

# ASSESSMENT OF STATE IMPLEMENTATION OF BUSINESS REFORMS 2016



**Department of Industrial Policy & Promotion**  
Government of India  
Ministry of Commerce & Industry



# ASSESSMENT OF STATE IMPLEMENTATION OF BUSINESS REFORMS 2016

# TABLE OF CONTENTS

<b>1. About This Report.....</b>	<b>5</b>
1.1 Why is Business Reform important for India?.....	5
1.2 What does this report measure? .....	6
1.3 What does this report not measure?.....	6
1.4 Methodology.....	7
1.5 Changes from last year's assessment process.....	8
<b>2. Business Reforms in 2016 .....</b>	<b>10</b>
2.1 Key Findings .....	10
2.2 Evolutions in Single Windows.....	13
2.3 Introducing Risk-Based Inspections.....	17
2.4 Pragmatic Judicial Reforms.....	19
2.5 Developments in Business Processes.....	21
<b>3. State Results.....</b>	<b>25</b>
<b>4. The Road Ahead.....</b>	<b>30</b>
4.1 Effective feedback loops.....	30
4.2 Effective public-private dialogue.....	31
4.3 Effective business process reengineering and regulatory governance reforms.....	31
<b>Annex 1: Results by State - Leaders.....</b>	<b>32</b>
Andhra Pradesh .....	33
Chhattisgarh.....	34
Gujarat.....	35
Haryana .....	36
Jharkhand.....	37
Madhya Pradesh.....	38
Maharashtra.....	39
Odisha .....	40
Punjab .....	41
Rajasthan.....	43
Telangana .....	44
Uttarakhand.....	45
<b>Annex 2: Results by State – Aspiring Leaders.....</b>	<b>46</b>
Bihar.....	47
Karnataka.....	48

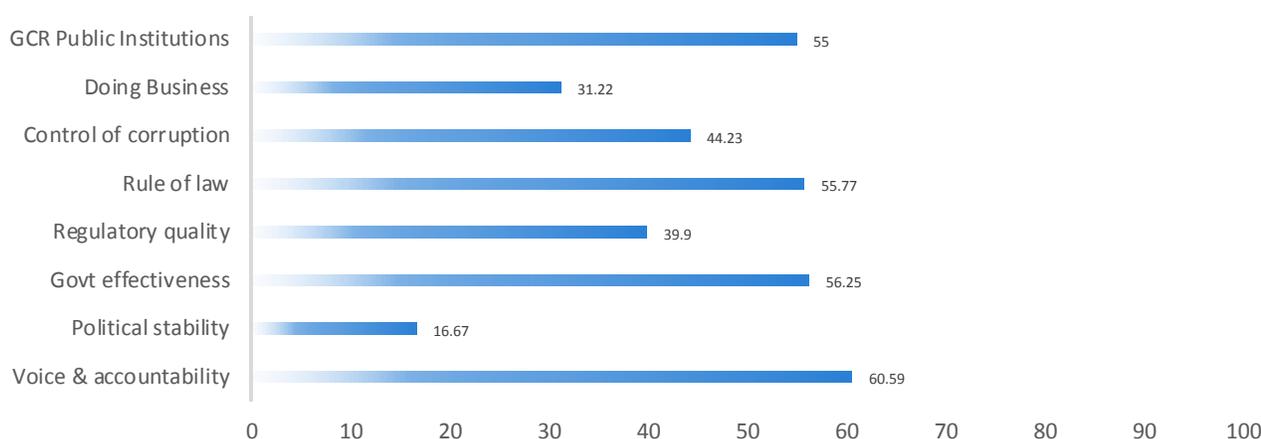
Uttar Pradesh.....	49
West Bengal.....	50
<b>Annex 3: Results by State – Acceleration Required.....</b>	<b>51</b>
Delhi.....	52
Himachal Pradesh.....	53
Tamil Nadu.....	54
<b>Annex 4: Results by State – Jump Start Needed .....</b>	<b>55</b>
Andaman & Nicobar Islands.....	56
Arunachal Pradesh .....	57
Assam.....	58
Chandigarh.....	59
Dadra & Nagar Haveli.....	60
Daman & Diu.....	61
Goa.....	62
Jammu & Kashmir.....	63
Kerala.....	64
Lakshadweep.....	65
Manipur.....	66
Meghalaya.....	67
Mizoram .....	68
Nagaland.....	69
Puducherry .....	70
Sikkim.....	71
Tripura.....	72

# 1. ABOUT THIS REPORT

## 1.1 WHY IS BUSINESS REFORM IMPORTANT FOR INDIA?

India's manufacturing sector contributes around 16% of its GDP, well below the share in other rapidly growing developing economies. Constraints to manufacturing growth are well-known in India. According to the Enterprise Survey conducted by the World Bank, leading businesses reported corruption (19%), electricity (17%), tax rates (14%), practices of competitors in the informal sector (12%) and access to finance (11%) as the biggest obstacle to firm performance. Also, other global studies highlight similar constraints for industrial development.

**INDIA'S PERCENTILE RANK ON GLOBAL INDICATORS**



*Source: Doing Business Report, Global Competitiveness Report and World Governance Indicator*

The performance of manufacturing as well as key regulatory interfaces varies significantly across Indian states. The global indicators mentioned hide significant variance in constraints across states, and between sectors, and do not easily capture constraints that affect competitiveness in complex and multifold ways. Variance in the state level business regulatory environment and constraints to firm performance provides a useful baseline for identifying areas of improvement for industrial development, as well as good practice – and implementation – examples from within India.

State variances in regulatory experience of businesses are important to examine for two reasons. First, to the extent the performance of the regulatory interface impacts the growth performance of states, such variances may affect the relative growth rates and if the states performing relatively poorly on growth also perform poorly in terms of their regulatory performance, growth rates (or investment rates) may start diverging in the country with gaps between the growing and the laggard regions being accentuated. Second, excessive variation in regulatory performance across states may also emit negative signals about the investment climate in India overall.

The Government has prioritized promoting business reform at State level as one of the key pillars of the strategy to boost manufacturing growth with the launch of series of reforms under 'Make in India' program with a view to reducing the burden upon all investors of dealing with regulation.

## 1.2 WHAT DOES THIS REPORT MEASURE?

In December 2014, a 98-Point Action Plan for improving the regulatory framework for business as part of easing doing business in the country was agreed by Chief Secretaries and other Senior officials of all State/UTs at the National Workshop of 'Make in India'. The 98-Point Action Plan laid out a number of reforms focusing on business licensing, inspections and regulatory practices and policies. The objective of the action plan was to drastically reduce the burdens faced by entrepreneurs in dealing with government regulatory practices and processes.

A report titled "Assessment of State Implementation of Business Reforms" was released on 14th September 2015. The report captures the findings of an assessment of reform implementation by State/UTs based on a structured questionnaire comprising 285 questions across 8 parameters. These 285 questions were derived from the 98-Point Action Plan - they were designed to provide greater clarity and information on each of the reforms contained in the 98-Point Action Plan.

In October, 2015 a 340-Point Business Reform Action Plan (BRAP) was circulated by DIPP to all State/UT Governments for further implementation. Experience from the previous year showed that states benefited greatly from the detailed questionnaire of the previous assessment, as they provided more specifics and details on the vision of each of the points contained in the 98-Point Action Plan. These 340 points were further derived from the 98-Point Action Plan and the 2015 questionnaire – providing specific recommendations for reform actions under each of the 98 points in the original Action Plan. It omitted reform actions that were either not feasible for state implementation, or those on which all states had fully complied.

This report studies the extent to which State/UTs governments have implemented reforms on 340 BRAP. This report focuses on licenses, inspections and permitting processes required by most businesses irrespective of sector or size.

## 1.3 WHAT DOES THIS REPORT NOT MEASURE?

This report ranks State/UTs solely on the basis of the level to which they have implemented the reforms suggested in DIPP's Business Reform Action Plan for States/UTs 2015-16.

First, ease of doing business and investment competitiveness of State/UTs depend on a multitude of factors, including availability of raw materials, skilled human resources, sufficient infrastructure and law and order. This exercise does not judge State/UTs on these factors, but only examines the extent to which state governments have implemented business reforms. Nonetheless, it is useful to focus on business reforms even though these are only part of the bigger picture. There are some aspects of investment attractiveness that are beyond the control of governments (such as natural resource availability or geography) or take a long time (such as improving educational levels) and/or large volume of resources (such as infrastructure). Business reforms, by

contrast, are fully within the control of governments and are usually achievable with much less resources and time.

Secondly, implementing the reforms alone does not necessarily mean that it is easier to deal with business regulations in the state. To truly make government-to-business service delivery easier and more efficient, businesses must know about the reformed reforms, use reformed systems, and truly benefit from lower time and costs burdens of compliance.

The implementation of the reforms studied in this report are the beginning of a process of systemic and structural reform. Chapter 3 of the report lays out several options for state governments to implement additionally to ensure that the beneficial impacts of these reforms are widely felt.

Therefore, a rank of 1 on this report does not mean that the state in question is the easiest in which to do business – it merely indicates that the state has strived to implement the most number of applicable reforms by the deadline. The report does not cover any changes in the compliance burden faced by businesses in terms of reduced cost, time and complexity – it is about the state’s performance on implementing reforms and not the performance of the regulatory interfaces that are being reformed.

## 1.4 METHODOLOGY

The Business Reform Action Plan for States/UTs 2015-16 was circulated to State/UTs in September 2015. This was followed by the circulation of the Implementation Guide in December 2015, which outlines in detail the requirements of each recommendation of the Action Plan. State/UTs were also given the opportunity to request joint workshops with DIPP and World Bank reform specialists to help implementing departments to understand the reforms better. Workshops were conducted in 18 State/UTs as of June 30, 2016.

State/UTs are required to submit the status of implementation of each of the 340 recommendations of the Business Reform Action Plan to DIPP, along with evidence to demonstrate that the recommendation has been implemented. For each of the recommendations, State/UTs can have one of three possible statuses:

- **Yes** indicates that the recommendation has been implemented, or that the state has actively eliminated the regulatory requirement to which the recommendation refers;
- **N/A** indicates that the relevant regulatory requirement is not in practice in the state, due to the non-applicability of central laws or judgments by courts;
- **No** indicates that the recommendation has not yet been implemented.

The evidences were collected from State Governments on the DIPP portal and these evidences were reviewed by the World Bank team and validated by DIPP’s team to study whether they met the objectives of the BRAP. The portal allowed for collaborative dialogue between DIPP and the State Governments in finalizing the evidence submitted. The validated reforms were then used to calculate each state’s implementation status, using the formula below:

$$\text{State Implementation Status} = \frac{\text{Total validated yes}}{340 - \text{Total validated N/A}}$$

Thus the state's implementation status refers to the number of applicable recommendations that it has implemented.

Many State/UTs have indicated rightly that considering a reform N/A results in a lower implementation status when compared to their counterparts. As a result, this year, DIPP has applied a rigorous approach to N/A answers. As this report only seeks to rank State/UTs on the extent to which they have implemented business reforms – not the relative ease of doing business in the state – it should be noted that only applicable reforms are counted for the purposes of analysis. The box below summarizes the major reform categories which are considered as N/A in this assessment.

**Reforms considered as N/A in the assessment**

- Reforms that must be implemented by the Central Government and are outside the control of state governments (e.g. amendments required to the Civil Procedure Code to set timelines for examining witnesses);
- Regulations or reforms that are prohibited or not practiced due to outstanding judicial decisions (e.g. entry taxes in various states);
- Reforms that were implemented by Central Government and covered all states (e.g. the need to enable online filing for Entrepreneur's Memorandum I was eliminated by the introduction of the Udyog Aadhar number by the Ministry of Micro, Small and Medium Enterprises).

This report is based on reforms implemented only up to June 30, 2016.

**1.5 CHANGES FROM LAST YEAR'S ASSESSMENT PROCESS**

The development of this year's Business Reform Action Plan was much more inclusive than last year's. A draft 344-point Business Reform Action Plan was circulated to all State/UTs and to the private sector for comment in September 2015, prior to finalizing the Plan. The comments on the draft plan were made publicly available on DIPP's website, along with a reflection of how they were addressed, prior to the finalization of the final Business Reform Action Plan.

This year's report includes several changes from the report published in September 2015, both on the scope of reforms as well as the coverage of the reforms implemented by states.

- **New areas of regulatory governance:** public disclosure of draft regulations for comment; clear procedures for grievance redressal; formal building codes with risk-based principles & accreditation programs for professionals; & use of automated tools to monitor & restore electricity connections, and publication of tariff & reliability information.
- **New approaches to regulation:** Introduction of self-certification to replace Tree NOCs for construction; "single roof" model for single windows.

- **New process reforms:** renewals of licenses included in single windows; streamlining terminal building inspections;
- **New approaches to risk-based inspections:** Introduction of self-certification for low risk and third party inspection for medium risk industries.

Several of last year’s questions have been split into two questions this year, to allow State/UTs to understand the requirements better, as well as to enable capture of results under both sets. This relates primarily to questions related to download of approvals by the user and verification by third parties – clubbing these recommendations into a single recommendation last year proved to be confusing for some State/UTs as there could be data security and privacy issues.

Several “Not Applicable” questions from last year’s report were dropped in this year’s Business Reform Action Plan, because they were administered centrally rather than by the state. This includes inspections related to the Employee’s Social Insurance Corporation (ESIC) and the Employee’s Provident Fund Organization (EPFO), among others.

The geographic coverage of this report is also wider than last year’s report. This report includes results for Manipur, Daman & Diu, Dadra & Nagar Haveli, and Lakshadweep as well.

Finally, this year’s evaluation has been conducted fully online and transparently, on the Business Reform Action Plan Portal. This transparent approach has meant that State/UTs are able to see how they have fared, and has allowed State/UTs to assist DIPP in the validation process by providing comments and peer-validation of the reforms of other State/UTs simultaneously. This has meant that the dataset for this evaluation is fully public, and is more robust. The submission of information and evidence on reform implementation has been left to the State/UTs themselves; despite several attempts by DIPP, some State/UTs did not submit any evidence or information on reform implementation. As a result, 6 states this year have earned a 0% implementation status. However, in the 2015 Assessment, data had been collected on these states.

Finally, we have adjusted the thresholds for each of the four categories in to which State/UTs are grouped. In last year’s report, State/UTs were grouped on the basis of quartiles of their implementation scores – with no state reaching the top quartile. The grouping of States in last

year’s report was meant to serve as an indication of the level of reforms required in the years to come. The phenomenal drive to implement the reforms this year has meant that the grouping of State/UTs was made more realistic and in sync with the data. The changes in the grouping criteria are presented in the table.

Group	2015 report	2016 report
<b>Leaders</b>	75%-100%	90%-100%
<b>Aspiring Leaders</b>	50%-75%	70%-90%
<b>Acceleration Required</b>	25-50%	40%-70%
<b>Jump Start Needed</b>	0-25%	0-30%

## 2. BUSINESS REFORMS IN 2016

### 2.1 KEY FINDINGS

As of June 30, 2016, the final ranking of State/UTs on their implementation of the 340-point Business Reform Action Plan 2015-16 is shown in the table below:

Rank, 2016	State	Implementation Status, 2016	Rank, 2015	Implementation Status, 2015
1.	ANDHRA PRADESH	98.78	2	70.12%
1.	TELANGANA	98.78	13	42.45%
3.	GUJARAT	98.21	1	71.14%
4.	CHHATTISGARH	97.32	4	62.45%
5.	MADHYA PRADESH	97.01	5	62.00%
6	HARYANA	96.95	14	40.66%
7.	JHARKHAND	96.57	3	63.09%
8.	RAJASTHAN	96.43	6	61.04%
9.	UTTARAKHAND	96.13	23	13.36%
10.	MAHARASHTRA	92.86	8	49.43%
11.	ODISHA	92.73	7	52.12%
12.	PUNJAB	91.07	16	36.73%
13.	KARNATAKA	88.39	9	48.50%
14.	UTTAR PRADESH	84.52	10	47.37%
15.	WEST BENGAL	84.23	11	46.90%
16.	BIHAR	75.82	21	16.41%
17.	HIMACHAL PRADESH	65.48	17	23.95%
18.	TAMIL NADU	62.80	12	44.58%
19.	DELHI	47.62	15	37.35%
20.	KERALA	26.97	18	22.87%
21.	GOA	18.15	19	21.74%
22.	TRIPURA	16.67	26	9.29%
23.	DAMAN & DIU	14.58	-	-
24.	ASSAM	14.29	22	14.48%
25.	DADRA & NAGAR HAVELI	1.79	-	-
26.	PUDUCHERRY	1.49	20	17.72%
26.	NAGALAND	1.49	31	3.41%
28.	MANIPUR	1.19	-	-
29.	MIZORAM	0.89	28	6.37%
30.	SIKKIM	0.60	27	7.23%
31.	ARUNACHAL PRADESH	0.30	32	1.23%
31.	JAMMU AND Kashmir	0.30	29	5.93%
31.	CHANDIGARH	0.30	24	10.04%
31.	MEGHALAYA	0.30	30	4.38%
31.	ANDAMAN & NICOBAR ISLANDS	0.30	25	9.73%
31.	LAKSHADWEEP	0.30	-	-

However, more than the ranks, there are interesting trends visible in the data itself that demonstrate the extent to which State/UTs have taken on board the business reform agenda.

First, there is **significantly greater implementation of business reform by State/UTs** in the past year. The national average now stands at 48.93%, much higher than last year's average of 32%. The difference is all the more remarkable because inclusion of four new states with low scores, and the non-responsiveness of 6 states may have dragged down the national average. Second, **business reform has been of importance to many more states**. As the table below shows, there has been a major shift in performance between years – in last year's report, the majority of states required more reform, whereas this year, the majority of states converge on the top.

Group	2015 report	2016 report
<b>Leaders</b>	0	12
<b>Aspiring Leaders</b>	7	4
<b>Acceleration Required</b>	9	3
<b>Jump Start Needed</b>	16	17

Finally, it is equally heartening to note that the drive for reform has spread geographically. Last year's leaders were the traditionally industrial or mining states. This year, in contrast, reform is also visible in the mountain states of Uttarakhand and Himachal Pradesh, across the great eastern swathes of Uttar Pradesh, Bihar and West Bengal, and further south to Telangana, Tamil



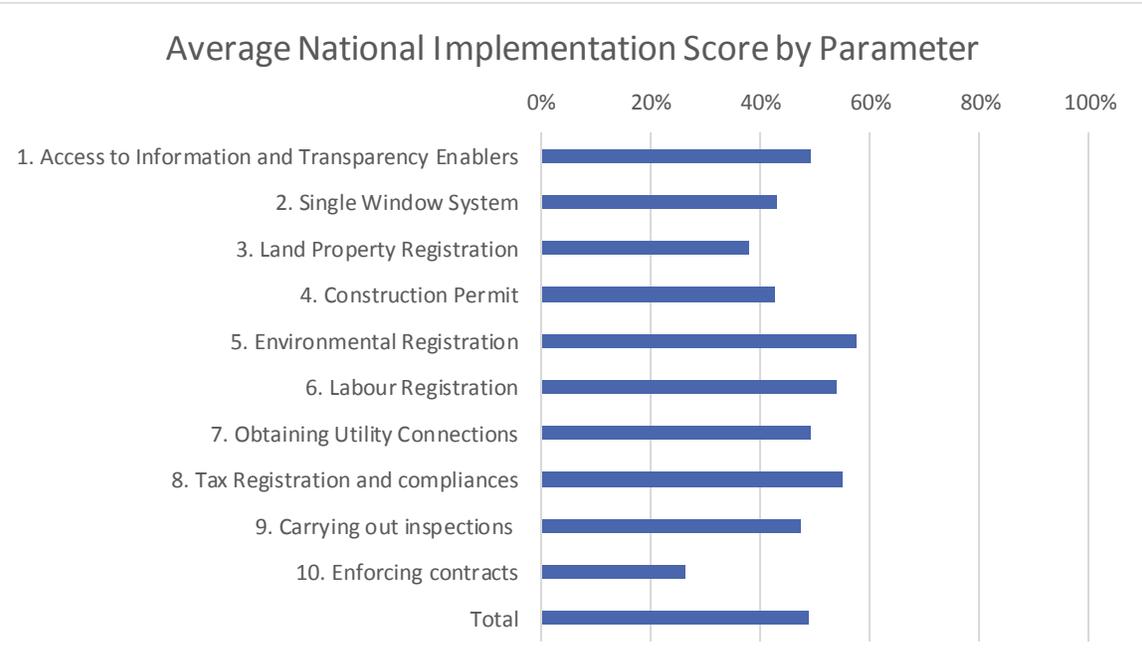
Nadu and Karnataka as well.

These results and the trends in performance over time demonstrate the power of competition in stimulating reform implementation by states:

- Last year, only 7 states implemented more than 50% of the 285 reforms in question. This year, 17 have implemented more than 50% of the 340 reforms.
- Last year, not a single state implemented more than 75% of the reforms. This year, 15 states have implemented more than 75%.
- Last year, Telangana was ranked 13<sup>th</sup>, Haryana was ranked 14<sup>th</sup> and Uttarakhand was ranked 23<sup>rd</sup>, with an average implementation score of 32.16%. This year, all three are in the top 10, with an average implementation score of 97.29%.

In this year’s report, the North East region remains at the bottom of the rankings, meaning that the region remains fertile ground to accelerate business reform. Fortunately, it will be much easier for the North East region to implement reform – the innovations in reform that have been implemented across the country can be easily picked up, replicated and adapted to the local context, in order to make the region more competitive. Efforts are already underway in this regard. Assam, for example, has recently passed the Ease of Doing Business Act to mandate time-bound service delivery to businesses.

The graph below attempts to summarize the overall data of the assessment to derive national averages by parameter. Like the 2015 Assessment, states have made tremendous progress in implementing reforms related to tax registration and compliances. Similarly, states have implemented the fewest reforms in the area of land and property registration and judicial reforms. However, there has been significant progress in the deployment of environmental consent management systems, labour management systems and inspection reforms. The remainder of this chapter examines each parameter in detail.

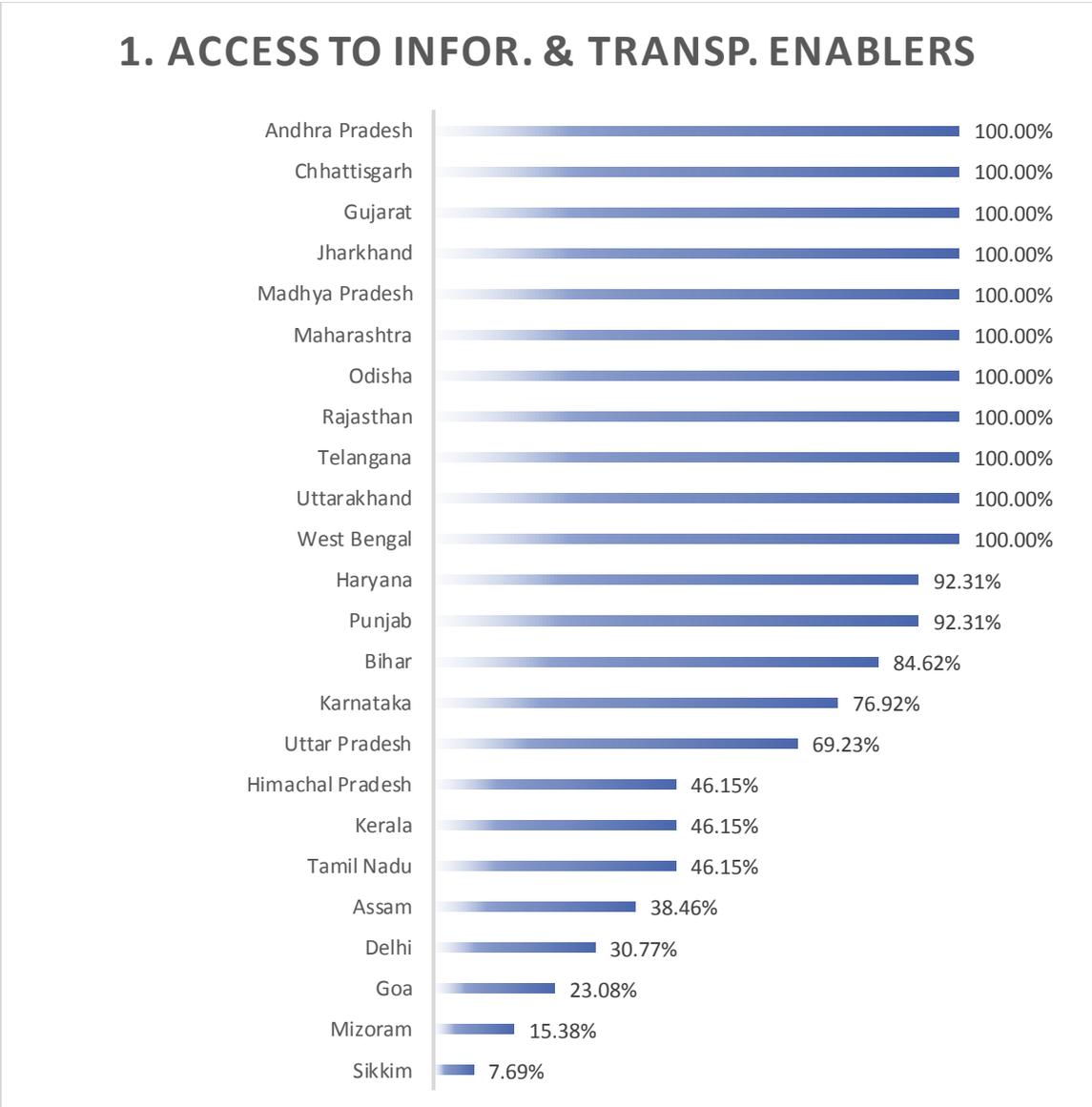


The full dataset for this report – along with the supporting evidence – is available publicly at the companion website at <http://eodb.dipp.gov.in>. The rest of this chapter therefore examines the different trends in reform that have been implemented in the past year.

### 2.2 EVOLUTIONS IN SINGLE WINDOWS

The graph below summarizes the leading States in two areas of the assessment – Access to information and transparency enablers and Single Window System (SWS).

Investors and businesses often suffer from uncertainty about the exact regulatory requirements required to set up their operations. In addition to central registration and licensing, States often have a variety of “economy-wide” regulatory compliances; further, businesses in some industries may also require a number of industry-specific licenses. Lack of easily accessible information on such plethora of regulatory requirements is a hassle and source of uncertainty.



In order to ensure that all this information is readily available to an entrepreneur intending to set up a business, it is intended that:

- There is a comprehensive list of all required licenses, both economy-wide and industry-specific is compiled, covering at least the following areas: labor licensing, environmental clearances, State tax registration, electricity connections and construction permits
- The checklist is checked effectively to ensure that no other State approval is required by consulting all licensing agencies;
- The checklist is made available to users on a State government website;
- In addition, an entrepreneur using the website for the purpose of understanding his or her regulatory burden is able to filter the list by industry to understand the unique mix of economy-wide and industry-specific licenses and registrations;
- There are mechanisms in place to regularly update the checklist. The usefulness of such a checklist is diminished if it is not kept up-to-date. In fact, an outdated checklist can do more harm than good because it creates a false sense of security that all required permits have been obtained.

Such efforts can help ensure effective access to information for entrepreneurs, as well as provide regulatory certainty to ensure that they are aware of their exact compliance requirements. In addition, this information is critical to helping develop and implement a comprehensive single-window system (see chart and discussion below) and Common Application Forms (CAF).

**11 States have been assessed with 100% score on the Access to Information and Transparency Enablers.**

A single dedicated body or set up that is designated to act as a single window and is empowered to effectively carry out all functions through an Act

Officers on deputation: *Physically housed and with delegated power to approve*



All approvals under single window body/ bureau

Online Approvals



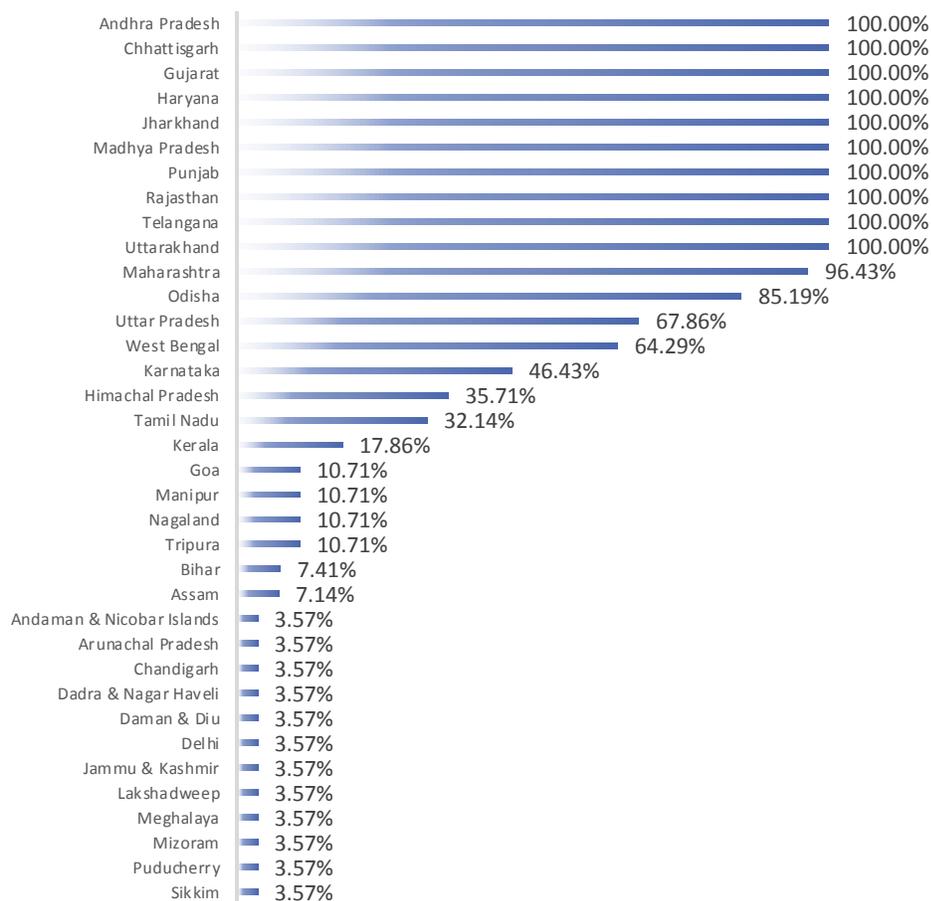
### Key aspects of an effective Single Window System (SWS)

Common Application Form (CAF) for all industries	
All necessary approvals from various departments from a single window	
Clear timelines that govern its processes and grievance redressal	
Sole point of contact for starting a business	
Explicit mandate through a legislation or a notification	
Required decision making powers delegated to the single window body	

The principle long term development objective of implementing an effective, sustainable and cost effective SWS and supporting environment is to make it easier to complete registration at both pre-establishment and pre-operations phases. The successful implementation of a SWS should simplify investment requirements for businesses, reduce transaction costs and improve data integrity across various departments. It should also increase transparency and predictability and facilitate the businesses to ascertain regulatory burden for various compliance requirements. For an effective delivery of services, the SWS must be backed by legislation with mandated timelines along with punitive measures against officials who do not abide with these timelines. A recommended key policy enabler for an effective SWS is to have a dedicated body or setup designated and established for the purpose of providing the single window delivery service. The agency must be mandated to be a single point of contact for all business start-up licensing, so that entrepreneurs do not have to visit multiple agencies.

**There are 24 States that have operational single window systems. A recommended single window system with all features exists in 10 States (see chart below) and it is backed by a legislation or notification in all of them.**

## 2. SINGLE WINDOW SYSTEM



The table below provides examples of and direct links to some of these systems.

Sr. No.	State	Single Window System	Web links
1	Andhra Pr.	Single Desk Portal	<a href="https://www.apindustries.gov.in/APIndus/Default.aspx">https://www.apindustries.gov.in/APIndus/Default.aspx</a>
2	Chhattisgarh	Single Window Clearance System	<a href="https://e-nivesh.cgstate.gov.in/">https://e-nivesh.cgstate.gov.in/</a>
3	Gujarat	Investor Facilitation Portal	<a href="https://ifpgujarat.gov.in/">https://ifpgujarat.gov.in/</a>
4	Haryana	Single Roof Clearance System	<a href="http://www.investharyana.nic.in/">http://www.investharyana.nic.in/</a>
5	Jharkhand	Single Window System	<a href="http://advantage.jharkhand.gov.in/">http://advantage.jharkhand.gov.in/</a>
6	Madhya Pr.	Investor Facilitation and Approval Monitoring System	<a href="http://www.invest.mp.gov.in/">http://www.invest.mp.gov.in/</a>
7	Punjab	One Stop Clearance System	<a href="http://investpunjab.gov.in/">http://investpunjab.gov.in/</a>
8	Rajasthan	Single Window Clearance System	<a href="http://swcs.rajasthan.gov.in/">http://swcs.rajasthan.gov.in/</a>
9	Telangana	Telangana State Industrial Project Approval and Self- Certification System	<a href="https://ipass.telangana.gov.in/">https://ipass.telangana.gov.in/</a>
10	Uttarakhand	Single Window System	<a href="https://investuttarakhand.com/">https://investuttarakhand.com/</a>

## 2.3 INTRODUCING RISK-BASED INSPECTIONS

Risk assessment techniques can increase the efficiency of the inspection regime by helping to identify high-priority problems (such as industries vulnerable to pollution), estimate the probability that a business may be out of compliance (such as those with a history of underreporting revenue for tax purposes), and estimate the probability that an offense will be detected during an inspection. Reforms of inspection regimes are intended to increase compliance by simplifying the regulatory requirements on businesses and enhance enforcement capacities of government.

States have introduced several risk assessment techniques across various agencies/services with the following expected benefits:

- Enables agencies to focus resources on the higher risk firms;
- Enables agencies to focus, in particular, on firms with a history of non-compliance; and
- Enables agencies to achieve a proportionate, transparent and consistent approach to inspections

These techniques have been introduced as part of a broader program of regulatory reform and covers the following departments:

1. Tax Department: Inspections for VAT registration
2. Municipal Corporation and Urban Local Bodies: Across various stages of Construction permits – Building plan, occupancy, etc.
3. Environment Department: Compliance inspections under various environment laws
4. Labour Department: Compliance inspections under various environment laws

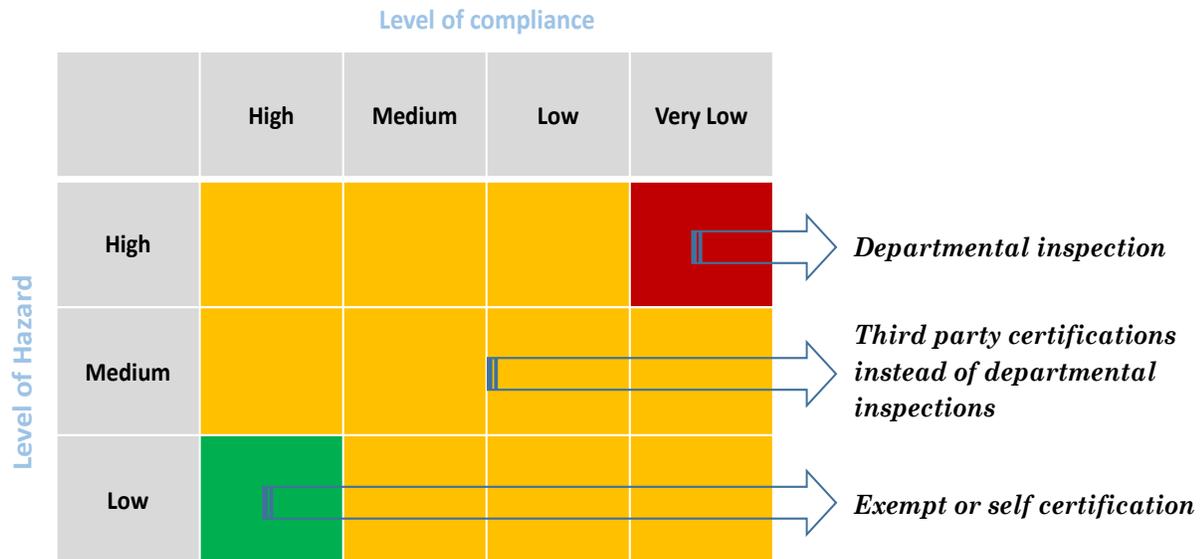
The risk-based inspections across these services is triggered by a host of factors:

5. Tax: Sensitive/Non Sensitive Goods, Gross Turnover, type of ownership, proximity to state borders, etc
6. Municipal Corporation and Urban Local Bodies: Use, height of the building, occupancy, built up area, seismic zone, etc.
7. Environment Department: type of industry, quantum of waste, investment, etc.
8. Labour Department: No of employees, type of industry, nature of work, major accidents, lockouts, strikes in last few years, etc.

Relying on alternatives to government inspections can yield big savings for the government and lighten the burden on businesses. Several states have adopted alternatives to the government inspections that include mandatory self-certification (boilers, labour, etc.), outsourcing/third party certification (such as the use of licensed boiler engineers). The various models of inspection depends on the adoption of following risk based principles:

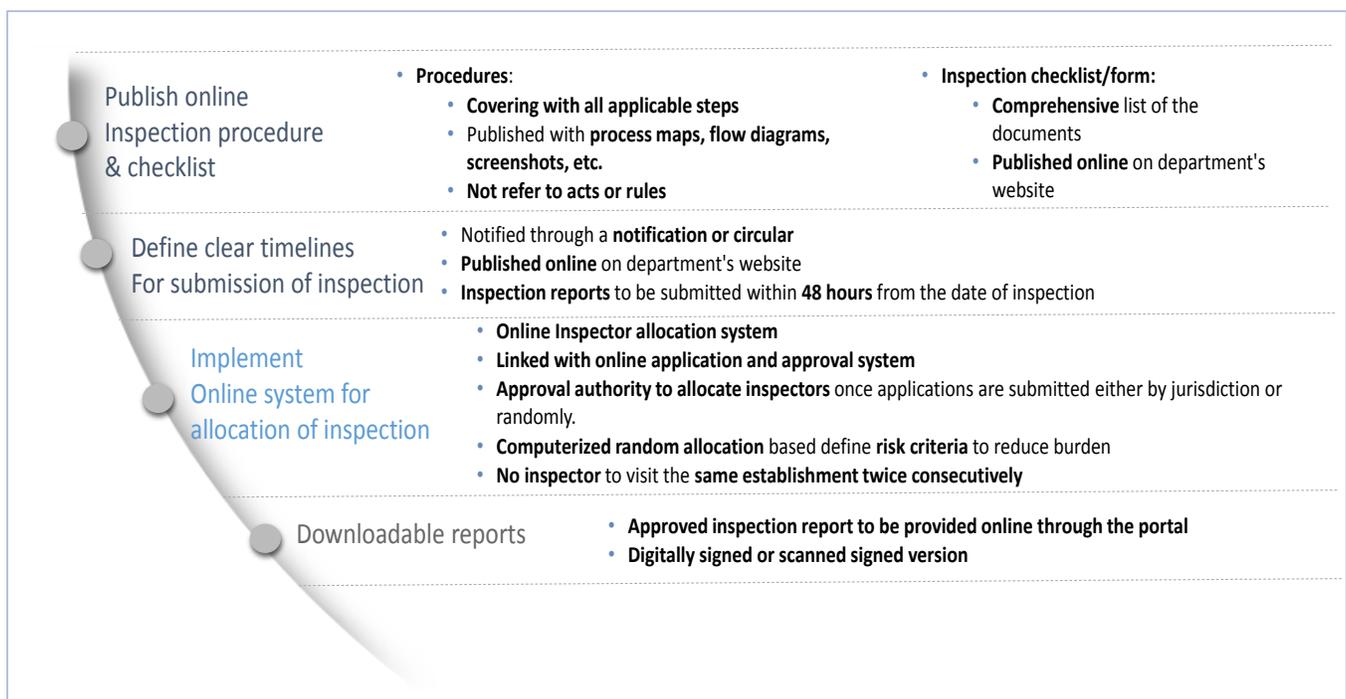
1. Differentiate compliance inspection requirements based on risk profile (such as High, Medium and Low risk)
2. Exempt low risk industries with a history of satisfactory compliance

3. Allow self-certification in lieu of conducting physical inspections
4. Allow for third party certifications instead of departmental inspections for medium risk industries
5. Restrict inspection by Department to only high risk categories

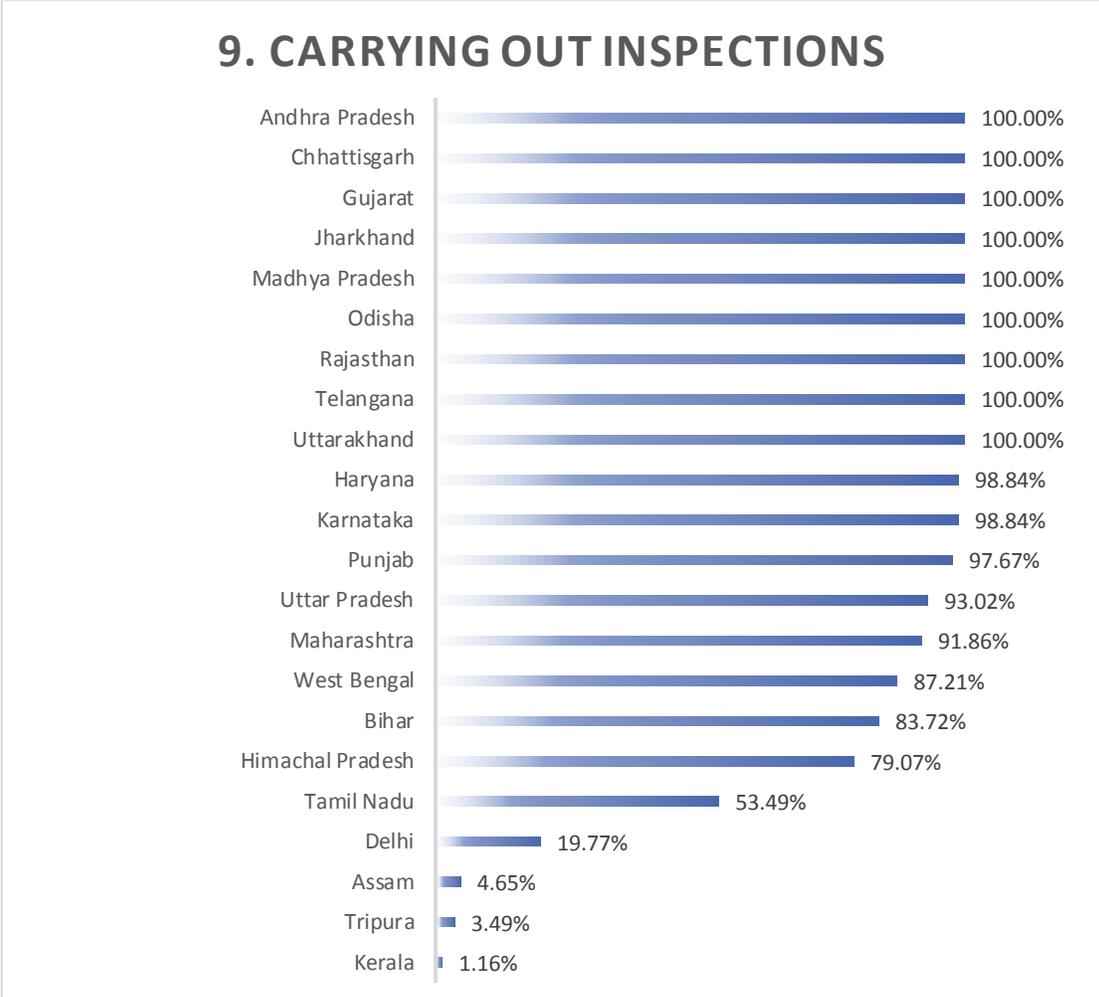


In all these cases some government inspections still take place as a backup to, and a check on, the alternative inspections on these triggers. These inspections have been supplemented with a small number of random/surprise inspections.

**Figure 1: Features of envisaged Inspection System**



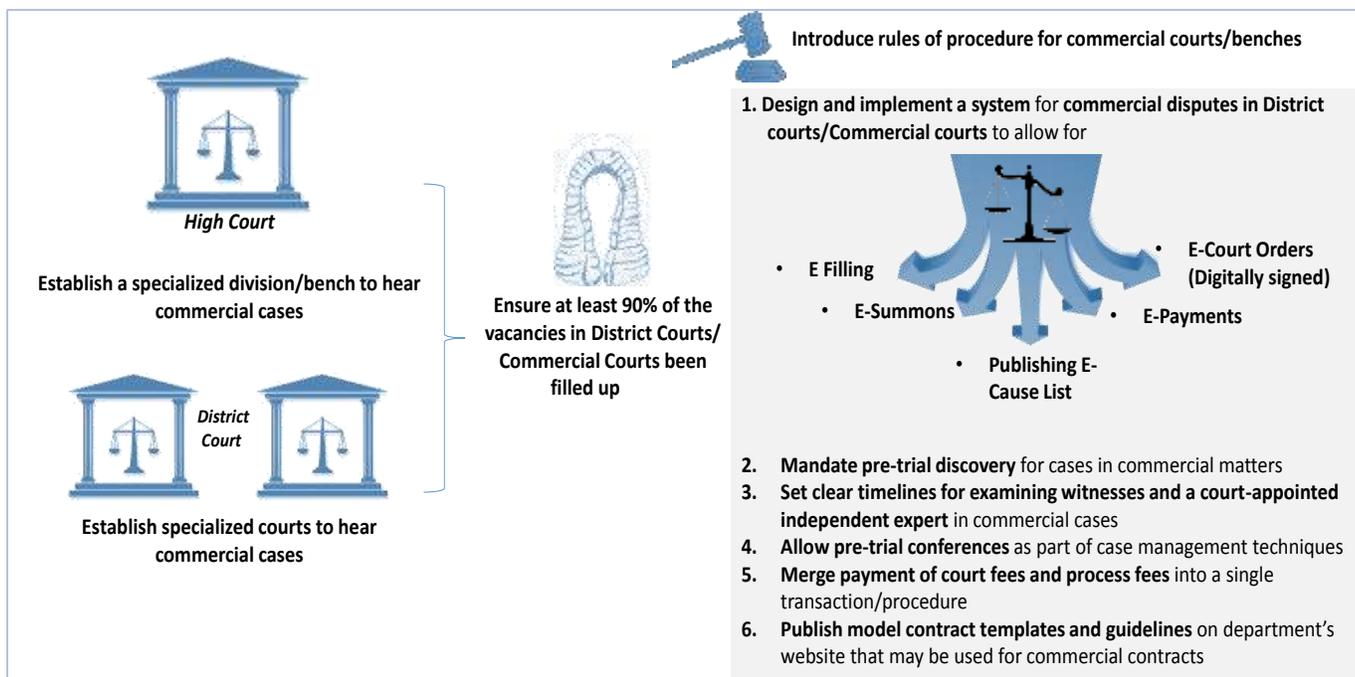
Nine states have achieved Yes on all parameters for carrying out inspections. State performance on this parameter is summarized in the graph below.



## 2.4 PRAGMATIC JUDICIAL REFORMS

The Judicial reforms were suggested to improve the existing judicial framework to make it more efficient, transparent and responsive to the needs of the private sector. The specific objectives of suggested reforms were to enable the:

- Introduction of mechanisms to expedite enforcement of contracts in the commercial cases and further understand the readiness of the state’s judicial system to reduce the backlog in courts. These included setting up specialized commercial courts, standardizing contracts with terms and conditions, recruitment of judges, etc.
- Introduction of electronic court systems for online filing of cases, allowing electronic summons, publishing cause list, payment of fees and digitally signed court orders.



None of the States have scored all Yes on the area of Enforcing Contracts. State performance on the parameter is shown below.



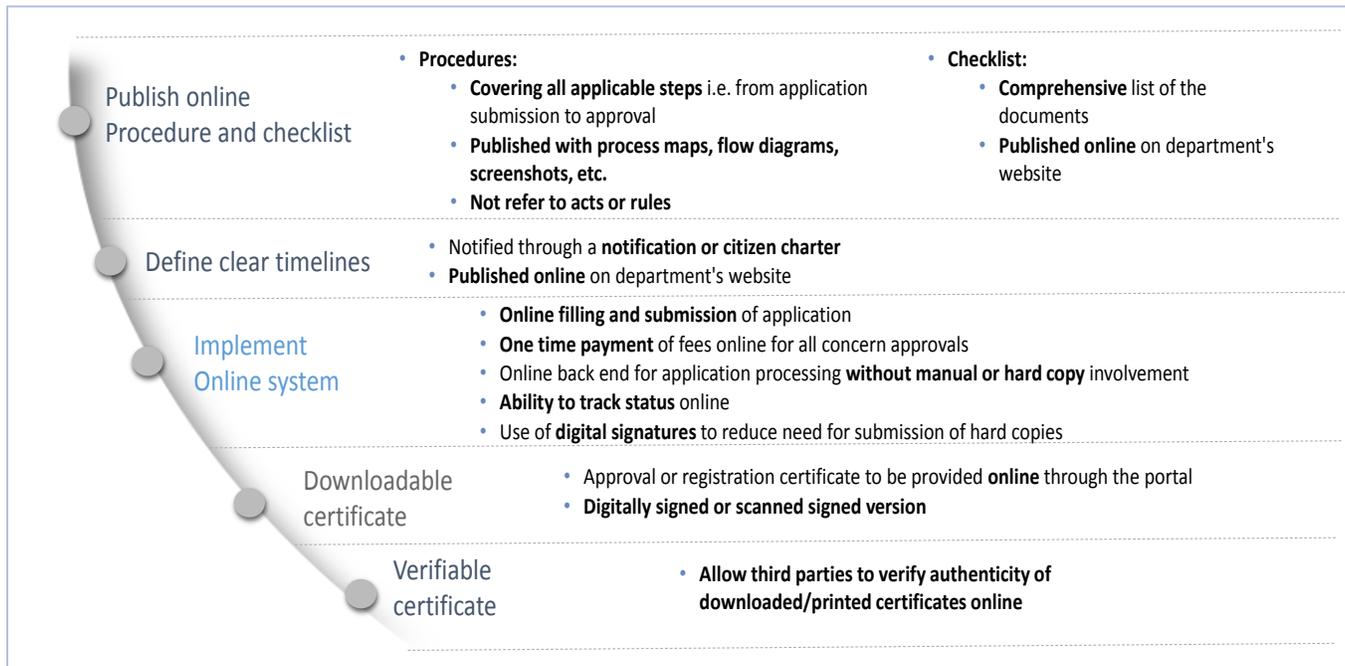
## 2.5 DEVELOPMENTS IN BUSINESS PROCESSES

Until recently, business registration processes across different departments was offline, involving a significant time and resource commitment from each business. The set of reforms for business registration across departments, such as Land, Labour, Environment and Tax, and Utilities, such as Electricity and Water Connection were covered in the reform action plan. The following criteria were recommended for an ideal system to reduce time to register:

- The detailed procedure covering all applicable steps, from application submission to application approval, is published online on the department's website. It may be supplemented with process maps if available; in any case, the details should be published explicitly and should not refer to Acts or rules.
- A comprehensive list of the documents that need to be submitted as part of the application is included on the website.
- Clear timelines are notified, either on the portal, or through a notification and citizen charter.
- The application can be made online, through a portal with the following features:
  - Entrepreneurs should be able to fill out and submit the application form online;
  - The user can pay all associated fees online;
  - Once submitted, the applications are processed and approved by each licensing agency online, and not through a manual or hard copy process;
  - The user can track the status of his applications online using the portal; and
  - Once approved, the user can obtain the approval or registration certificate online through the portal.
- 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 certificate is issued. Instead, entrepreneurs can use digital signature certificates to submit their documents through the online system.
- Once approval is obtained, the signed certificate – either digitally signed or signed manually and scanned – should be made available for download from the website by the user.
- Third parties/other users should be able to check the authenticity of the document online, using the certificate number or other unique reference, by visiting the portal

**Most of the States have achieved maximum score in the registration across Labor, Environment and Tax departments. The reforms in land registration department is yet to be fully implemented in the true sense.**

Figure 2: Features of envisaged Registration System and leading States with 100% score

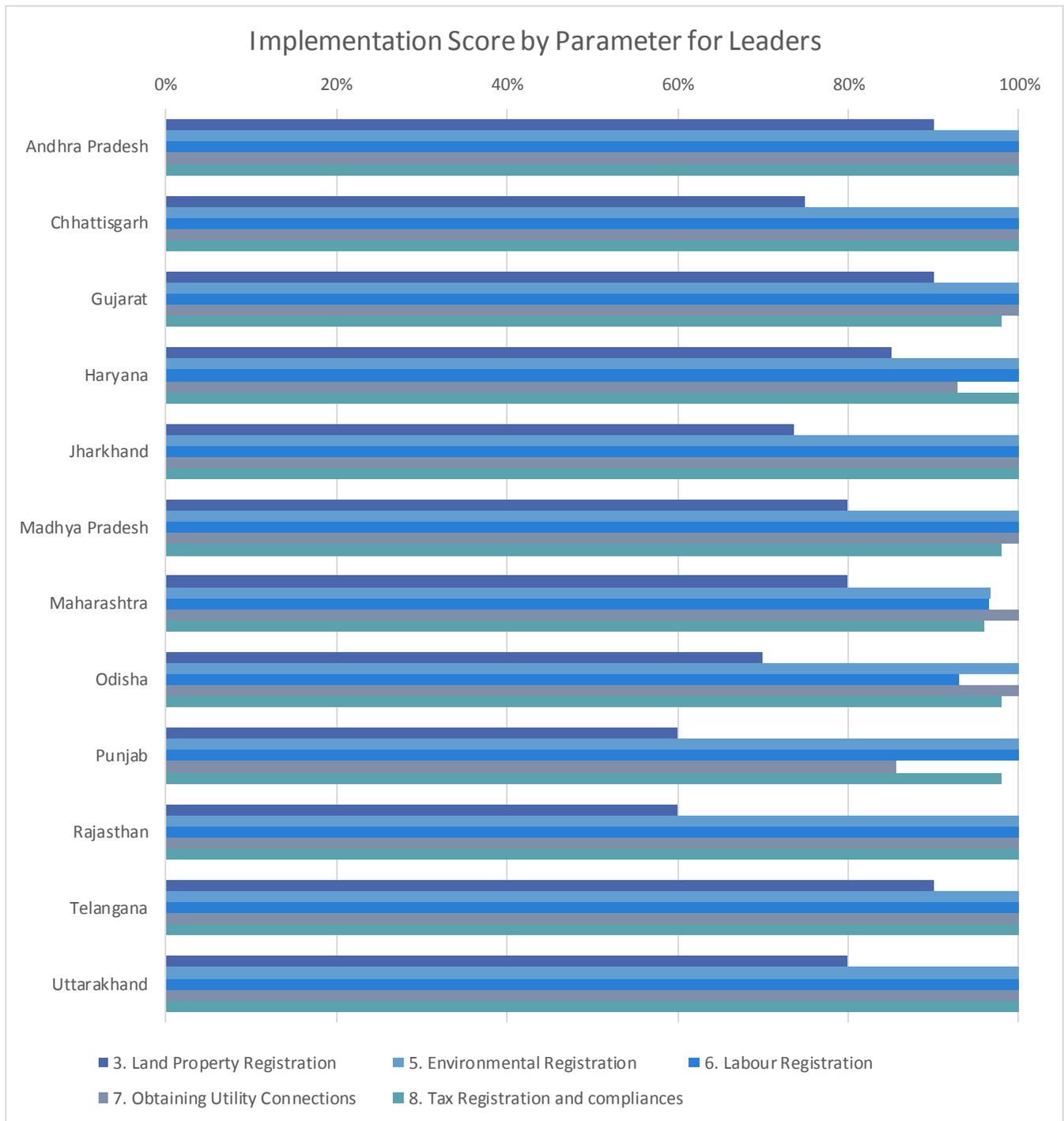


The table below summarizes the results for some states, indicating whether the state has introduced registration systems that fulfill all of the required elements.

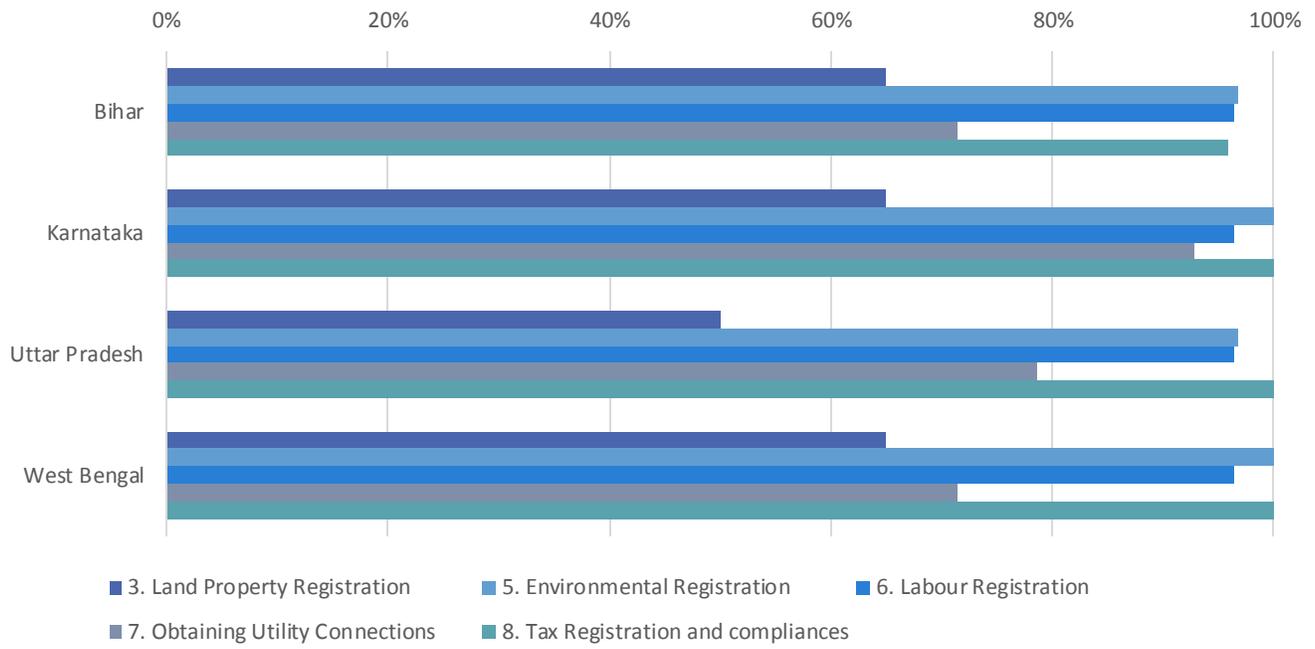
State / Area Wise	Land and Property *	Environment	Labour	Utility	Tax
Andhra Pradesh		Yes	Yes	Yes	Yes
Chhattisgarh		Yes	Yes	Yes	Yes
Gujarat		Yes	Yes	Yes	
Haryana		Yes	Yes		Yes
Himachal Pradesh		Yes			
Jharkhand		Yes	Yes	Yes	Yes
Karnataka		Yes			Yes
Madhya Pradesh		Yes	Yes	Yes	
Maharashtra				Yes	
Odisha		Yes		Yes	
Punjab		Yes	Yes		
Rajasthan		Yes	Yes	Yes	Yes
Tamil Nadu		Yes			
Telangana		Yes	Yes	Yes	Yes
Uttar Pradesh					Yes
Uttarakhand		Yes	Yes	Yes	Yes
West Bengal		Yes			Yes

\* The reforms in land registration department is yet to be fully implemented

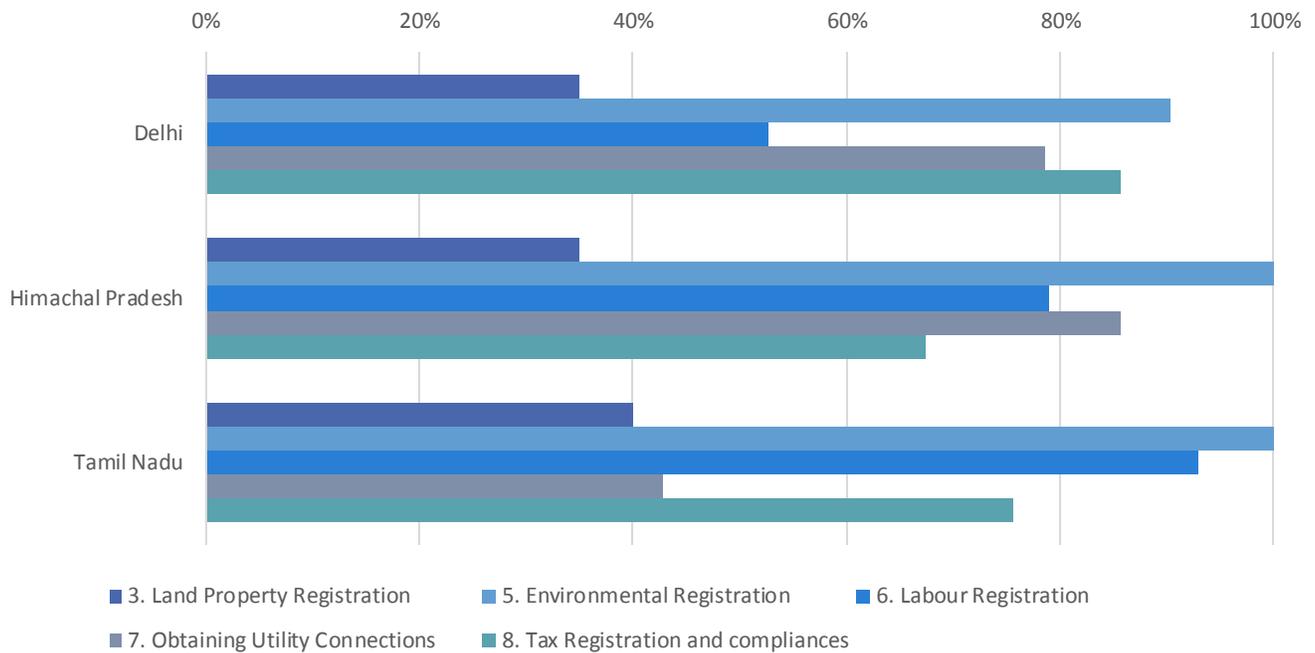
The graphs below summarize the results of states by category for the top three categories of states.



### Implementation Score by Parameter for Aspiring Leaders



### Implementation Score by Parameter for Acceleration Required



### 3. STATE RESULTS

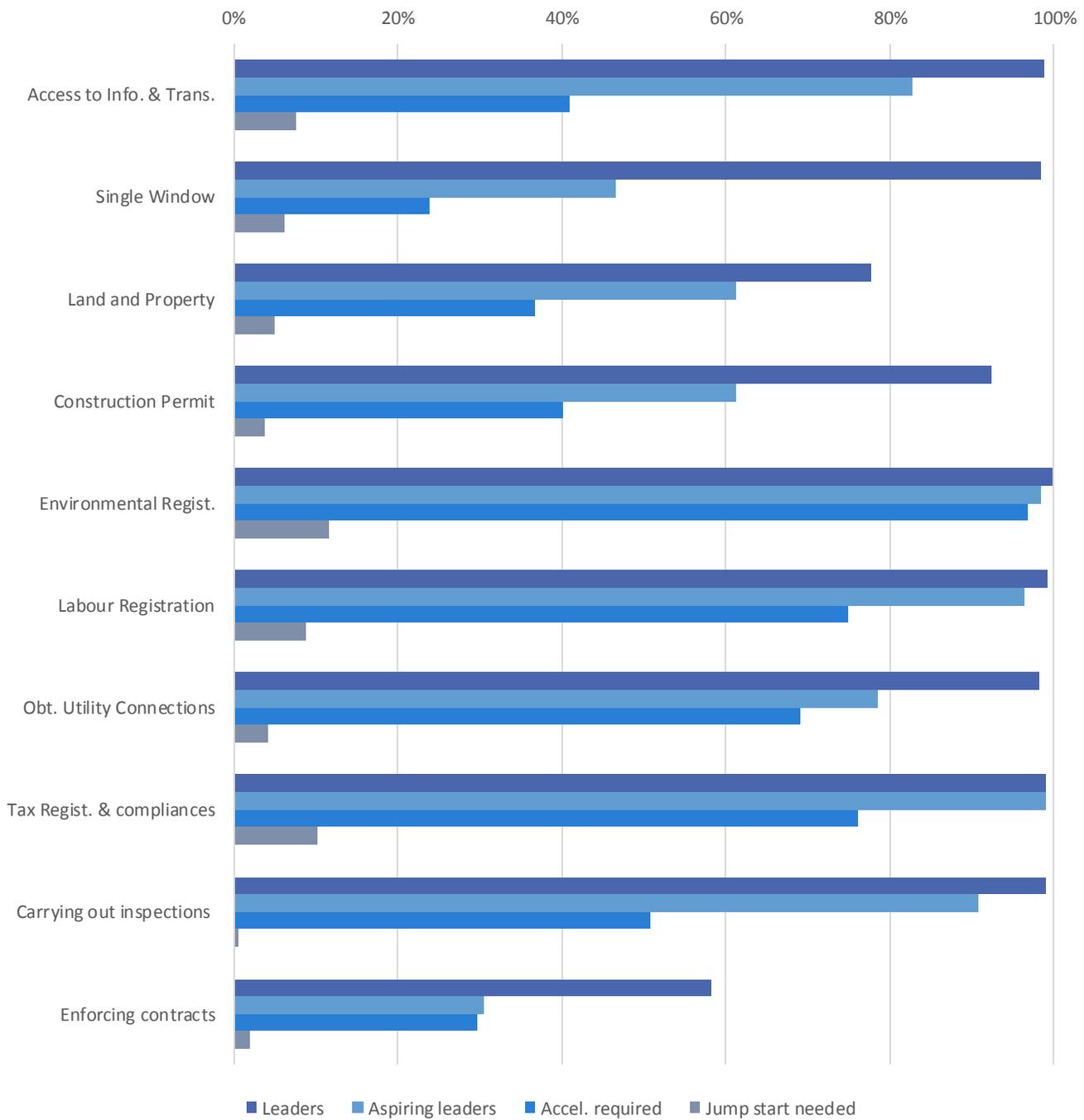
The assessment reveals that States are at very different levels of implementation of the 340-point action plan. The implementation status of each State has been converted to a percentage to form a scorecard based on the total percentage. To assist in further understanding the results and in analyzing the detailed data in the present section, we have placed States into four groups:

Group	Implementation Score	No. of States
<b>Leaders:</b>	90%-100%	12: Andhra Pradesh, Chhattisgarh, Gujarat, Haryana, Jharkhand, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Telangana, and Uttarakhand.
<b>Aspiring Leaders</b>	60%-90%	4: Bihar, Karnataka, Uttar Pradesh and West Bengal.
<b>Acceleration Required</b>	30%-60%	3: Delhi, Himachal Pradesh and Tamil Nadu
<b>Jump Start Needed</b>	0-30%	17: Andaman and Nicobar, Arunachal Pradesh, Assam, Chandigarh, Dadra Dadra & Nagar Haveli, Daman & Diu, Goa, Jammu & Kashmir, Kerala, Lakshadweep, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim and Tripura.

The graph on the next page compares how each of these groups fared on average on each of the 10 parameters. The graph is followed by a tables highlighting good practices by selected states, as expressed by summarizing the parameters on which the state achieved an implementation score of 100%. This table is presented so that states aspiring to improve their performance can easily find examples of existing good practices to study and adapt to a local context. This is followed by a table highlighting the areas for each state in which an implementation gap exists, i.e. parameters on which each state can further improve in order to achieve a 100% implementation score.

Results for each state are available in the Annexes.

### Average Performance by State Group on Each Parameter



**Initiatives implemented with 100% implementation score – Good Practices:** In this section, we have highlighted States that had scored all Yes on 10 areas. There are 17 states that have a 100% score on implementation in at least one area among the 10 areas, Andhra Pradesh had scored 100% on 8 out of 10 areas. There are 4 States i.e. Chhattisgarh, Jharkhand, Rajasthan and Telangana that have all Yes in 7 areas. Gujarat and Madhya Pradesh have a full score on 6 out of 10 areas. While Haryana, Odisha and Punjab have 100% scores on 6, 5 and 4 areas respectively. None of the State have scored 100% on areas such as Land & Property Registration and Enforcing Contracts. The table below highlights the areas in which States have scored 100% across 10 areas.

State - Area Wise	Area 1	Area 2	Area 3	Area 4	Area 5	Area 6	Area 7	Area 8	Area 9	Area 10	No. of 100% Score
Andhra Pr.	✓	✓		✓	✓	✓	✓	✓	✓		8
Chhattisgarh	✓	✓			✓	✓	✓	✓	✓		7
Jharkhand	✓	✓			✓	✓	✓	✓	✓		7
Rajasthan	✓	✓			✓	✓	✓	✓	✓		7
Telangana	✓	✓			✓	✓	✓	✓	✓		7
Uttarakhand	✓	✓			✓	✓	✓	✓	✓		7
Gujarat	✓				✓	✓	✓		✓		6
Madhya Pr.	✓				✓	✓	✓		✓		6
Haryana		✓		✓	✓	✓		✓			5
Odisha	✓				✓		✓		✓		4
Punjab		✓			✓	✓					3
West Bengal	✓				✓			✓			3
Karnataka					✓			✓			2
Maharashtra	✓						✓				2
Himachal Pr.					✓						1
Tamil Nadu					✓						1
Uttar Pr.								✓			1
<b>Area 1 (A1):</b> Access to Info. & Transparency Enablers					<b>Area 6 (A6):</b> Labour Registration						
<b>Area 2 (A2):</b> Single Window System					<b>Area 7 (A7):</b> Obtaining Utility Connections						
<b>Area 3 (A3):</b> Land and Property Registration					<b>Area 8 (A8):</b> Tax Registration and compliances						
<b>Area 4 (A4):</b> Construction Permit					<b>Area 9 (A9):</b> Carrying out inspections						
<b>Area 5 (A5):</b> Environmental Registration					<b>Area 10 (A10):</b> Enforcing contracts						

**Future Areas of Improvement:** This table below provides information on each State outlining the areas in which the State should focus the most going forward in order to improve its implementation status and rank. As the table illustrates, there is scope to improve implementation performance by replicating success of good performing State/UTs. There is high untapped wealth of information and innovative practices that low performing State/UTs could adopt and create high impact on delivery of services. The States are encouraged to replicate the good practices in their own State by identifying & learning from other States who have achieved the reforms.

State	A 1	A 2	A 3	A 4	A 5	A 6	A 7	A 8	A 9	A 10	Category
Andhra Pradesh										#	Leaders
Chhattisgarh											
Gujarat										#	
Haryana											
Jharkhand										#	
Madhya Pradesh											
Maharashtra										#	
Odisha											
Punjab										#	
Rajasthan											
Telangana										#	
Uttarakhand											
Bihar										#	Aspiring Leaders
Karnataka											
Uttar Pradesh										#	
West Bengal											
Delhi										#	Acceleration Required
Himachal Pradesh											
Tamil Nadu										#	
Kerala											Jump Start Needed
Assam										#	
Goa											
Tripura										#	
Daman & Diu											
A&N, Arun. Pr., J&K, Lakshad., Manipur, Meghalaya, Mizoram, Nagaland, Puduch. & Sikkim										#	

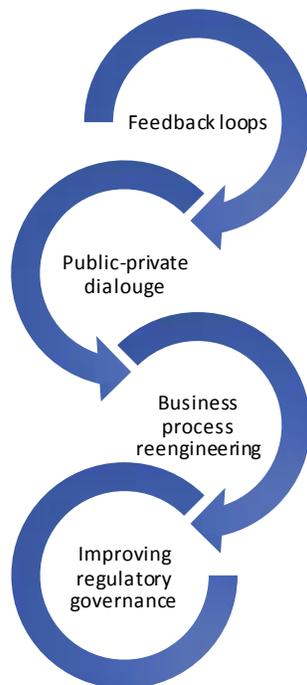
Implementation Gap



## 4. THE ROAD AHEAD

It is evident that states have put in extensive efforts to reform the regulatory environments for business. This chapter is intended to provide options and ideas to state governments on how the momentum for reforms that has been generated can be sustained and made much more impactful in the years to come.

The efforts identified in this chapter fit along a continuum, shown in the diagram below:



### 4.1 EFFECTIVE FEEDBACK LOOPS

Once reforms are implemented, state governments should ensure that they are working as intended. This requires obtaining effective information on user experience. Global best practice has shown that regular feedback from users, either through formal periodic surveys, or by integrating SMS or online surveys within new online systems, can provide governments with robust information on whether or not the reformed systems are truly having an impact on business by making it easier to comply with regulation. Additionally, it can alert government agencies about new bottlenecks or constraints faced by users in dealing with new systems. Finally, it informs governments about awareness of the system among users – many new systems take years to be used by the majority of users, and thus so a dedicated change management and communication strategy is required build awareness. This in turn must be based on robust user feedback.

## 4.2 EFFECTIVE PUBLIC-PRIVATE DIALOGUE

Public-private dialogue platforms are becoming increasingly more popular globally as mechanisms to better inform the business reform initiatives of governments. Institutionalizing a process of dialogue with the private sector enables the government to benefit from feedback in a more systematic manner, by allowing the reform agenda to be jointly prioritized, sequenced and focused so that the reforms are of benefit to business, and are targeted at their biggest constraints. Such platforms enable governments to benefit by implementing reforms that are powerful and are backed by evidence and demand, and simultaneously build effective bridges, working relationships and trust into the reform process.

## 4.3 EFFECTIVE BUSINESS PROCESS REENGINEERING AND REGULATORY GOVERNANCE REFORMS

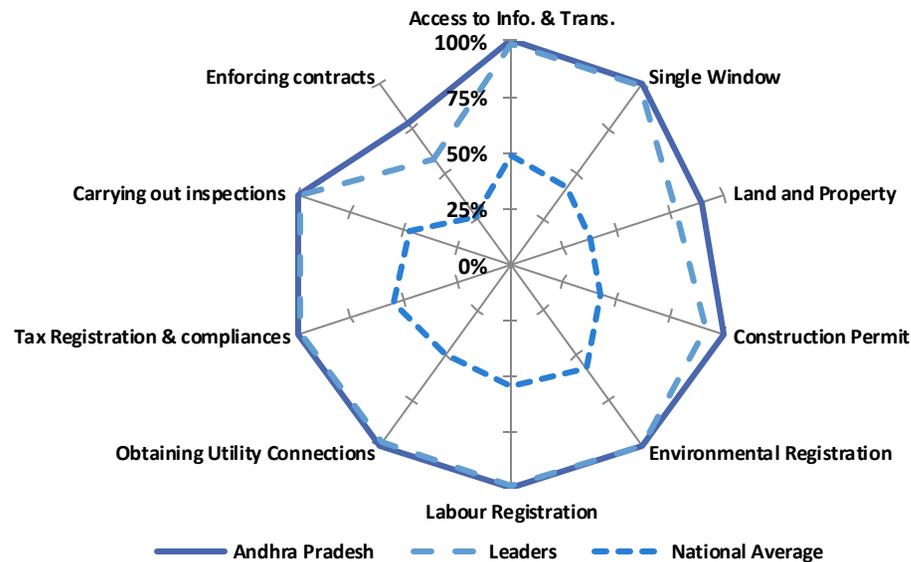
Action on the outputs of the dialogue process will entail extensive work on either dealing with government processes, or on tackling the underlying way in which governments make and enforce rules and regulations.

Aside from making processes online, state governments should focus on simultaneously reengineering the processes themselves. An online application system alone does not make it easier for businesses to deal with government officials, especially as it may not be backed by sufficient back-office automation to have an effective impact. Detailed process maps, user surveys and capacity assessments, both of the department and its users, are required to understand how an online system can best streamline existing processes, and the results of these analyses can inform the reform process as well.

Simultaneously, state governments should look at how businesses are governed. This includes understanding the impact of regulation and practices in terms of costs and benefits, and seeks to focus regulation on areas where the costs of no regulation to society outweigh the benefits. Advanced economies are increasingly examining their regulatory stock and flow in terms of costs and benefits – several economies are also adapting “one in, three out” approaches, where new regulations can only be introduced if old regulations are eliminated or regulatory/compliance cost is reduced as much as 3 times. State governments should take stock of the regulatory base that they are enforcing, and should study in detail whether such regulation is actually required in the context of the State.

## ANNEX 1: RESULTS BY STATE - LEADERS

2016 Performance by Parameter:



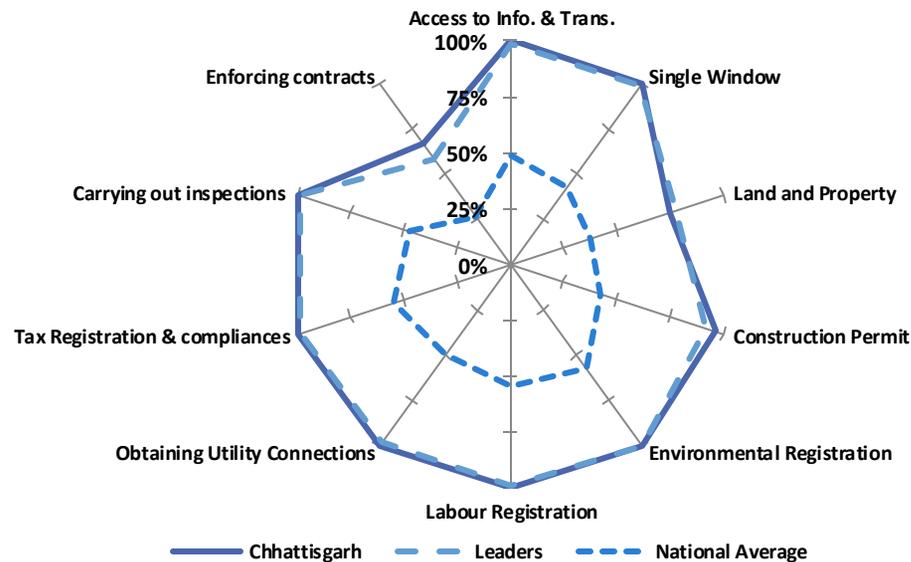
**Achievements this year:**

Andhra Pradesh ranked a joint 1<sup>st</sup> in 2016, compared to 2<sup>nd</sup> in 2015. The state has scored 100% on 8 of 10 parameters. The AP Single Desk policy and the development of a number of automated systems and processes for business registration and inspections has helped it achieve excellent scores in most of the parameters.

**Areas of Improvement:**

Although the state scores 100% on 8 of 10 parameters, there exists potential for improvement on Land and Property Registration (90%) and Enforcing Contracts (77.78%).

2016 Performance by Parameter:



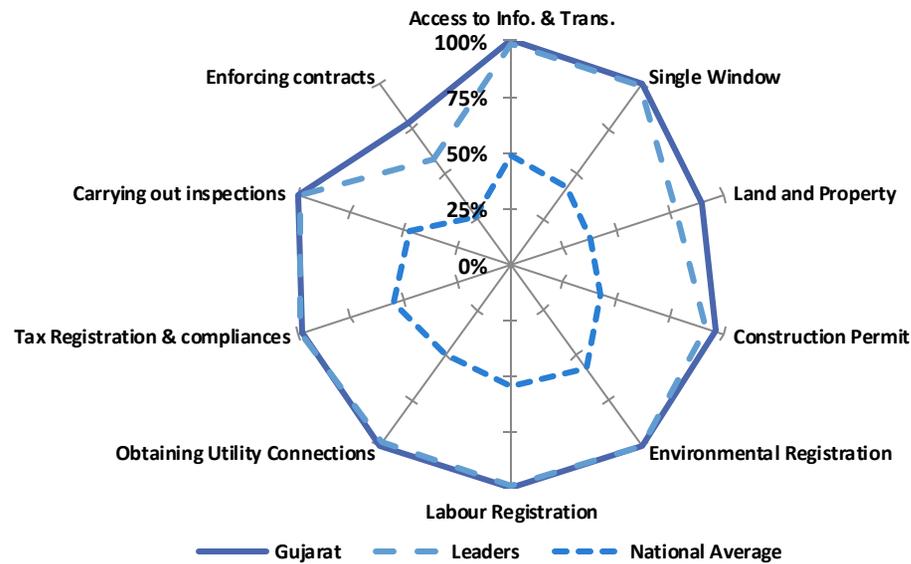
**Achievements this year:**

In 2016, Chhattisgarh maintained its 4<sup>th</sup> position from 2015, and has implemented new online systems for registration under various licenses and permits, and has also built an advanced system for analyzing and approving building plans. It has also in the past year developed and implemented a GIS-based system for identifying industrial land parcels in the state. Finally, it has established a dedicated and independent commercial court with all necessary infrastructure.

**Areas of Improvement:**

Although the state scores 100% on 7 of 10 parameters, there exists potential for improvement on Land and Property Registration (75%) and Enforcing Contracts (66.67%).

2016 Performance by Parameter:



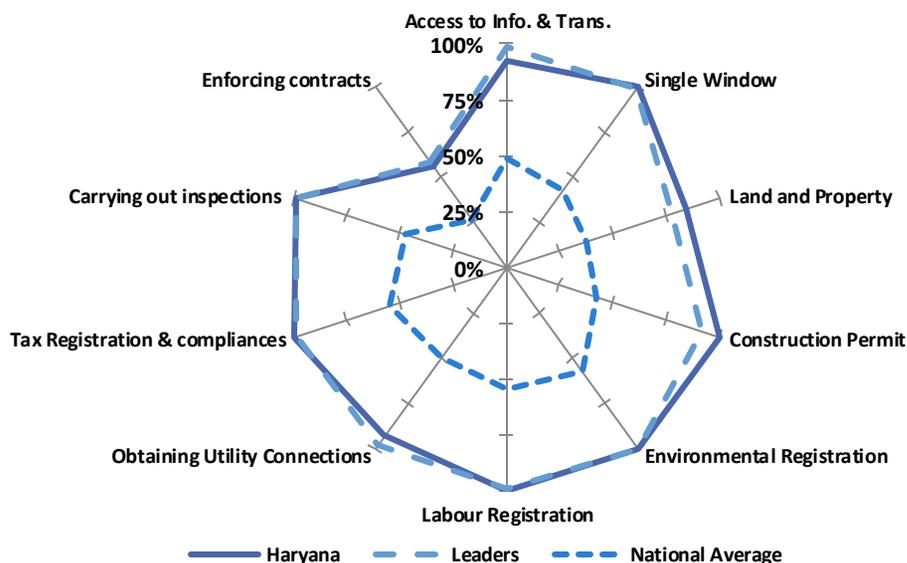
**Achievements this year:**

Gujarat was ranked at 2<sup>nd</sup> in 2016, down from 1<sup>st</sup> in 2015. The state scored 100% on 6 of the 10 parameters of this assessment. Since last year, they have focused extensively on strengthening their single window system, as well as on inspections reforms.

**Areas of Improvement:**

Although the state scores 100% on 6 of 10 parameters, there exists potential for improvement on Land and Property Registration (90%) and Enforcing Contracts (77.78%).

2016 Performance by Parameter:



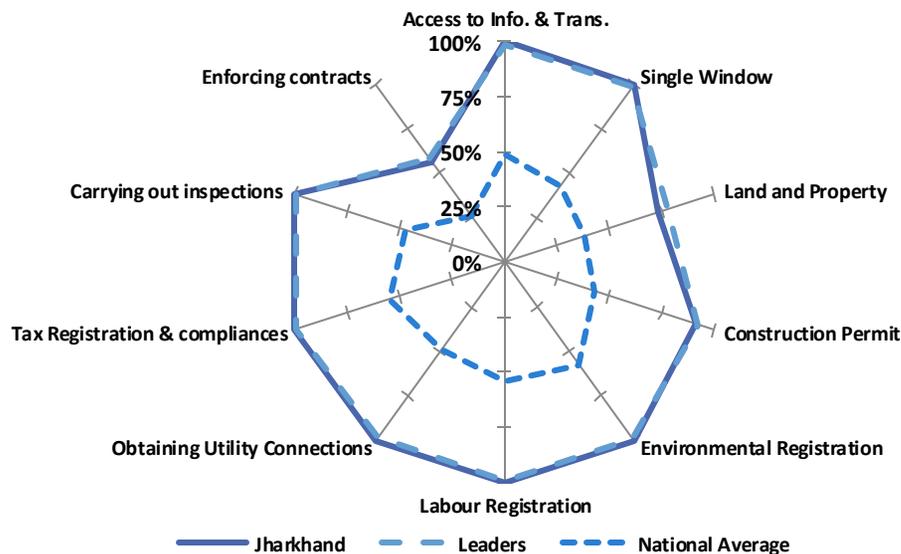
**Achievements this year:**

Haryana ranked at 6<sup>th</sup> place in 2016, a significant improvement of its 14<sup>th</sup> rank in 2015. In the past year, Haryana has implemented a significant number of reforms, increasing its implementation score significantly. This year, they have focused on a number of systems for online registration for taxes, environment and property, and utility connections. This has allowed the state to leap frog from last year’s Acceleration Required category into the Leaders category in 2016.

**Areas of Improvement:**

Although the state scores 100% on 5 of 10 parameters, there exists potential for improvement on Land and Property Registration (85%) and Enforcing Contracts (55.56%).

2016 Performance by Parameter:



**Achievements this year:**

Although the state's rank dropped from 3<sup>rd</sup> in 2015 to 7<sup>th</sup> in 2016, it has continued to excel as a business reformer. Jharkhand scored 100% on seven out of ten parameters in this year's assessment, driven by a strong single window, and backed by reforms in registration for various licenses and permits as well as inspection reforms.

**Areas of Improvement:**

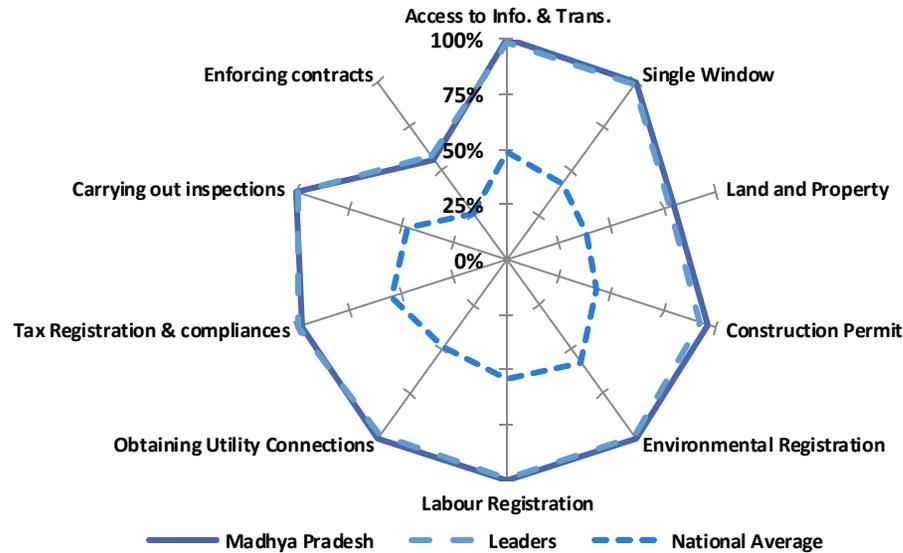
Although the state scores 100% on 7 of 10 parameters, there exists potential for improvement on Land and Property Registration (73.68%) and Enforcing Contracts (55.56%).

MADHYA PRADESH

2016 Implementation Score: 97.01%

2015 Implementation Score: 62.00% (Aspiring Leaders)

2016 Performance by Parameter:



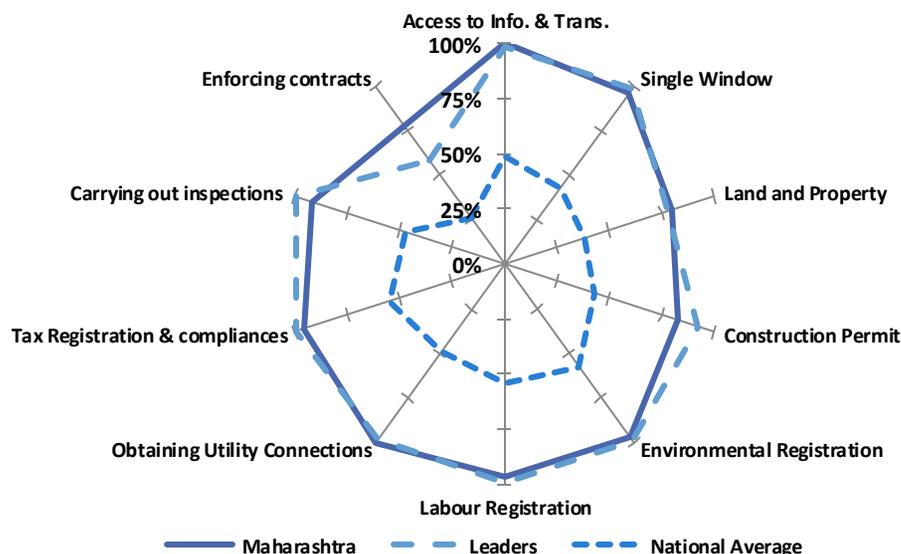
**Achievements this year:**

Madhya Pradesh ranked 5<sup>th</sup> in 2016, maintaining its 2015 rank. It scored 100% in six parameters, and above 90% on another two.

**Areas of Improvement:**

Despite scoring above 90% on 8 out of 10 parameters, there exists potential for improvement on Land and Property Registration (80%) and Enforcing Contracts (55.56%).

2016 Performance by Parameter:



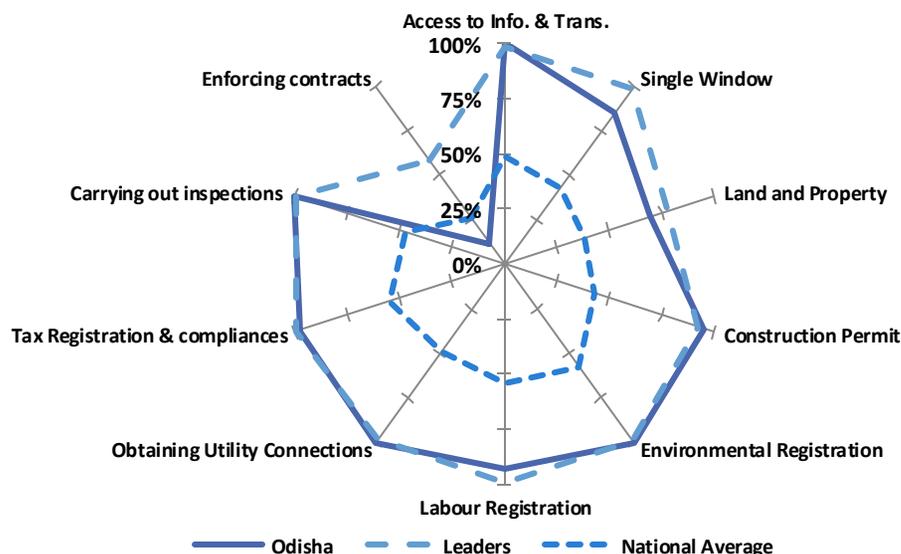
**Achievements this year:**

Maharashtra ranked 10<sup>th</sup> in 2016, compared to 8<sup>th</sup> in 2015. It scored 100% in access to information and utility connections. It also scored above 90% on single window systems (96.43%), labour registration (96.77%), environmental registration (96.49%), commercial taxes (95.92%) and inspections reforms (91.86%).

**Areas of Improvement:**

Despite scoring above 90% on 7 out of 10 parameters, there exists potential for improvement on Land and Property Registration (80%), Construction Permits (82.76%) and Enforcing Contracts (77.78%).

2016 Performance by Parameter:



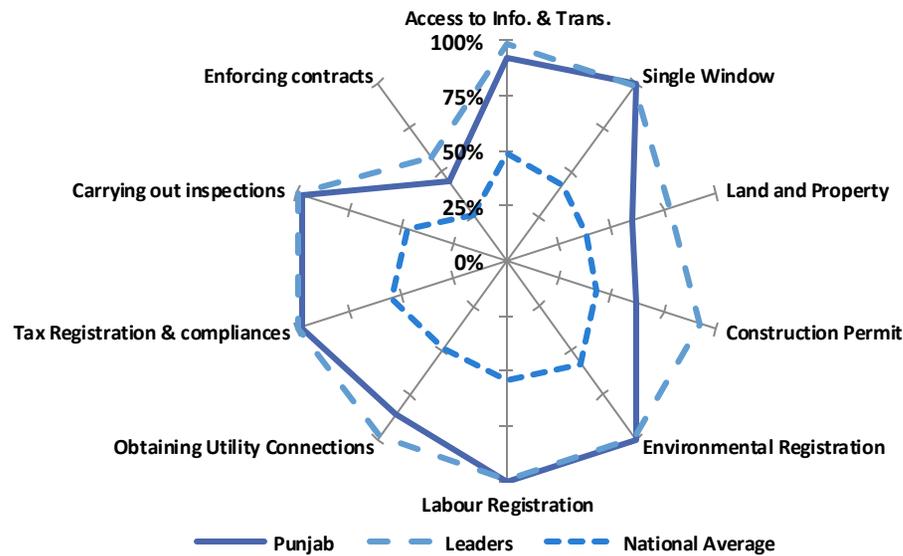
**Achievements this year:**

Odisha ranked 11<sup>th</sup> in 2016, compared to 7<sup>th</sup> in 2015. It scored 100% in access to information, utility connections and environmental registration. Additionally, it scored 100% in inspection reforms by establishing the country’s first Central Inspection Agency. It also scored above 90% on construction permits (95.83%), labour registration (92.98%), and commercial taxes (97.96%)

**Areas of Improvement:**

Despite scoring above 90% on 7 out of 10 parameters, there exists potential for improvement on single window systems (85.19%), Land and Property Registration (70%), and Enforcing Contracts (11.11%).

2016 Performance by Parameter:



**Achievements this year:**

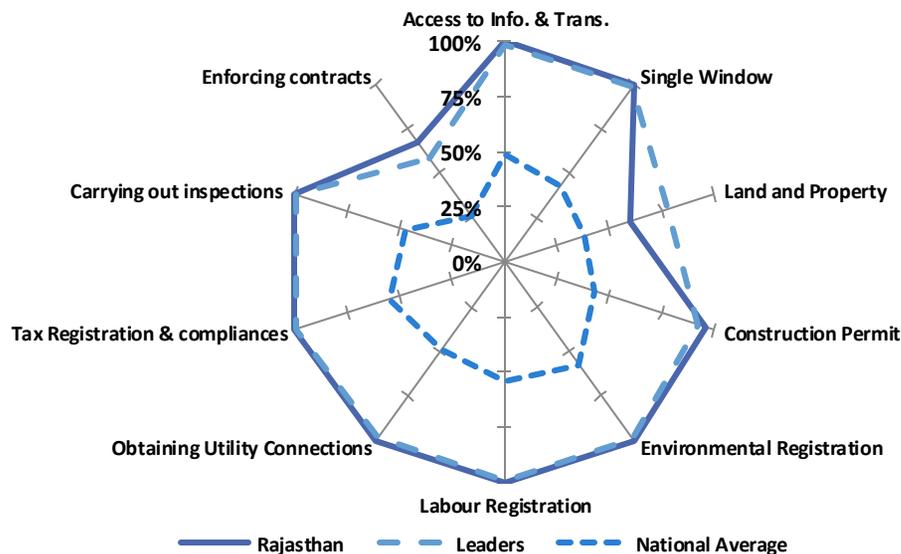
Punjab ranked 12<sup>th</sup> in 2016, compared to 16<sup>th</sup> in 2015. It improved its rank this year through strengthening its single window system (100%) and building strong labour and environmental registration systems (100%). It also achieved implementation scores above 90% on access to information (92.31%), commercial tax registration (97.96%), and inspections reforms (97.67%).

**Areas of Improvement:**

There exists potential for improvement on Land and Property Registration (60%), Construction Permits (62.07%) and Enforcing Contracts (44.44%).



2016 Performance by Parameter:



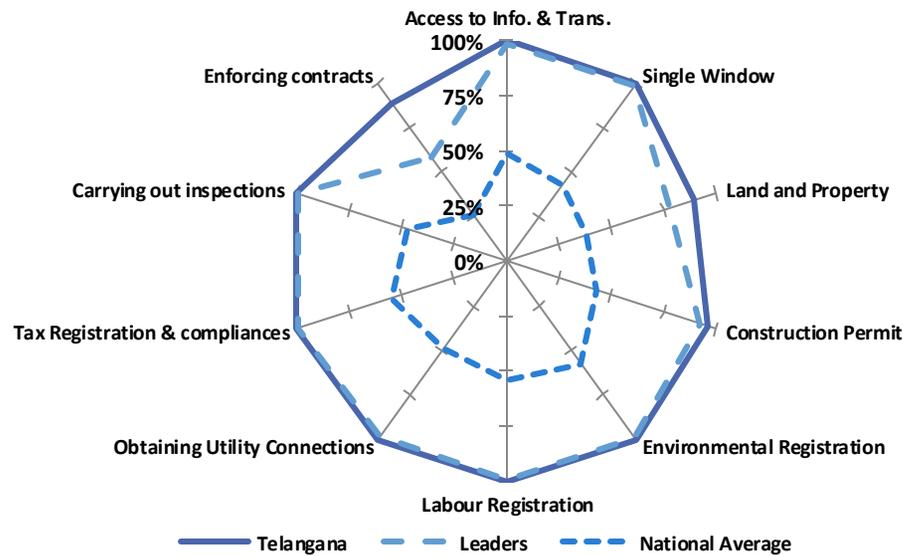
**Achievements this year:**

Although the state’s rank dropped from 6<sup>th</sup> in 2015 to 8<sup>th</sup> in 2016, it scored 100% on 7 out of 10 indicators. It introduced new state of the art single window (100%) and construction permitting (96.55%) systems this year.

**Areas of Improvement:**

There exists potential for improvement on Land and Property Registration (60%) and Enforcing Contracts (66.67%).

2016 Performance by Parameter:



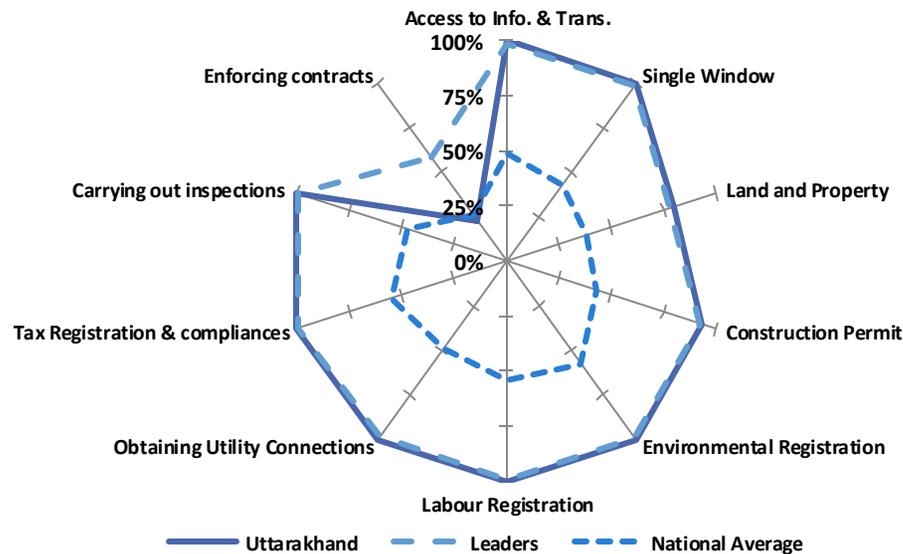
**Achievements this year:**

Telangana jumped from a rank of 13<sup>th</sup> in 2015 to joint 1<sup>st</sup> in 2016. It scored 100% on 7 out of 10 parameters, and above 90% on another 2 parameters.

**Areas of Improvement:**

There exists potential for improvement on Enforcing Contracts (88.89%).

2016 Performance by Parameter:



**Achievements this year:**

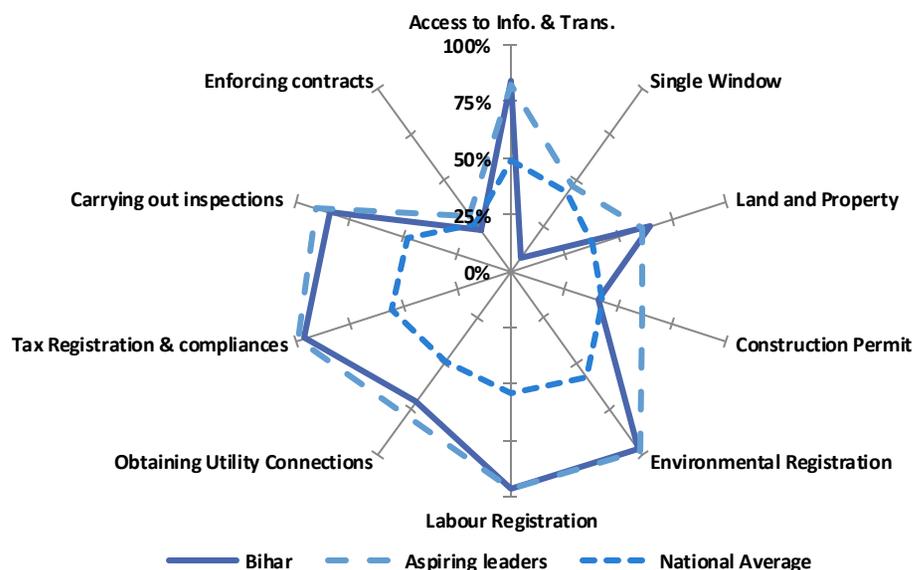
Uttarakhand drastically improved its rank, from 23<sup>rd</sup> in 2015 to 9<sup>th</sup> in 2016. It is the only state among last year’s Jump Start Needed category to have entered the Leaders category this year. This tremendous improvement is marked by reforms across various parameters – it scored 100% on 7 out of 10 parameters.

**Areas of Improvement:**

There exists potential for improvement on Land and Property Registration (80%) and Enforcing Contracts (22.22%).

## ANNEX 2: RESULTS BY STATE – ASPIRING LEADERS

2016 Performance by Parameter:



**Achievements this year:**

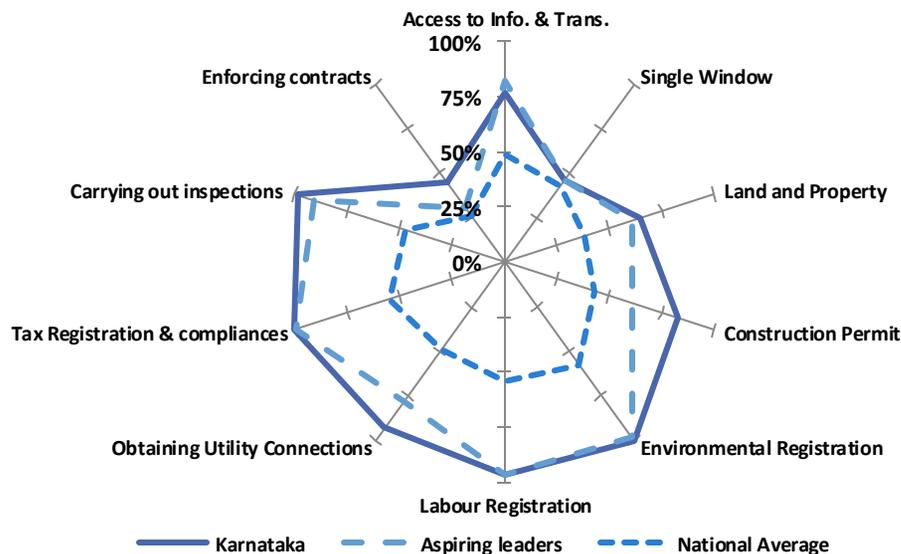
The State of Bihar improved the ranking in this year’s assessment to 16 as compared to 21<sup>st</sup> in 2015. The State has implemented 254 reforms out of 340 reform. The State implemented more than 75% of the reforms in 5 parameters:

1. Environmental Registration (96.77%)
2. Labour Registration (96.49%)
3. Tax Registration and compliances (95.92%)
4. Access to Information and Transparency Enablers (84.62%)
5. Carrying out inspections (83.72%)

**Areas of Improvement:**

The State needs to work on 81 remaining applicable reforms. The State needs to focus on developing a single window system for the investors on which the State score only 7.41%. The series of measures have to be adopted across areas such as Land and Property Registration (65.00%), Construction Permit (41.38%) and Enforcing Contract (22.22%) to improve the rank.

2016 Performance by Parameter:



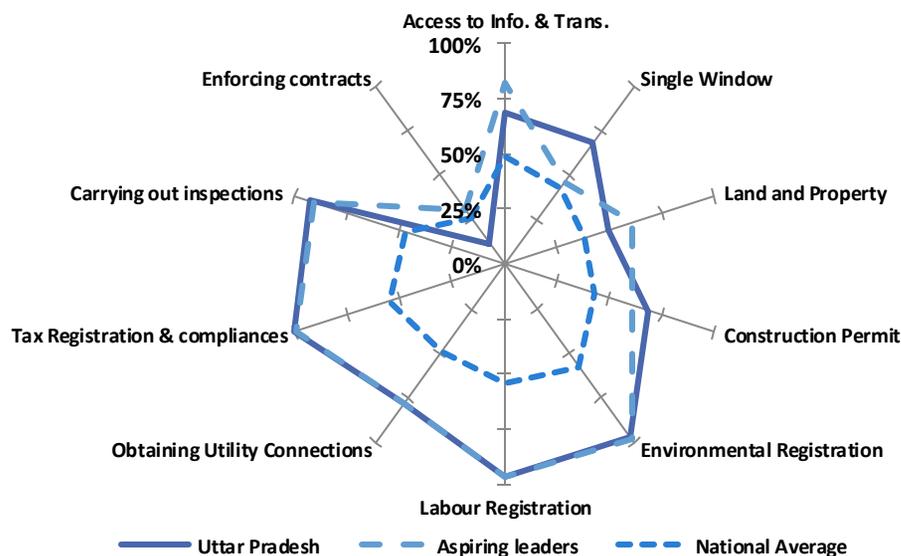
**Achievements this year:**

Karnataka ranked 13th in 2016, compared to 9th in 2015. The State had implemented 301 reforms. The State has fared better in 6 out of 10 areas with an implementation score of more than 75% - Environment (100%), Tax (100%), Inspections (98.84), Labour (96.49%), Obtaining Utility Connection (92.86%) and Access to Information (76.82%).

**Areas of Improvement:**

The State needs to focus on reforms related to establishing an online Single Window System (46.43%), Land and Property Registration (65%) and Enforcing Contracts (44.44%).

2016 Performance by Parameter:



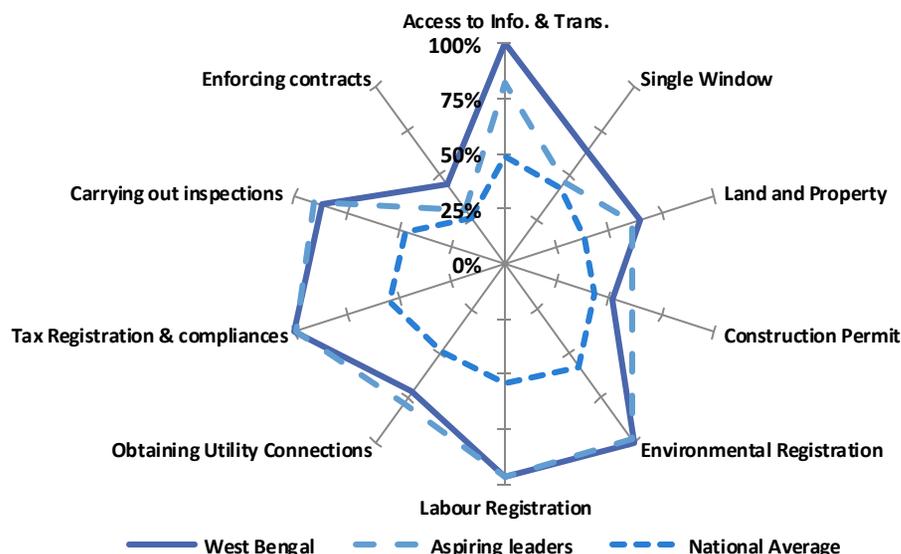
**Achievements this year:**

Uttar Pradesh ranked 14th in 2016, compared to 10th in 2015. The State implemented 284 reforms covering Tax registration (100%), Environment Registration (96.77%), Labour Registration (96.77%), Inspections (93.02%) and Obtaining Utility Connection (78.57%).

**Areas of Improvement:**

The State is yet to provide one-stop solution to enclose all the services offered by the department. The State has scored 67.86% in the area of establishing online Single Window System. The state government also needs to implement reforms on Land and Property Registration (50%), Construction Permits (68.97%) and Enforcing Contracts (11.11%).

2016 Performance by Parameter:



**Achievements this year:**

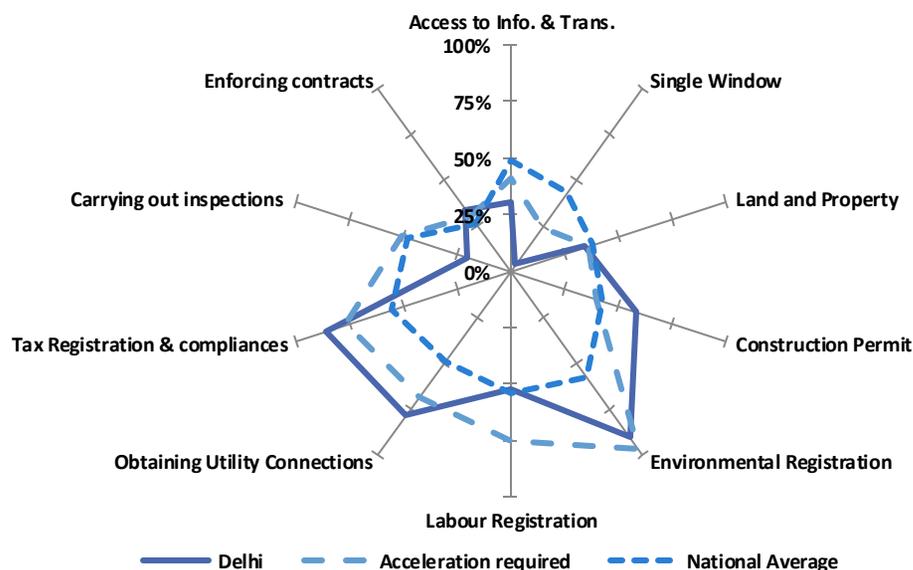
West Bengal was ranked 15th in 2016. The State is categorized as 'Aspiring Leaders' and has implemented 283 reforms out of 340. The assessment reveals the State has scored well on the following areas: Access to Information and Transparency Enablers (100%), Environmental Registration (100%), Tax Registration and compliances (100%) and Labour Registration (96.49%).

**Areas of Improvement:**

Going forward, the State should focus on the following reform areas: Obtaining Utility Connections (71.43%), Land and Property Registration (65%), Establishing Online Single Window System (64.29%), Construction Permit (51.72%) and Enforcing contracts (44%).

## ANNEX 3: RESULTS BY STATE – ACCELERATION REQUIRED

2016 Performance by Parameter:



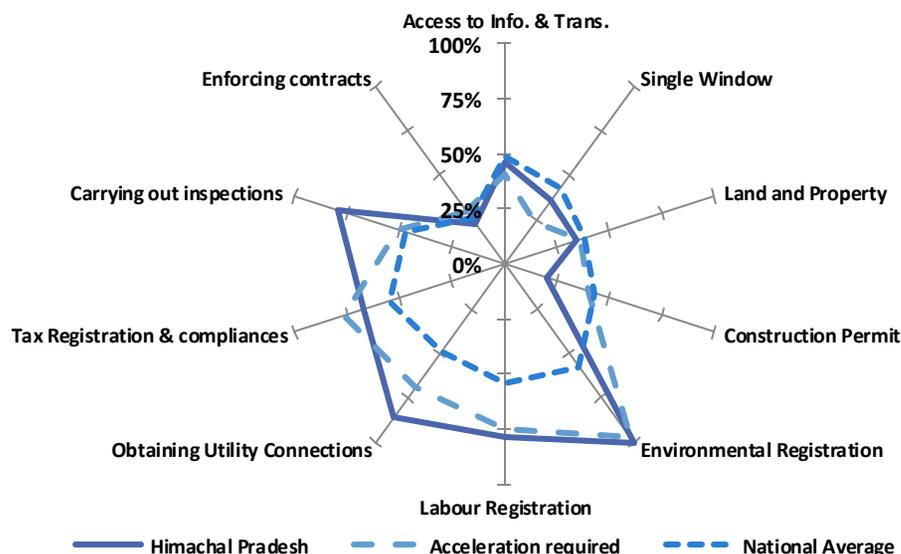
**Achievements this year:**

Delhi was ranked at 19<sup>th</sup> in 2016, compared to 15<sup>th</sup> in 2015. The State performed relatively better on three indicators with a score more than 75% on Environmental Registration (90.32%), Tax Registration and Compliances (85.71%) and Obtaining Utility Connections (78.57%). On Enforcing Contract, the State fared better than its peers due to introduction initiatives on paperless courts.

**Areas of Improvement:**

The State is yet to implement 176 out of the 340 reforms covering all the major areas considered in the assessment.

2016 Performance by Parameter:



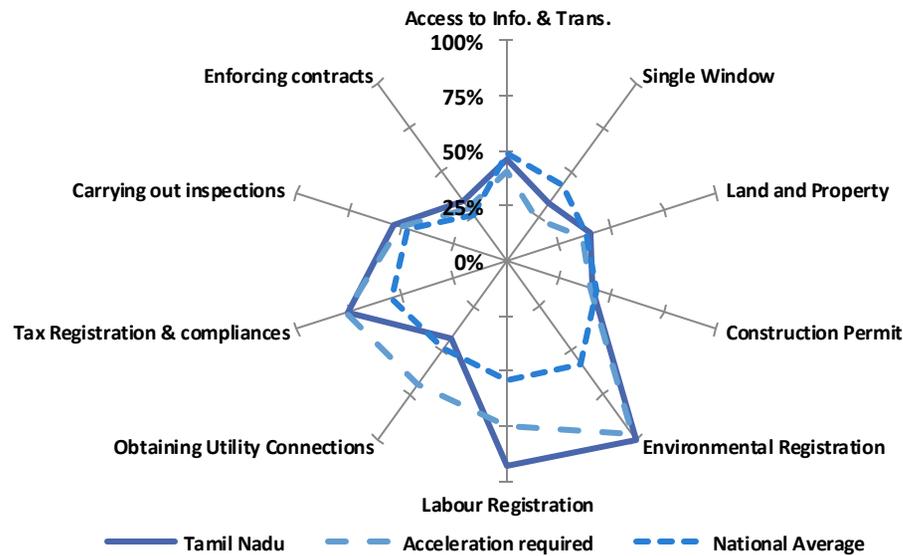
**Achievements this year:**

Himachal Pradesh ranks at 17th in 2016, maintaining its 2015 rank. The State focused on reforms in the areas of Environmental Registration (100%), Obtaining Utility Connections (85.71%), Labour Registration (78.95%), to simply and streamline the registration processes and carried out reforms for various inspections in the State (79.07%).

**Areas of Improvement:**

The state government had successfully implemented 220 points out of 340 points and is yet to address the implementation gap in establishing online single window, conducting land and construction permit reforms, establishing electronic commercial courts.

2016 Performance by Parameter:



**Achievements this year:**

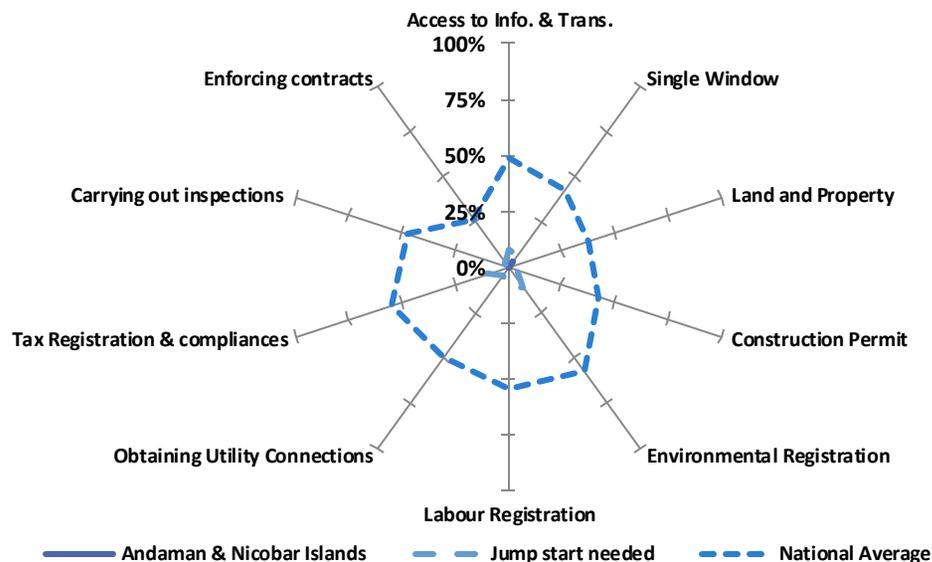
Tamil Nadu has slipped to the 18th rank in 2016, compared to 12th in 2015. The State scored 100% and 92.98% on Environment and Labour Registrations respectively.

**Areas of Improvement:**

The State scored 75.51% on Tax registrations and compliances. The state has been ranked low on reform areas such as Access to Information, Single Window System, Land and Property Registrations, Construction permit enablers, Obtaining Electricity Connection, Carrying out Inspections and Enforcing contracts.

## ANNEX 4: RESULTS BY STATE – JUMP START NEEDED

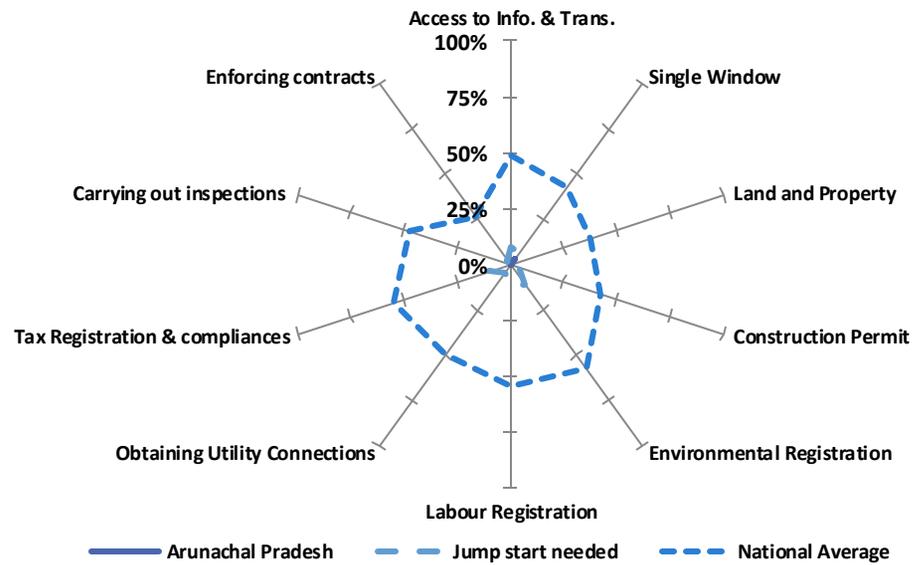
2016 Performance by Parameter:



Achievements this year:

The state did not submit any information or evidence of reform implementation through the portal.

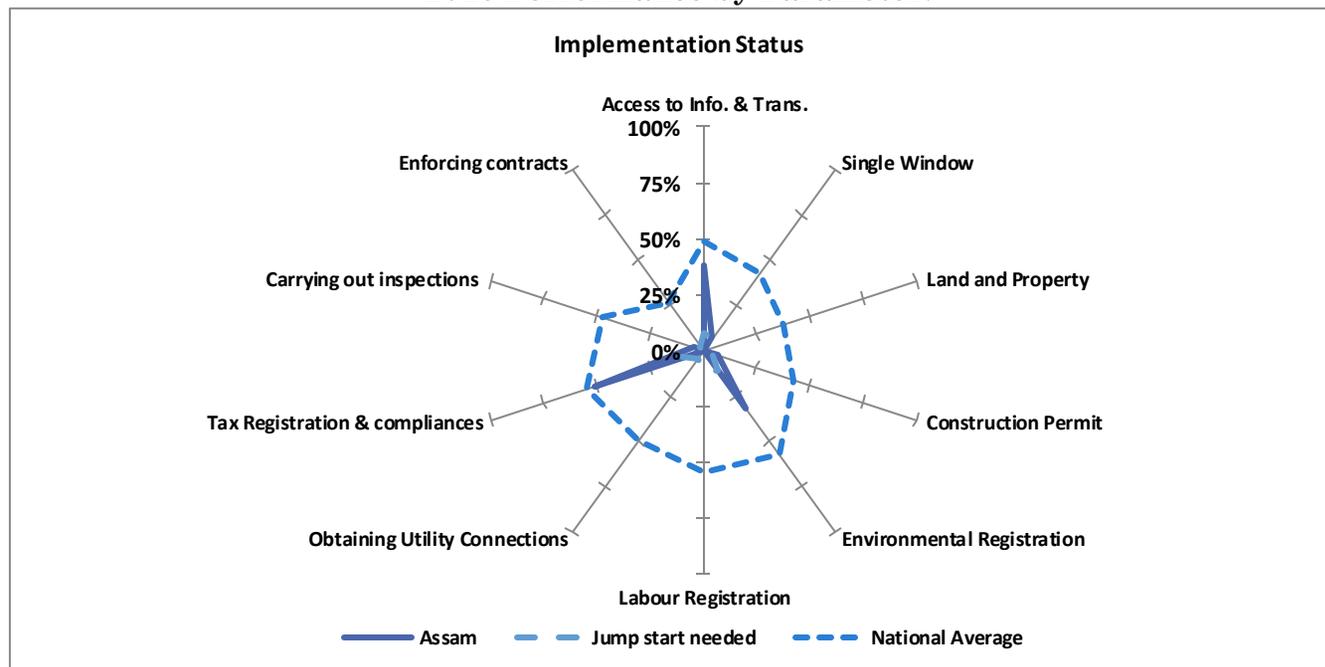
2016 Performance by Parameter:



Achievements this year:

The state did not submit any information or evidence of reform implementation through the portal.

**2016 Performance by Parameter:**



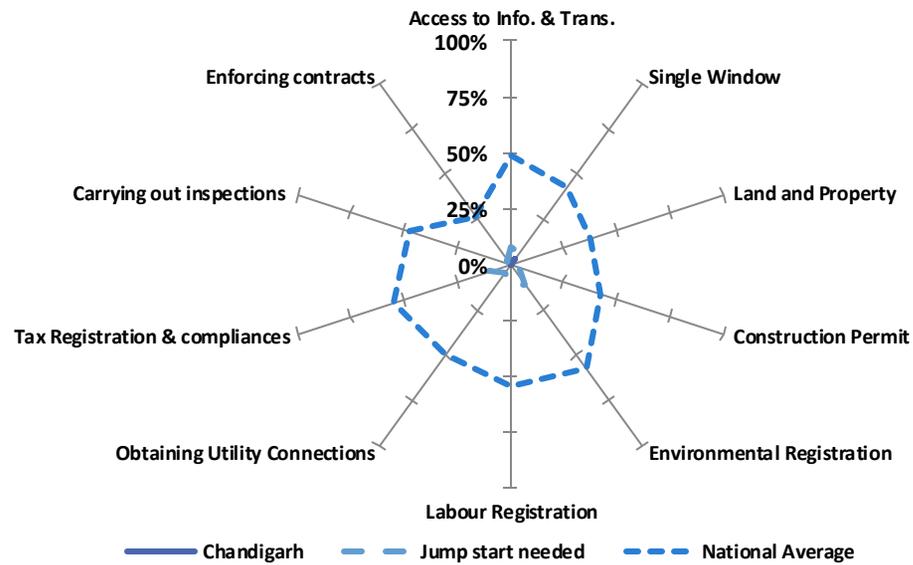
**Achievements this year:**

The state is ranked 24<sup>th</sup> in 2016, compared to 22<sup>nd</sup> in 2016. It has implemented some reforms related to tax registration (51.02%) and access to information (38.46%). It also enacted an Ease of Doing Business Act, shortly after the closing of this assessment.

**Areas of Improvement:**

The state has not implemented 288 of the recommended reforms in the BRAP. It has not implemented any reforms related to land and property registration, labour registration, utility connections or enforcing contracts, and performed poorly on inspections reforms (4.65%) and single window systems (7.14%). However, it should focus on all parameters of the assessment.

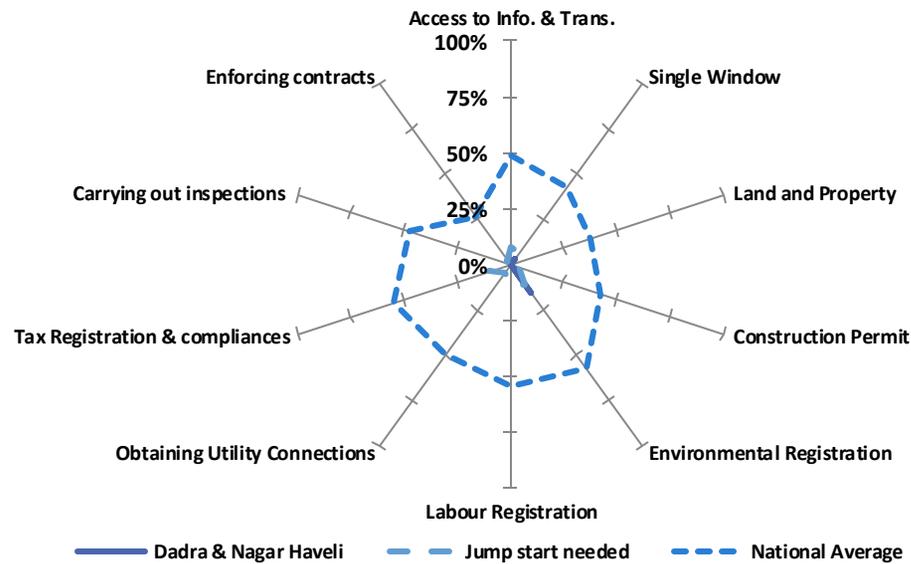
2016 Performance by Parameter:



Achievements this year:

The state did not submit any information or evidence of reform implementation through the portal.

2016 Performance by Parameter:



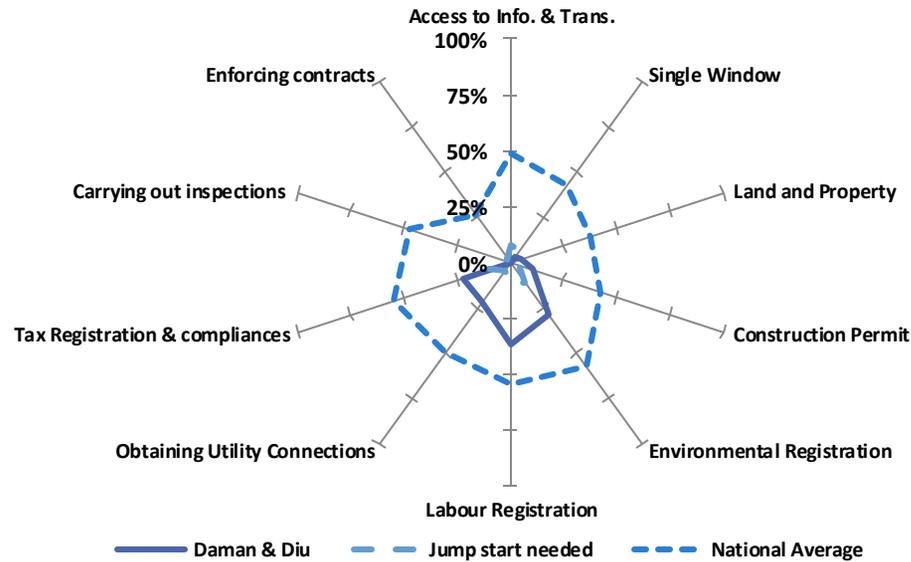
**Achievements this year:**

The state is ranked 25<sup>th</sup> in 2016. It has defined clear timelines for a number of environmental consents.

**Areas of Improvement:**

The state has not reported on the vast majority of the reforms. It should focus on the remaining reform priorities on an urgent basis.

2016 Performance by Parameter:



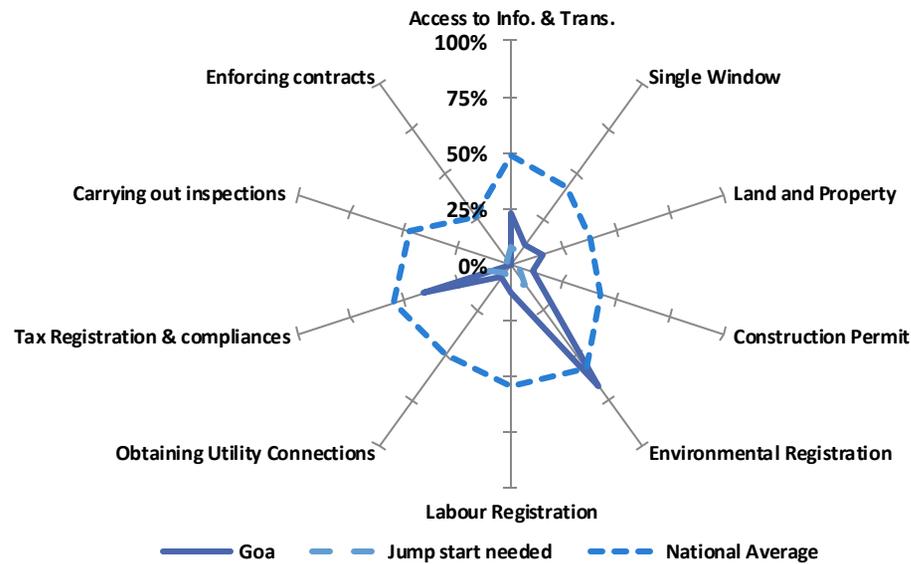
**Achievements this year:**

The state is ranked 23<sup>rd</sup> in 2016. It has implemented some reforms related to labour registration (36.84%) and environmental registration (29.03%).

**Areas of Improvement:**

The state has not implemented 287 of the recommended reforms in the BRAP. It has not implemented any reforms related to access to information, inspections or enforcing contracts, and performed poorly on single window systems (3.57%) and land and property registration (5%). However, it should focus on all parameters of the assessment.

**2016 Performance by Parameter:**



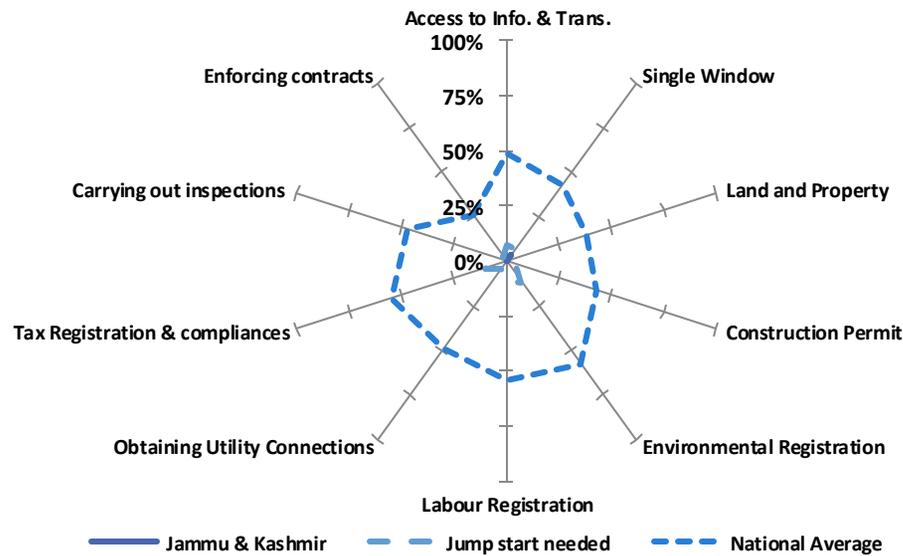
**Achievements this year:**

The state is ranked 21<sup>st</sup> in 2016, compared to 19<sup>th</sup> in 2015. It has established an environmental consent management system (67.74%) and reformed several tax registration and filing systems (40.82%).

**Areas of Improvement:**

The state has not implemented 271 of the recommended reforms in the BRAP. It has not implemented any reforms related to inspections or enforcing contracts, and performed poorly on utility connections (7.14%) However, it should focus on all parameters of the assessment.

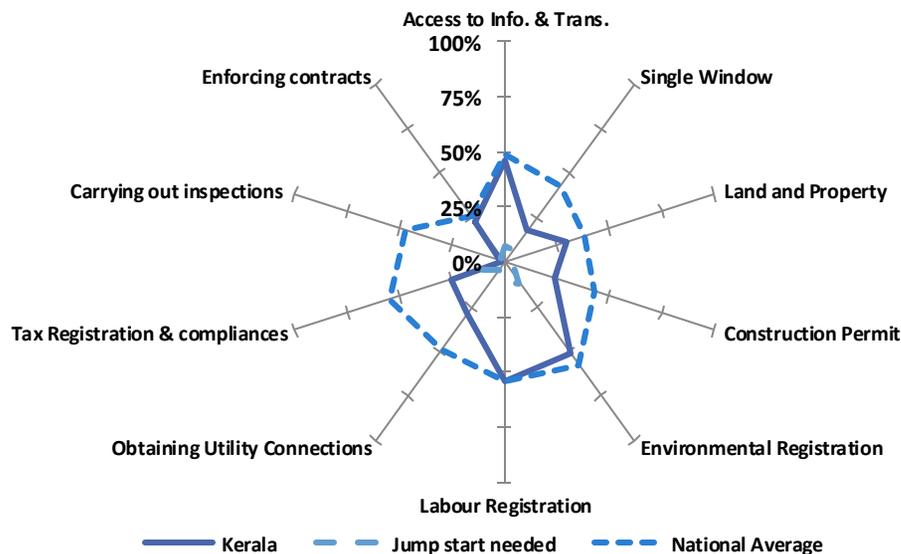
2016 Performance by Parameter:



Achievements this year:

The state did not submit any information or evidence of reform implementation through the portal.

**2016 Performance by Parameter:**



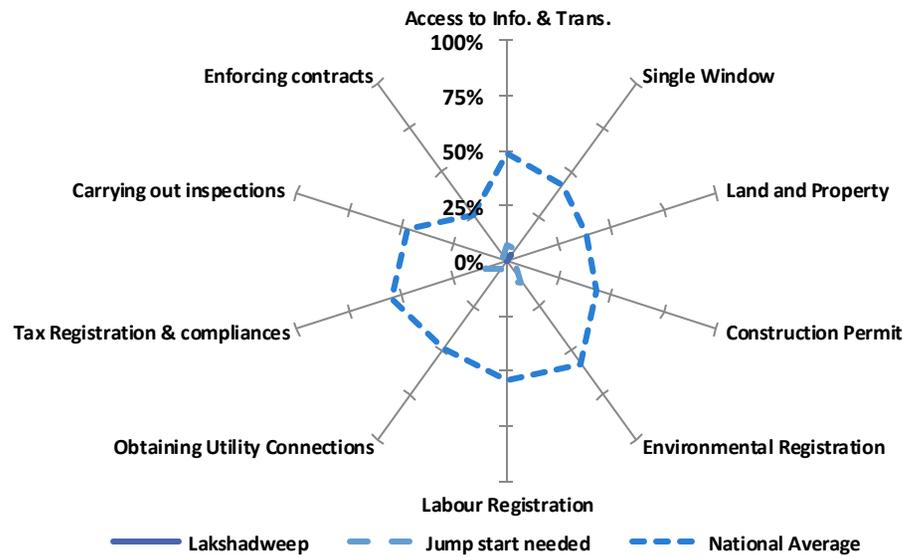
**Achievements this year:**

The state is ranked 20<sup>th</sup> in 2016, compared to 18<sup>th</sup> in 2015. It has established an environmental consent management system (51.61%) and made some progress towards providing greater access to information to businesses on regulatory requirements (46.15%).

**Areas of Improvement:**

The state has not implemented 231 of the recommended reforms in the BRAP. It performs poorly on inspection reforms (1.16%), followed by single window systems (17.86%) and Enforcing Contracts (22.22%). However, it should focus on all parameters of the assessment.

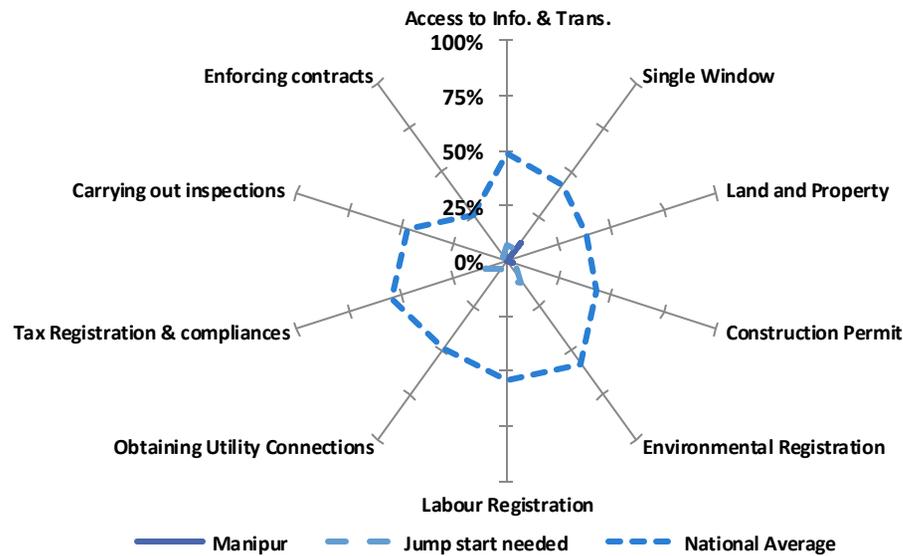
2016 Performance by Parameter:



Achievements this year:

The state did not submit any information or evidence of reform implementation through the portal.

2016 Performance by Parameter:



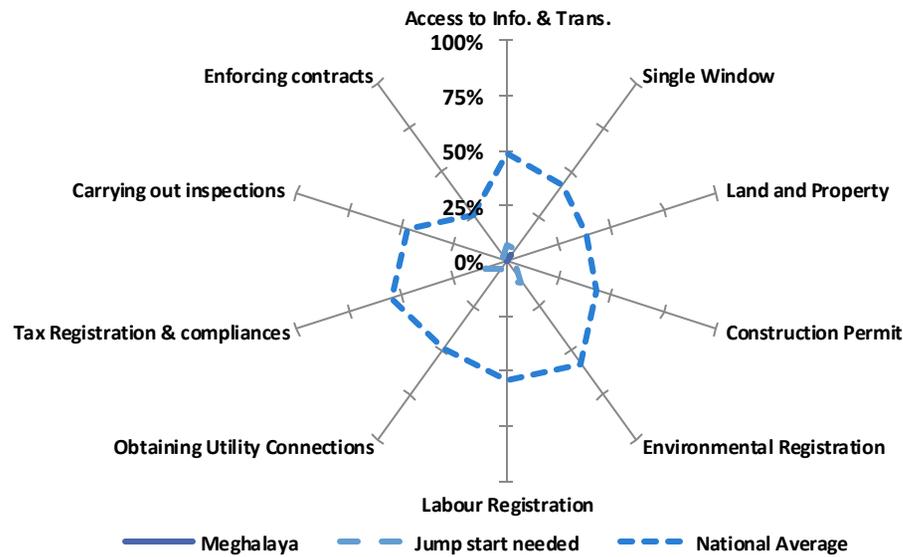
**Achievements this year:**

The state is ranked 28<sup>th</sup> in 2016. It has established a body to serve as the sole point of contact for businesses through a state notification.

**Areas of Improvement:**

The state has not reported on the vast majority of the reforms. It should focus on the remaining reform priorities on an urgent basis.

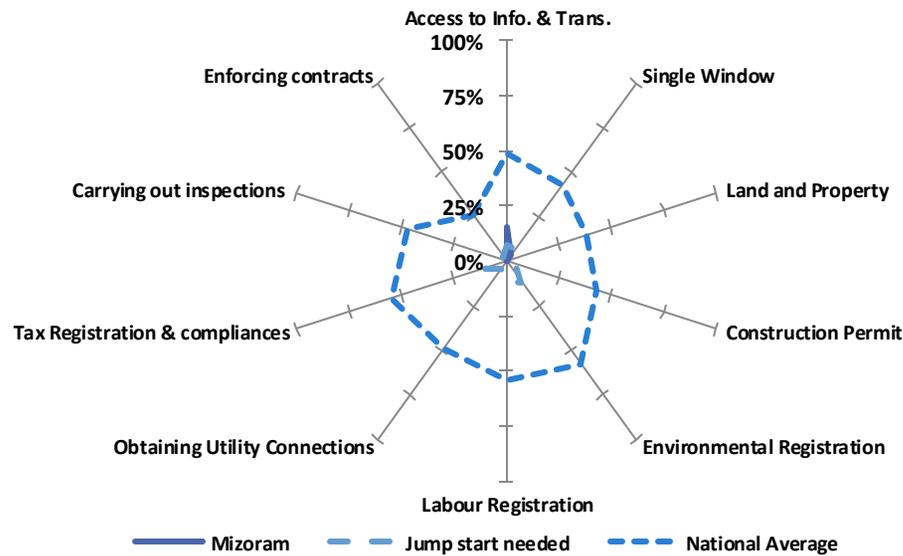
2016 Performance by Parameter:



Achievements this year:

The state did not submit any information or evidence of reform implementation through the portal.

2016 Performance by Parameter:



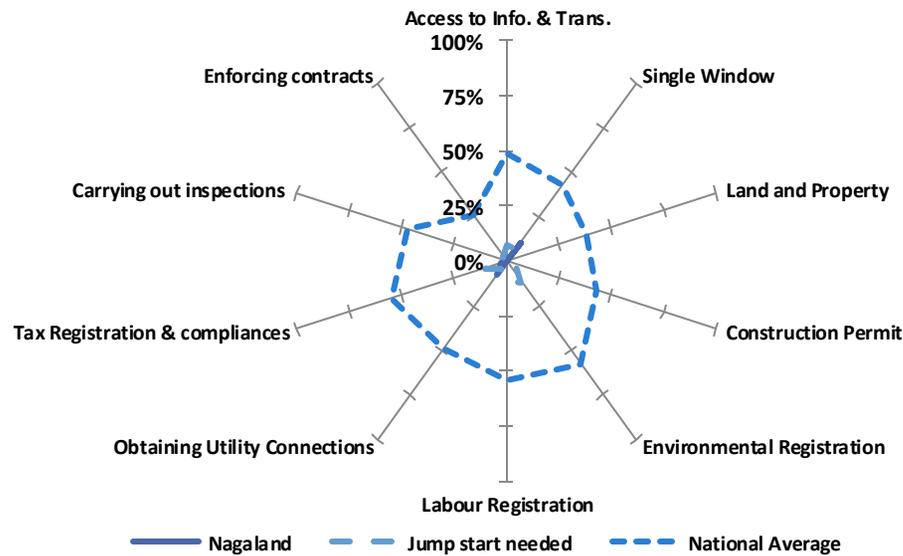
**Achievements this year:**

The state is ranked 28<sup>th</sup> in 2016. It has enacted a time-bound service delivery legislation that penalize officials for non-compliance and clearly lays out grievance redressal procedures.

**Areas of Improvement:**

The state has not reported on the vast majority of the reforms. It should focus on the remaining reform priorities on an urgent basis.

2016 Performance by Parameter:



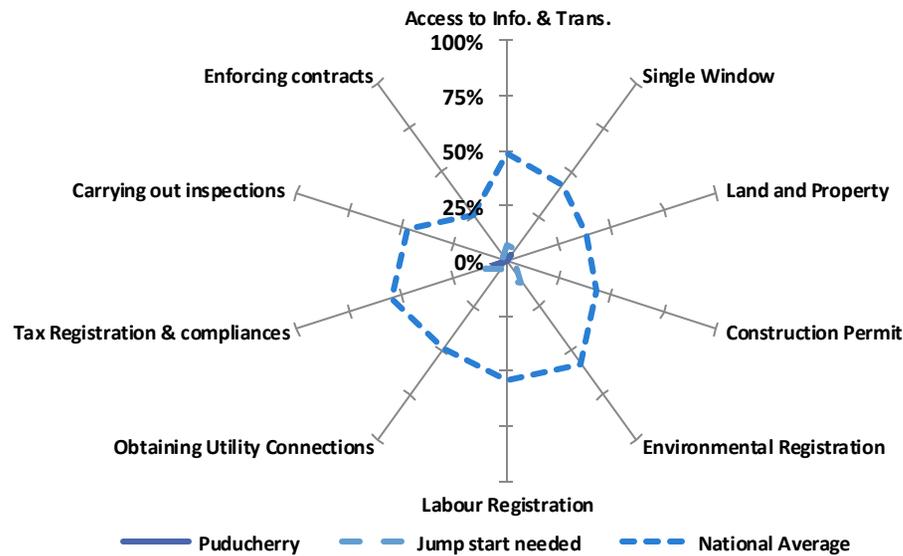
**Achievements this year:**

The state is ranked 27<sup>th</sup> in 2016, compared to 31<sup>st</sup> in 2015. It has established a body to serve as the sole point of contact for businesses through a state notification, and established a helpline filers to address queries in tax filing and return payment.

**Areas of Improvement:**

The state has not reported on the vast majority of the reforms. It should focus on the remaining reform priorities on an urgent basis.

2016 Performance by Parameter:



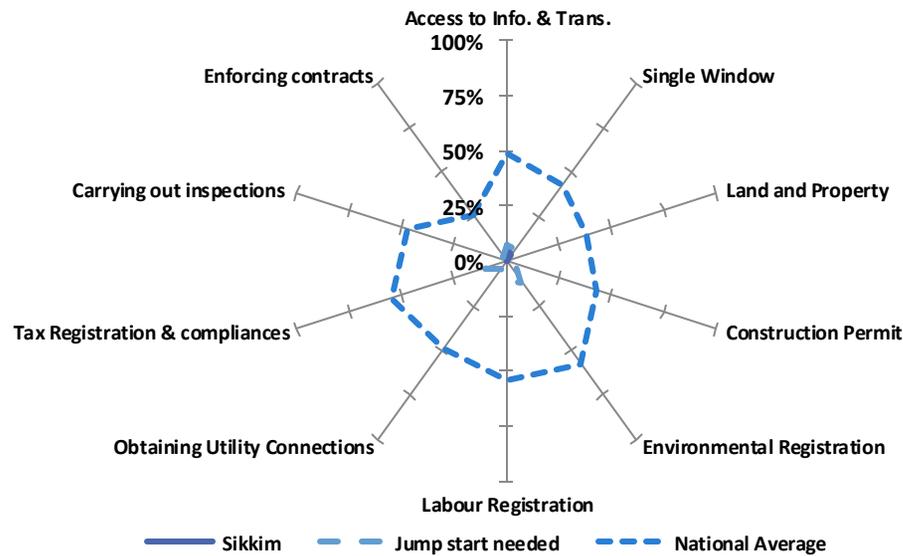
**Achievements this year:**

Puducherry is ranked 26<sup>th</sup> in 2016, down from 20<sup>th</sup> in 2015. It has implemented a system to allow for online payment of several state taxes.

**Areas of Improvement:**

The state has not reported on the vast majority of the reforms. It should focus on the remaining reform priorities on an urgent basis.

2016 Performance by Parameter:



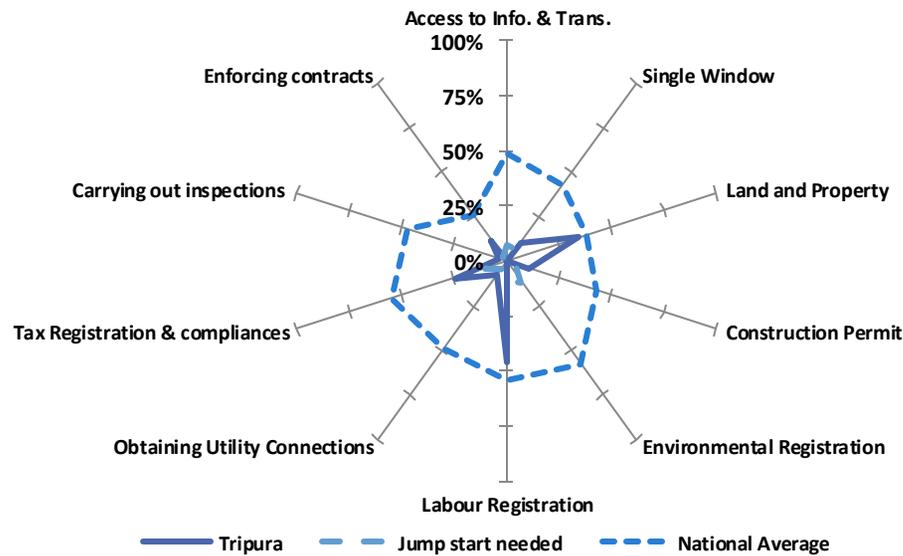
**Achievements this year:**

The state is ranked 30<sup>th</sup> in 2016, down from 27<sup>th</sup> in 2015. It has established a centralized helpline to address queries on licenses and permits.

**Areas of Improvement:**

The state has not reported on the vast majority of the reforms. It should focus on the remaining reform priorities on an urgent basis. It may choose to learn from the experience of Uttarakhand, which has implemented a leading number of reforms although it is also a mountain state.

2016 Performance by Parameter:



**Achievements this year:**

The state has improved its rank from 26<sup>th</sup> in 2015 to 22<sup>nd</sup> in 2016. It has implemented several reforms in Labour Registrations (45.61%) as well as on Land and Property Registration (35.00%).

**Areas of Improvement:**

The state should focus on the remaining reform priorities on an urgent basis.



70  
**Department of Industrial Policy & Promotion**  
Government of India  
Ministry of Commerce & Industry

