has an auto calculator that calculates applicable fee, stamp duty and other charges based on the value of the property, circle rate, etc. The system also provides an auto generated date and time for appointment with a Sub Registrar Officer.

Digitized Land Records

Land records across various State Government agencies like Sub-Registrar Offices, City Survey etc. are digitized and integrated. The integration further facilitates property wise mapping of transactions.

Model Deed Templates

Model templates for deeds including sale, gift, lease mortgage and rent are made available on the Department's website. The format used for the deeds is user friendly with a facility to download and edit so that the details can be filled in the template.

<https://garvi.gujarat.gov.in/Citizen/ModelDraft.aspx>

Land Dispute Statistics

Revenue Department makes publicly available the statistics of land disputes (such as boundary disputes, tenure rights etc.) at the revenue courts in the State. State land records even highlight all the details pertaining to encumbrances related to a particular land parcel.

Online Applications



Property
Registration



Conversion of Land
from New Tenure to
Old Tenure
– Form 43



Permission under
Tenancy Article
– Form 63



Certificate for
Bonafide Industrial
Purpose under
Tenancy Article 63AA



Permission under
Tenancy Article –
Form 65



Certificate for
Bonafide Industrial
Purpose under
Tenancy Article 65B

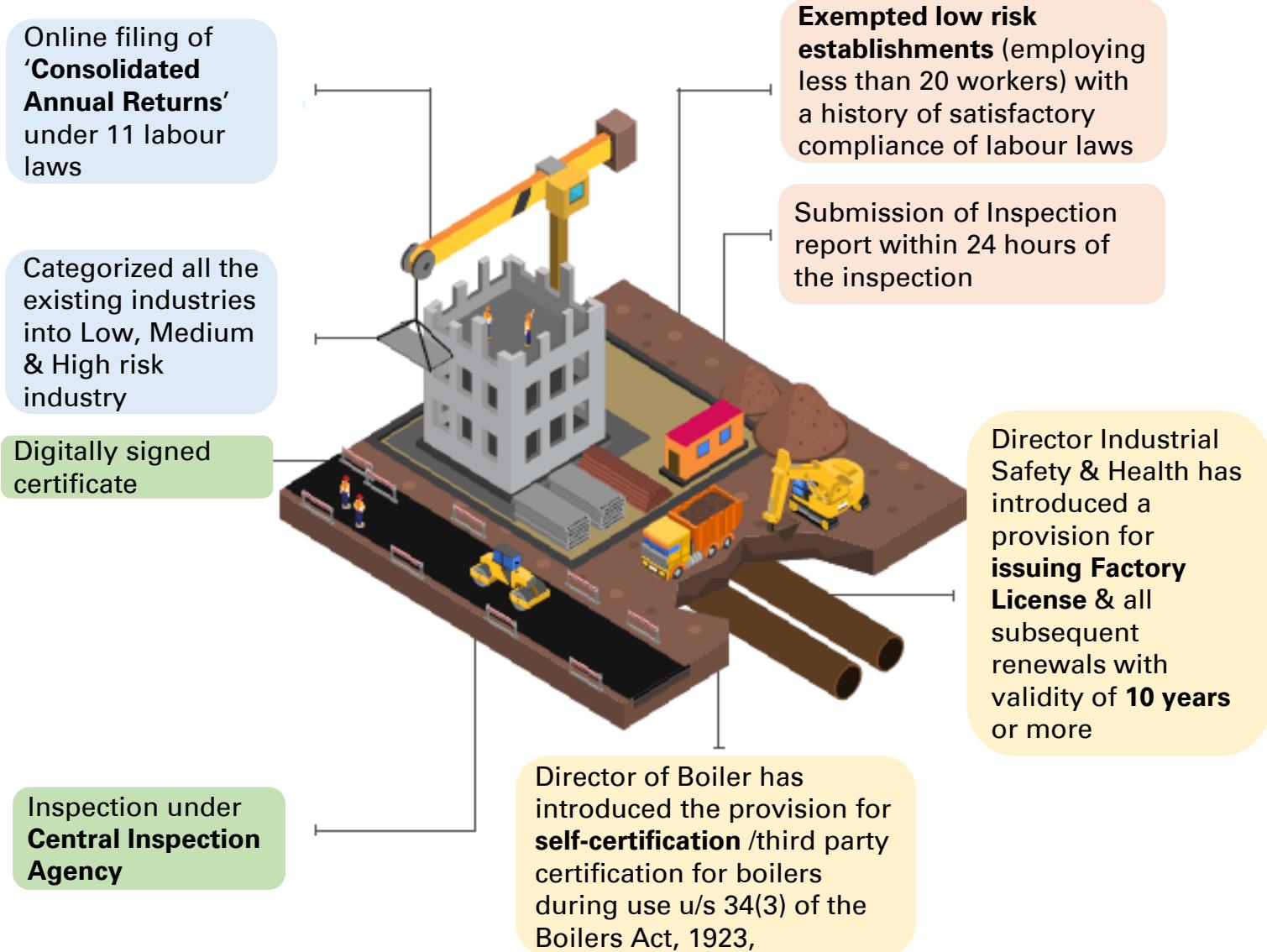
Labour Compliances

One of the major factor of Industrial growth in the Gujarat is maintainability Industrial peace in the State wherein more than 50,000 factories are established.

14 applications of Labour & Employment Department was integrated with Investor Facilitation Portal (IFP) with the facility of common payment gateway and Digi-locker.

Key features of applications

- Provision for issuing Factory License and renewals with validity of 10 years
- Online Application & Returns under all Labour Laws
- Self Certification & Third party Certification for boilers during use u/s 34(3) of the Boilers Act, 1923
- Digitally signed certificates
- Exemption of inspection & provision for joint inspection



Partnership Firm/Cooperative Society Registration

Registration of Partnership Firm

Partnership Registration can now be done online using Investor Facilitation Portal.

A comprehensive list of the documents that need to be submitted as part of the application is available on the portal.

The timelines are mandated by the Right of Citizen to Public Services Act.

Get Partnership Firm registration within 1 working day of application

Registration of Cooperative Societies

The Registrar of Cooperative Societies, Government of Gujarat has introduced a facility for online application for Registration of Cooperative Societies.

The registrations are granted in a time bound manner within 60 days of application without a physical touchpoint.

The draft by-laws for different types of Cooperative Societies are available online on the Gujarat Single window Portal – IFP.

Detailed procedures for application and processing of application along with comprehensive checklist of documents to be submitted is displayed on the IFP.



Time bound approvals



Digitally signed certificates



Save certificates in IFP Digi locker



Online application:
No physical touchpoint



Verify certificates in public domain



Features: Cooperative Society & Partnership Firm Registration

Registration & Payment of State Taxes

A list of all the taxes, duties, cesses or fee which are outside the purview of GST as imposed by the State government and municipal, local bodies (including those at the panchayat – district and village level) is available on the Investor Facilitation Portal under the section “Levies Imposed by State & Local Bodies”.

This is aimed to ensure that consumers are aware of such levies and are able to pay the same online.

The detailed procedure covering all applicable steps, from application submission to application approval along with a comprehensive list of the documents that need to be submitted as part of the application, is published online on IFFP.

There are no physical touch-points in the application process. This means that entrepreneurs are not required to physically present and submit all documents for verification before the online certificate is issued.

Pay all taxes online

Online receipts

Online returns for state taxes

e-filing assistance at service centers

VAT refunds within 30 days

Profession Tax



Motor vehicles Tax



Property Tax



Electricity Duty



Panchayat level taxes



VAT, CST for non GST items



Commercial Courts

Gujarat High Court in coordination with Legal Department of Government of Gujarat has constituted an appellate bench for commercial cases at High Court and three district commercial courts at Ahmedabad, Vadodara and Rajkot. Such commercial courts have drastically reduced the time taken to enforce contracts by providing efficient judgments without undue delay.

Model Contract Templates

Model contract templates and guidelines are available in public domain on the following URL
https://legal.gujarat.gov.in/Model_Agreements.htm This helps to standardize contracts with standard terms and conditions that are easily enforceable. The format for a contract is user-friendly with a facility to download and edit it so that the commercial terms and conditions can be filled in the contract template.

Paper-less Courts

The commercial courts in Gujarat use electronic court systems which not only allows e-filing for commercial disputes but a commercial court can also issue e-summons. The courts orders are also digitally signed. Further, parties can make online payments for the court fees.



E-Filing

E-Summons

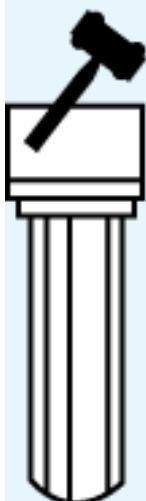


E Cause Lists

Digitally Signed Orders

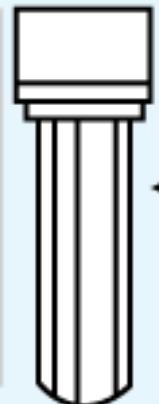


<https://ifp.gujarat.gov.in/DIGIGOV/digigov.htm;jsessionid=H+Zrlb-dBJ3Sj4fVKVz7H7KB.ifpportal2?actionFlag=getCourtFeeForLoad&pageDisp=static>



District Commercial Courts at:

- a) Ahmedabad
- b) Vadodara
- c) Rajkot



Grievance Redressal Mechanism

A robust grievance redressal mechanism has been set up as a part of the Gujarat Single Window Clearance Act 2017.

The system ensures that Investor's grievance is resolved maintaining transparency and fairness in entire workflow.

The Investor Facilitation Agency (IFA) has a dedicated helpdesk that continuously monitors, responds and escalates the grievances raised by applicants.

When an applicant raises any grievance, a unique ticket number gets generated, the said grievance shall, as far as practicable, be resolved within a period of seven working days by the appropriate authority or Nodal Agency.

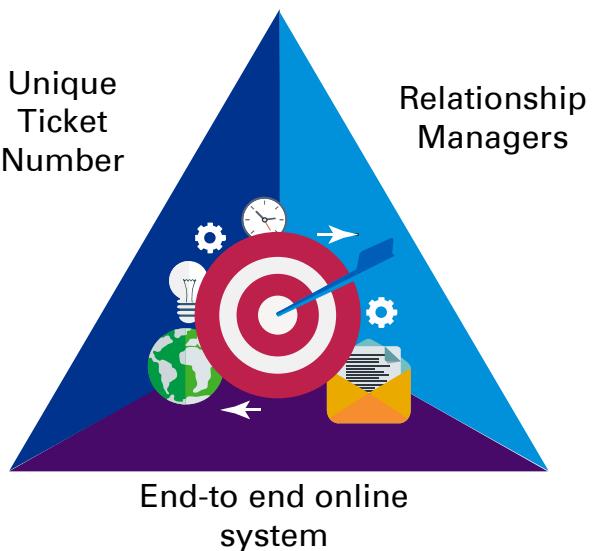
If the grievance is not resolved within prescribed time limit as mentioned, the same may be placed before the head of department of appropriate authority for necessary action. The Head of the Department has to then resolve the grievance within five working days.

Online Grievance Redressal Mechanism

The Grievance Redressal portion of the portal allows the applicant/investor to raise a grievance online.

The grievance will be forwarded to the concerned department automatically. The applicant/investor can track the status of the grievance through the dashboard or through the grievance number.

If the grievance is not closed within stipulated time frame, it will be auto escalated to the higher level.



Workflow – Online Grievance Redressal Mechanism



To raise a grievance:
https://ifp.gujarat.gov.in/DIGIGOV/digigov.htm?actionFlag=loadGrievanceSubForm&pagedisp=static&locale=en_US

Toll free Number: 1800-233-1847

Email: icifc@gujarat.gov.in.



Investor Facilitation Agency, Government of Gujarat

Block 1, 2nd Floor, Industries Commissionerate, Udyog Bhawan, Gandhinagar, Gujarat

Toll free Number: 1800-233-1847

Email: icifc@gujarat.gov.in.