सत्यमेव जयते

REPORT NO.

201

PARLIAMENT OF INDIA
RAJYA SABHA

DEPARTMENT RELATED PARLIAMENTARY STANDING COMMITTEE ON COMMERCE

TWO HUNDRED FIRST REPORT

ON

Doing Business in India: The Way Forward

Rajya Sabha Secretariat, New Delhi
August, 2026/ Shravana, 1948 (Saka)

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(Presented to the Rajya Sabha on 7th August, 2026)
(Laid on the Table of Lok Sabha on 7th August, 2026)

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[1] To be appended at later stage.

DEPARTMENT RELATED PARLIAMENTARY STANDING COMMITTEE ON COMMERCE

(Constituted *w.e.f.* 26th September, 2025)

1. Ms. Dola Sen — *Chairperson*

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29. Shri Santosh Pandey
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31. Shri Shreyas M. Patel
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33. Shrimati Anita Subhadarshini
34. Shri Giridhari Yadav
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Smt. Nidhi Chaturvedi, Director
Shri Sreejith V., Deputy Secretary
Smt. Lamneihoi Singsit, Assistant Committee Officer

$ Retired w.e.f 2nd April, 2026 & re-nominated to the Committee w.e.f 23rd July, 2026
% Retired w.e.f 2nd April, 2026
@ Nominated w.e.f 3rd June, 2026
*** Nominated w.e.f 3rd June, 2026 and Resigned w.e.f 18th July, 2026**
^ Nominated w.e.f 23rd July, 2026

PREFACE

I, the Chairman of the Department Related Parliamentary Standing Committee on Commerce, having been authorised by the Committee, present this Two Hundred First Report on the subject 'Doing Business in India: The Way Forward'.

2. The Committee selected the subject for detailed examination on 12th November, 2024 and the same was notified *vide* Parliamentary Bulletin Part-II dated 22nd November, 2024. As a part of examination of the subject, the Committee considered the subject in detail in its four meetings wherein it heard the views of representatives of Department for Promotion of Industry and Internal Trade (DPIIT) and Department of Commerce (DoC), Ministry of Commerce and Industry; Government e-Marketplace (GeM); Ministry of Ports, Shipping and Waterways (MoPSW); Ministry of Electronics And Information Technology (MEITY); Ministry of Micro, Small & Medium Enterprises(MSME); Ministry of Environment, Forest And Climate Change (MoEFCC); Ministry of Road Transport and Highways (MoRTH); Railway Board, Ministry of Railways (RB, MoR); Ministry of Civil Aviation (MoCA); Vidhi Centre for Legal Policy; Society of Indian Automobile Manufacturers (SIAM); Federation of Freight Forwarders Associations In India (FFFAI); Consortium of Women Entrepreneurs Of India (CWEI); Retailers Association of India (RAI); Association of Multimodal Transport Operators of India (AMTOI); The Air Cargo Agents Association of India (ACAAI); Warehousing Association of India (WAI); Air Cargo Forum India (ACFI); All India Liquid Bulk Importers and Exporters Association (AILBIEA); Confederation of India Industry (CII); Federation of Indian Chambers of Commerce and Industry (FICCI); and Federation of Indian Export Organisations (FIEO).

3. The Committee also undertook a study visit to the Union Territories of Jammu & Srinagar and Ladakh 15th to 17th September, 2025 on the subject where it interacted with various stakeholders and representatives of the Union Territories of Jammu & Kashmir and Ladakh.

4. The Committee considered the draft Report and adopted the same at meeting held on 5th August, 2026.

NEW DELHI;
5th August, 2026
14 Shravana, 1948 *(Saka)*

MS. DOLA SEN
Chairperson,
Department Related Parliamentary
Standing Committee on Commerce
Rajya Sabha.

ACRONYMS

ACAAI	Air Cargo Agents Association of India
ACFI	Air Cargo Forum India
ADB	Adjudicatory Board for Major Ports
ADAS	Advanced Driver Assistance Systems
AEO	Authorized Economic Operator
AILBIEA	All India Liquid Bulk Importers and Exporters Association
AI	Artificial Intelligence
AMTOI	Association of Multimodal Transport Operators of India
API	Application Programming Interface
BE	Budget Estimates
B-READY	Business Ready
BRAP	Business Reform Action Plan
BRAP+	Business Reform Action Plan Plus
CBIC	Central Board of Indirect Taxes and Customs
CETP	Common Effluent Treatment Plant
CII	Confederation of Indian Industry
DBR	Doing Business Report
DGCA	Directorate General of Civil Aviation
DISCOM	Distribution Company
DPI	Digital Public Infrastructure
DPIIT	Department for Promotion of Industry and Internal Trade
EoDB	Ease of Doing Business
EPFO	Employees' Provident Fund Organisation
FFFAI	Federation of Freight Forwarders' Associations in India
FICCI	Federation of Indian Chambers of Commerce and Industry
FIEO	Federation of Indian Export Organisations
FTP	Foreign Trade Policy
GeM	Government e-Marketplace
GMV	Gross Merchandise Value
GST	Goods and Services Tax
GTKM	Gross Tonne Kilometre
HTML	HyperText Markup Language
ICT	International Courier Terminal
iVTMS	Indigenous Vessel Traffic Management System
JV	Jan Vishwas
KVA	Kilovolt-Ampere
MAITRI	Maritime and Allied Interdisciplinary Training and Research Initiative

MCGM	Municipal Corporation of Greater Mumbai
MCD	Municipal Corporation of Delhi
MDCoE	Maritime Digital Centre of Excellence
ML	Machine Learning
MLFF	Multi-Lane Free Flow
MoPSW	Ministry of Ports, Shipping and Waterways
MoRTH	Ministry of Road Transport and Highways
MSE	Micro and Small Enterprise
MSME	Micro, Small and Medium Enterprise
NCAP	New Car Assessment Programme
NoC	No Objection Certificate
NSWS	National Single Window System
NTFAP	National Trade Facilitation Action Plan
OECD	Organisation for Economic Co-operation and Development
ONOD	One Nation One Documentation
ONOP	One Nation One Port Process
PAN	Permanent Account Number
PGA	Partner Government Agency
PIB	Press Information Bureau
PWD	Public Works Department
RBI	Reserve Bank of India
RCB	Reducing Compliance Burden
RoW	Right of Way
SHG	Self-Help Group
SIAM	Society of Indian Automobile Manufacturers
SLA	Service Level Agreement
SPICe+	Simplified Proforma for Incorporating Company Electronically Plus
SWS	Single Window System
TDS	Tax Deducted at Source
TReDS	Trade Receivables Discounting System
ULIP	Unified Logistics Interface Platform
UT	Union Territory
VAHAN	Vehicle Registration Database (VAHAN Portal)
VIDHI	Vidhi Centre for Legal Policy
WAI	Warehousing Association of India
WDRA	Warehousing Development and Regulatory Authority

REPORT

INTRODUCTION

1.1. Ease of Doing Business (EoDB) is a critical determinant of entrepreneurship, innovation, investment and sustainable economic growth. A predictable, transparent, and efficient regulatory environment not only enhances investor confidence but also promotes job creation, formalization of enterprises and competitiveness of domestic industry.

1.2. Over the past decade, the Government of India has placed significant emphasis on improving the business regulatory environment and legislative environment of the country. The Government has been actively engaged in improving the Ease of Doing Business environment in the entire country. To enhance the business atmosphere in India, attract investments and stimulate economic growth and to foster a regulatory framework that is more business-friendly, Central Government has taken several initiatives under the flag-ship programme of Ease of Doing Business. Key initiatives undertaken by the Government includes Business Reform Action Plan (BRAP), Business-Ready assessment, Jan Vishwas, Reducing Compliance Burden (RCB) on Businesses and Citizens and National Single Window System (NSWS). Under the RCB initiative, a 4-pronged strategy focusing on Simplification, Digitalization, Decriminalization and the Elimination of Redundant Laws has successfully reduced over 47,000 compliances over the last five years. Further, under provisions of the landmark Jan Vishwas (Amendment of Provisions) Act decriminalized provisions of the Bill, 784 provisions across 79 Central Acts administered by 23 Ministries have been amended. Of these, 717 provisions have been decriminalized to promote Ease of Doing Business, while 67 provisions have been amended to facilitate Ease of Living. Further, the Government is conducting the Cost of Regulation (CoR) exercise. This framework objectively measures the administrative burden on businesses by evaluating five distinct components namely Time Cost, Substantive Cost, Intermediary Cost, Delay Cost and Statutory Cost, with the ultimate goal of mapping and reforming administrative pain points. The National Single Window System reduces approval timelines, secures document repositories, and enables faster query management. The system integrates approval processes across 32 Central Departments and 34 State Governments and provides access to over 686 central and 7,498 state approvals.

1.3. Owing to these efforts, India's global Doing Business ranking improved sharply and consistently from the 142^{nd} position in 2015 to the 63^{rd} position (out of 190 economies) in 2020. The country has continued to maintain its march to improvement, which is evident from its 6-position improvement to 37^{th} rank (out of the 63-nation list) in 2022 on the annual World Competitiveness Index of Institute of Management Development (IMD). A core catalyst behind this sustained administrative growth is the explosive expansion of the domestic startup ecosystem under the Government's relaxed onboarding regimes, recognized startups grew from a mere 502 in 2016 to over 2.23 lakh by early 2026, directly creating 23.3 lakh formal jobs and driving localized entrepreneurial innovation.

1.4. Although notable progress has been made, several challenges continue to persist. India has undertaken substantial reforms to enhance the ease of doing business but certain areas still lag behind and require improvement. Given the importance of a supportive business environment to the nation's economic development, the Committee decided to take up the subject for detailed examination. Over the course of interactions with various stakeholders on the subject, the Committee gained valuable insights into the ground realities and the difficulties faced by businesses and the specific areas where ease of doing business initiatives can be further improved. To systematically address the bottlenecks at the grassroots, the Committee noted the expansion of the 'Districts as Export Hubs' initiative, which shifts regulatory de-cluttering and supply-chain infrastructure development directly to the district level to unlock decentralized MSME potential.

1.5. In this context, the Committee decided to take up the subject "Doing Business in India: The Way Forward" to assess the effectiveness of ongoing reforms, identify bottlenecks faced by stakeholders and suggest measures to further strengthen India's business ecosystem.

INITIATIVES OF THE GOVERNMENT

Key initiatives of DPIIT

2.1. The Committee was informed that DPIIT is the nodal Department for coordinating Ease of Doing Business initiatives across Ministries, Departments and States/UTs. The Department has spearheaded several reform measures, including Reducing Compliance Burden, Business Reform Action Plan, Single Window Systems, Decriminalisation through the Jan Vishwas framework and coordination of India's participation in the World Bank's Business Ready (B-READY) assessment.

REDUCING COMPLIANCE BURDEN (RCB)

2.2. The Committee was apprised that under the Regulatory Compliance Burden (RCB) initiative, DPIIT works with various Ministries, Departments and States/UTs to reduce the compliance burden on citizens and businesses. The goal is to enhance Ease of Doing Business and Ease of Living through following four key strategies:

- Simplification of procedures, approvals, rules, etc.
- Elimination of redundant laws/processes
- Digitization of approvals/procedures/inspections etc.
- Decriminalization of minor, technical or procedural defaults

2.3. DPIIT also launched Regulatory Compliance Portal (RC Portal) in 2021 to record the compliances and action taken regarding RCB by all Ministries/Departments and States/UTs. Every Ministry/Department and State/UT is asked to conduct a comprehensive review of compliances under their purview to understand their relevance and rationale and undertake a complete process re-engineering to eliminate burdensome compliances. To structurally enforce this across States, the Government formally linked the RCB framework with the broader Business Reforms Action Plan (BRAP) 2024 and BRAP Plus frameworks, ensuring that State-level regulatory metrics directly influence the final national EoDB rankings.

2.4. Central Ministries/Departments and States/UTs actively engaged in self identification exercises, successfully reducing over 47,000 compliances. Out of the total reduced compliances, 16,108 compliances have been simplified, 22,287 compliances are digitized, 4,458 compliances are decriminalized and redundancy has been removed in 4270 compliances. DPIIT analyzed over 42,000 reduced compliances and mapped more than 670 unique Acts across various States. Based on this analysis, 23 Acts were included in the RCB Plus initiative, under which more than 10 States/UTs have reduced compliances. Further, under the RCB+ initiative, 4,846 compliances have been reduced out of 6,262 identified compliances across 23 Acts commonly implemented by States/UTs.

2.5. DPIIT conducted a study to streamline the Time, Documents and Steps (TDS) requirements for 35 services across 36 states and UTs to evaluate the "effectives of reforms" using publicly available data. The analysis focused on three key areas: the time taken for approval, the documents required and the steps involved in the approval process. The results revealed variations in the approval times, redundancies in document requirements and unnecessary procedural steps, highlighting the potential for process optimization to enhance predictability and efficiency for investors. TDS findings have been shared with States/UTs for further reducing the time, steps and document required in availing a service. Following these TDS assessments, DPIIT mandated that all States to implement standard transactional dashboards displaying extended historical records, thereby preventing repetitive data submission and eliminating hidden procedural steps for incoming investments.

2.6 In addition to decriminalisation reforms, the Government has introduced several complementary measures across sectors and States. Some of them include:

- The Environment (Protection) Act, 1986, the Air (Prevention and Control of Pollution) Act, 1981 and the Indian Forest Act, 1927 and the criminal Provisions of the Water (Prevention and Control of Pollution) Act, 1974 have been decriminalised. These have rationalised minor offences to further enhance trust-based governance for ease of living and doing business.
- The Task Force on Compliance Reduction and Deregulation was constituted in January 2025 to simplify regulations across States and Union Territories. It identified priority areas across five sectors, including land use, construction, labour, utilities, permissions, and overarching priorities. These sectors account for a significant share of regulatory interactions affecting businesses across the country. Since March 2025, three rounds of Task Force visits have been undertaken across States and Union Territories. The visits focused on cross-agency coordination, problem-solving with States, and real-time learning for regulatory reforms.
- The Reserve Bank of India also consolidated over 9,000 circulars and guidelines into 238 function-specific Master Directions. It is for different categories of regulated entities. Under this initiative, 9,446 circulars are being repealed, consolidated, or deemed obsolete to improve regulatory clarity and ease of doing business.

2.7. On a query of the Committee about the effectiveness of RCB initiative's outcome, the Department replied that DPIIT has undertaken a comprehensive and multi-phased approach to regulatory reform aimed at enhancing the ease of doing business across India. Under the RCB Initiative, over 47,000 compliance requirements have been reduced, simplified, digitized or eliminated across Central Ministries, Departments and States/UTs. These reforms span across key legislations including labour laws, environmental regulations and commercial licensing frameworks. To ensure these reforms translate into measurable outcomes, DPIIT has launched the Cost of Regulation (CoR) 2.0 framework, which transitions from the initial theoretical pilot project to a data-driven implementation phase based on the internationally recognized Standard Cost Model (SCM). The updated CoR 2.0 framework includes:

(i)Nationwide surveys to measure the administrative cost burden of compliance across critical sectors.

(ii) Engagement with survey agencies to collect data from industry users, intermediaries and experts across all States/UTs.

(iii) Creation of a comprehensive dataset to help States self-assess and identify areas for further reformwith the ultimate objective of integrating these findings into a unified State-level Cost of Doing Business (CoDB) Index to benchmark regulatory efficiency.

STRUCTURAL BOTTLENECKS IN INDIA'S BUSINESS ECOSYSTEM

I. Regulatory Compliance Burden

3.1. The Committee was informed by stakeholders that despite multi-phased central deregulation efforts, the absolute volume of business compliances remains an overbearing friction point for domestic enterprise interface. Such as a typical firm operating in India must currently navigate an archaic and disconnected web of regulations consisting of 1,536 distinct Acts, which collectively impose 69,233 separate compliance requirements and mandate 6,618 independent statutory filings across the three tiers of Government. The stakeholders apprised the Committee that while pan-India rationalization drives have successfully neutralized over 40,000 regulatory obligations, the survival of overlapping rules continues to inflate fixed operational costs and suppress long-term capital deployment. The stakeholders informed that the Government has enacted the 4 Labour Codes which combine 29 Central laws and hold the potential to reduce compliance. However, once fully implemented significant hurdles remain. As labour is a concurrent subject, each Central law is accompanied by a range of State-specific legislations, along with both Central and State regulations, adding layers of complexity to the legal landscape. Stakeholders highlighted that due to this slow transition, corporate entities are still structurally bottlenecked by having to concurrently comply with 44 separate Central statutes and more than 100 distinct State-specific Labour laws, each maintaining its own independent reporting cycles, standard registers and manual compliance procedures.

II. **Timeline Adherence and Single-Window Automation**

3.2. The Committee was further apprised of failures regarding administrative timeline discipline across regulatory agencies. It was informed by stakeholders that although a clear majority of State governments have enacted Right to Services or Public Service Guarantee Acts, the lack of an overarching Central legislative backup coupled with the absence of automated, system-triggered "deemed approval" mechanisms renders these statutory timelines practically ineffective. This breakdown severely compromises the utility of the National Single Window System (NSWS) launched in 2021. The entry and operational phases of businesses are compromised because critical line approvals and business renewals remain outside the absolute domain of the NSWS. Further, industry interactions revealed severe fragmentation across environmental clearance windows. The Committee was informed that a single project must typically engage with multiple disconnected authorities because five separate, un-harmonized environmental acts (related to Environment, Forest, Wildlife, Air and Water) operate in absolute isolation.

III. **Judicial Gridlock and Exit-Phase Bottlenecks**

3.3. The Committee was informed by stakeholders regarding the structural collapse of dispute resolution timelines that deters international investor confidence. Citing historical data trackers, the Committee was informed that resolving a standard commercial dispute through a local court of first instance in India consumes an average of 1,445 days nearly three times the average duration seen across Organisation for Economic Co-operation and Development (OECD) high-income economies. This judicial stagnation is fed by a broader national pendency baseline exceeding 5 crore cases, with the National Judicial Data Grid (NJDG) revealing that over 97,000 civil and commercial disputes have remained continuously unresolved at the district court level for more than several years. The Committee was further apprised that this gridlock cannot be mitigated through Alternative Dispute Resolution (ADR) paths or administrative tribunals due to a total lack of centralized data management. The absence of structured tracking for cases routed through arbitration, mediation or individual boards prevents data-driven policy interventions to clear localized bottlenecks. Compounding these exit-phase delays, corporate testimonies revealed that debt resolution and capital reclamation under the Insolvency and Bankruptcy Code (IBC) has stalled significantly. This is primarily because National Company Law Tribunal (NCLT) benches are concurrently burdened with routine, low-value company law matters, leaving them unable to dedicate uninterrupted judicial attention to high-value insolvency restructuring.

IV. **Fiscal Compliance Overreach**

3.4. The stakeholders emphasized that the friction between policy design and field-level execution is highly pronounced within the country's tax administration architecture, causing severe, artificial drains on corporate liquidity. In the direct tax domain, industry representatives informed the Committee that entities face non-stop classification and characterization disputes. This is driven by an overly complex and highly fragmented Tax Deducted at Source (TDS) framework that applies vastly mismatched tax rates and overlapping transaction thresholds onto B2B payments. Simultaneously, under the indirect tax architecture, severe operational friction impacting multi-location domestic firms was highlighted. The Committee was informed that under Reverse Charge Mechanism (RCM) guidelines, businesses are legally prohibited from utilizing their accumulated balances within the Electronic Credit Ledger (ECRL) to settle GST liabilities, forcing them to exhaust vital working capital out of their Electronic Cash Ledger (ECL) instead. Further, the rigid, jurisdictional isolation of the Goods and Services Tax Network (GSTN) prevents companies from executing fluid, cross-state transfers of accrued tax credits between separate GSTIN branches operating under the exact same Permanent Account Number (PAN), locking up billions in un-utilizable credit and directly degrading industrial competitiveness.

OBSERVATION/RECOMMENDATION

3.5. The Committee notes that under the Reducing Compliance Burden initiative, DPIIT has coordinated with Central Ministries and States/UTs to simplify procedures, remove redundant provisions, digitize approvals and inspections and decriminalize minor and technical defaults. As a result, over 47,000 compliances across Central and State legislations have been reduced, simplified, digitized, or decriminalized. The Committee also appreciates the

launch of the Regulatory Compliance Portal, which has enabled systematic tracking and monitoring of compliance reforms.

3.6. The Committee recommends that the Department may undertake periodic third-party evaluations of these reforms to assess their on-ground impact on businesses. The Committee also recommends that the Department may strengthen the Regulatory Compliance Portal by integrating real-time grievance redressal and performance metrics to ensure effective implementation of compliance reforms at the ground level.

3.7. The Committee is of the view that rigorous efforts should be made to ensure that redundant or overlapping licences are merged or remove so as to avoid duplicacy of work. The Committee notes that manufacturing facilities face distinct overlapping disruptions from separate departments conducting parallel inspections under independent laws, The Committee, therefore, recommends that DPIIT must transition from discretionary administrative checking to an automated Joint Site Inspection framework, shifting lower-risk sectors entirely toward third-party certifications and trust-based self-reporting regimes.

3.8. The Reducing Compliance Burden (RCB) programme has achieved notable progress at the Central level, but local-level compliances remain unaddressed in many States. Therefore, the Committee recommends that the Department may develop sector-specific compliance roadmaps, in consultation with industry and State Governments, to address regulatory bottlenecks unique to different sectors.To institutionalize this integration at the lowest tier of governance, the Committee recommends the immediate expansion of the District Business Reform Action Plan (D-BRAP), ensuring that all State line-department approvals, business renewals and exit filings under the Insolvency and Bankruptcy Code (IBC) migrate onto a single transactional dashboard linked

directly to the National Single Window System (NSWS) platform with mandatory 'deemed approval'.

3.9. **Further, the Committee observes that complex fiscal execution frameworks continue to freeze vital corporate liquidity. To lower these operational overheads, the Committee recommends the Department to coordinate with the Ministry of Finance to rationalize and group the overly fragmented Tax Deducted at Source (TDS) parameters into simplified, uniform standard bands. The Committee is also of the view that the Department must work to remove working capital blockages by exploring mechanisms to allow GST liabilities under the Reverse Charge Mechanism (RCM) to be serviced through the Electronic Credit Ledger (ECRL), while enabling the fluid transfer of unutilized input tax credits between separate GSTIN branches registered under the exact same Permanent Account Number (PAN).**

3.10. In addition, during the course of deliberations on the subject, stakeholders drew the Committee's attention to specific instances of compliance burden. Some of the key issues identified at the centre and state level, along with the justifications and suggestions submitted by stakeholders, are summarized below:

Delays in Approvals

During the course of deliberations, stakeholders informed the Committee that delays in approvals and multiple regulatory requirements continue to increase the compliance burden for businesses. The major issues highlighted are as follows:

Centre Level Issues

I. Merger of Departments

3.11. The stakeholders informed the Committee that several regulatory authorities perform similar functions, leading to duplication of approvals and inspections. They suggested merging departments such as the Factory Inspectorate, PESO, the Labour Department, the Boiler Inspectorate and the Department of Weights and Measures to streamline the approval process, the administrative practice of opening a separate department in the event a new legislation or law is enacted must be stopped.

II. Unified Environmental Windows

3.12. The stakeholders submitted that environmental approvals require clearances from multiple authorities. They suggested a single-window system for wildlife, forest, and coastal clearances under the Environmental Impact Assessment (EIA) Notification/Paragraph-2 framework.They also suggested that a single EIA should be sufficient for the whole area of industrial parks, SEZs and industrial estates considering the type of industries planned, restricting project-wise.

III. Decentralization of Forest Land

3.13. Routine forest clearances for the diversion of forest land for non-forest use under Section 2 of the Forest Conservation Act may be delegated to State Governments. Further, the Ministry of Environment, Forest and Climate Change (MoEFCC) should grant clearances only for projects involving large-scale displacement, inter-State boundaries or major public importance such as mining, river valley projects, dams and National Highways.

IV. Threshold-Linked License Extensions for Gas Storage

3.14. Licensing requirements under the Gas Cylinder Rules (2004) involve frequent renewals and lengthy procedures. They apprised the Committee that a license is currently required under Rule 43 for storing more than 5 flammable/toxic cylinders or more than 25 flammable/non-toxic cylinders, irrespective of the size of the industry. They suggested that the minimum number of cylinders should be fixed dynamically based on the scale of the facility and the application process should shift to an online platform with a validity of 5 years, supported by annual declarations or self-certifications.

V. Power Transmission Licensing

3.15. The Committee was apprised that obtaining licences for the transmission of surplus electricity is a cumbersome process under Sections 14 and 15 of the Electricity Act, 2003, involving excessive documentation and multi-level departmental follow-ups. They suggested that the licensing requirement for industries with captive power generation facilities should be eliminated, allowing them to sell surplus power to other industries within a localized industrial belt of 3 to 5 kilometers based on simplified guidelines and annual self-certification.

State Level Issues

I. Consolidation of Construction Permits and Regional NOCs

3.16. Stakeholders informed the Committee that multiple No Objection Certificates (NOCs) are required from separate departments before starting construction, as well as during master plan approval, building plan approval and for obtaining completion certificates, causing severe project completion delays. The stakeholders suggested introducing a single NOC for construction within master plan areas or a digital single-window clearance system to expedite the construction-permit process.

II. Fire Safety Frameworks

3.17. It was suggested that renewable energy projects, such as solar parks and wind farms are required to obtain Fire NOCs from respective State Fire and Emergency Services, despite their relatively low fire risk compared to traditional high-hazard manufacturing. Permitting trust-based self-certification for smaller renewable projects under 200 MW, paired with periodic audits every 3 years by the fire department may be explored while reserving fast-track, simplified approval procedures for high-risk spaces like battery energy storage systems (BESS) and substations.

III. National Building Code (NBC)

3.18. Additional requirements imposed by local authorities and municipal bodies over and above the National Building Code (NBC) create deep policy uncertainty and delay project approvals. Uniform adoption of national standards across all state lines and digital single-window clearance systems to process permits electronically and minimize manual interface may be made applicable.

IV. Ambiguity under the Factories Act

3.19. Stakeholders highlighted a severe structural ambiguity regarding the applicability of the Factories Act, 1948 and accompanying State Factory Rules to clean energy deployments like wind farms, solar parks, and Battery Energy Storage Systems (BESS). It was informed to the Committee that because legacy factory regulations were designed strictly for traditional manufacturing, they create an unnecessary administrative burden. Creating a separate regulatory category for renewable energy under factory rules, introducing a self-certification mechanism that completely exempts solar and wind sites under 50 MW from standard licensing and simplifying health and safety rules based on actual occupational hazards may be explored.

V. Inter-State Recognition of Inspection Certificates

3.20. Certifications issued by competent authorities in one State is frequently rejected upon crossing borders into adjacent jurisdictions, noting that lifting tools, hoists and tackles certified as safe in Maharashtra are not recognized in Gujarat, leading to highly redundant and expensive duplication of testing efforts under respective State Factory and BOCW rules. The need is establishment of a national framework for mutual recognition agreements (MRAs) between States to standardize third-party inspection (TPI) metrics and eliminate administrative duplication.

VI. Structural Building Height Caps

3.21. The height restrictions prescribed under the National Building Code (NBC) which strictly limits high-hazard (G-3) and Group J hazardous industrial installations to a maximum of 15 metres are completely unsuitable for modern semiconductor fabrication facilities and automated production lines that require clear building heights exceeding 40 metres to house complex vertical machinery. Revising the norms to formulate flexible vertical guidelines aligned with international IBC (International Building Code) H5 occupancy and safety codes to permit industrial heights over 30 metres would help in setting up industries as per their requirement.

VII. Overtime Limits and Licensing Regimes

3.22. Labour law provisions relating to overtime and factory licensing require urgent rationalization to improve business agility and worker payouts. The Committee was apprised that under the Contract Labour (Regulation and Abolition) Act, 1970, current quarterly overtime caps are restricted to a rigid 50 hours. Increasing the permissible overtime limit up to 150 hours per quarter (approximately 2 hours per day) to support seasonal manufacturing cycles while simultaneously simplifying licensing requirements for low-risk renewable energy projects can help grow the industry.

OBSERVATION/RECOMMENDATION

3.23. The Committee observes that fragmented regulations and multiple approvals at the Central and State levels cause delays and increase the cost of doing business. The Committee further notes that overlapping compliance requirements lead to duplication of effort. The Committee recommends rationalization and consolidation of regulatory frameworks by adopting risk-based regulations and increasing the use of self-certification and third-party certification.The Committee is of the view that replacing rigid physical caps such as structural building height restrictions with flexible, hazard-linked

safety guidelines in the National Building Code (NBC) to include modern semiconductor fabrication facilities and automated production lines will ease the process.

3.24. **Further, to support the green energy transition, the Committee recommends creating a separate, simplified regulatory category under the Factories Act and State Fire Rules for renewable energy deployments like solar parks, wind farms, and Battery Energy Storage Systems (BESS), shifting lower-risk installations entirely to a trust-based self-certification framework.**

3.25. **The Committee further recommends uniform implementation of national standards across all States. The Committee is of the views that Mutual Recognition Agreements (MRAs) must be established between State inspectorates to ensure that safety and technical inspection certificates issued in one State are automatically recognized nationwide, eliminating redundant testing.**

3.26. **The Committee also recommends expansion of single-window digital clearance systems and delegation of approvals to appropriate authorities. The Committee believes that these measures would significantly reduce compliance burden, speed up project implementation and improve the overall ease of doing business without compromising safety, environmental safeguards, or labour welfare.**

TIMELINE ADHERENCE BY GOVERNMENT AUTHORITIES

3.27. The Committee was informed by stakeholders that Business approvals/clearances/renewals are tedious, cumbersome and time-consuming process in majority of cases, affecting both businesses at starting, operation as well as exit stages. Non-adherence to timelines by regulatory authorities is a common issue, even as majority of the States have already enacted the Right to Services Act/ Public Service Guarantee Act, stipulating timelines of services from the

Government. Centre has yet to introduce a legislative framework for adherence to timelines. The absence of strictly enforced timelines is also felt in areas such as Government refunds/ disbursement of funds/ subsidies and raising of claims by Government departments on returns filed by businesses.

3.28. When queried on the mechanism in place to ensure time-bound processing of approvals, DPIIT informed the Committee that it has introduced a Single Window Guidebook for implementation by States/UTs. The Guidebook recommends the creation of a publicly accessible Single Window System (SWS) Performance Dashboard, available to public without login. It publishes a dashboard of the real time service wise status *i.e.* approved, rejected or under process along with the average time taken/ being taken against prescribed Service Level Agreements (SLAs) for each service. The dashboard also enables the user to compare service wise, district wise trend over a period of time. The Single Window Guidebook further recommends that applicants be enabled to view and download inspection reports within 24 hours of inspections and that a dedicated dashboard be developed to publish the average and median time taken for inspections under the Inspections Module. Further, as per the assessment methodology prescribed in the Single Window Guidebook, DPIIT awards marks to States/UTs only when the average time taken for all approvals is less than the notified timelines.

OBSERVATION/RECOMMENDATION

3.29. The Committee acknowledges the efforts of the Department in introducing the Single Window Guidebook for implementation by States/UTs. However, during its interactions with various stakeholders, the Committee observed that processes for obtaining approvals and issuance of NoCs continue to be time-

consuming. The Committee is of the view that measures may be explored and, if feasible, introduced to ensure time-bound and faceless delivery of services by Central Ministries, with provisions for penalties in cases of delay or deficiencies, while leveraging India's Digital Public Infrastructure to further strengthen Ease of Doing Business.

3.30. The Committee, therefore, recommends that all licences, approvals, permissions and renewals across Central, State and local authorities should be granted within clearly defined timelines, with a provision for deemed approval. The Committee is of the view that these deemed approvals must be generated automatically *via* the National Single Window System (NSWS) upon the expiration of Service Level Agreements (SLAs), carrying the same statutory validity as standard manual certifications.

3.31. The Committee considers that the renewals should be automatic for businesses with a clean track record and, in all other cases, should remain strictly time-bound. The Committee further recommends that clear timelines be prescribed and strictly enforced for Government refunds, project approvals, fund disbursements, and subsidies, with compensatory payments in the event of delays.

3.32. The Committee also recommends that all such defined timelines be placed in the public domain for information and transparency. The Committee suggests that to enforce this transparency, transforming the current internal grading metrics into a publicly accessible and real-time SWS Performance Dashboard, allowing citizens to view the processing trends and average resolution times down to the district level. The Committee believes that these measures would reduce compliance burden, speed up project implementation and improve ease of doing business without compromising safety, environmental safeguards. The

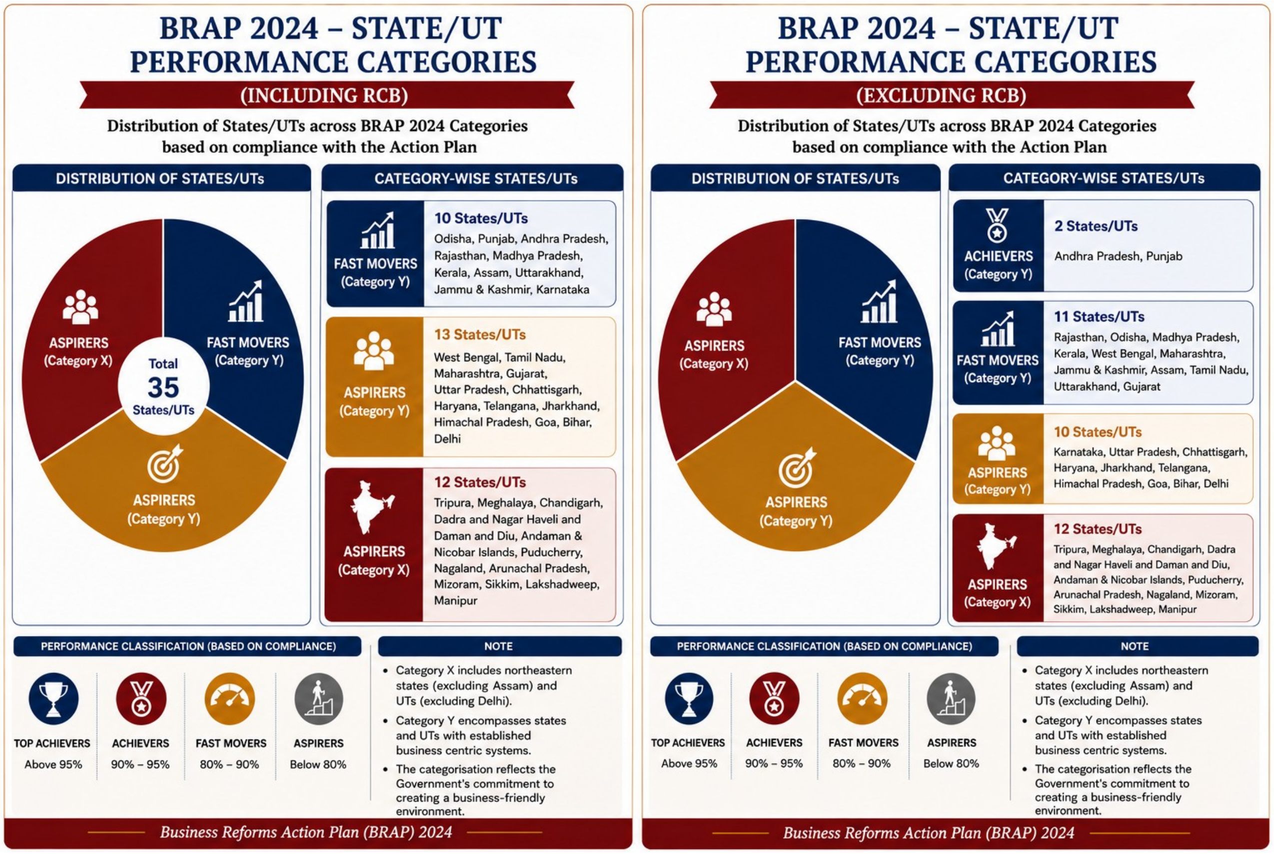
Committee further recommends that labour welfare as well as the law of the land, *i.e.*, labour laws as per Constitution may be complied with.

BUSINESS REFORM ACTION PLAN (BRAP)

4.1 The Business Reform Action Plan (BRAP) is an important initiative by the Government of India to enthuse the spirit of competitiveness among States to introduce business reforms. It has been launched in 2014 by the DPIIT, with the aim of reducing obstacles and making clearances and regulatory processes more transparent and efficient, thereby cutting down on time and costs for businesses. States are assessed based on evidence and user feedback, ensuring that reforms are effective at the grassroots level. So far, seven editions of BRAP (2015, 2016, 2017-18, 2019, 2020, 2022 and 2024) have been completed and the States/UTs have been assessed accordingly. Over 9,700 reforms have been carried out across States and Union Territories. State/UT Ranking on Ease of Doing Business.

4.2 The latest BRAP 2024 edition introduces a new wave of reforms in-line with key Government initiatives like Reducing Compliance Burden (RCB), Decriminalization, and B-READY, divided into two segments: Part A with 57 reforms from Central Ministries and Part B with 287 reforms for States and UTs. Industry consultations have been pivotal in identifying areas for simplification, leading to the introduction of BRAP Plus (BRAP+), which adds 70 new reforms and addresses specific industry challenges to improve the business climate. The updated BRAP 2024 now includes a total of 344 reforms, integrating the original reforms, the new additions and the deletions, along with 92 reforms added to RCB Plus, ensuring the framework remains relevant and effective in the evolving business landscape.

State-wise result of BRAP 2024



Source: Ministry of Commerce and Industry

OBSERVATION/RECOMMENDATION

4.3 The Committee observes that the Business Reform Action Plan (BRAP) has played a significant role in promoting the spirit of competitiveness among States to introduce business reforms. To make the campaign a success, States have a vital role to play in promoting investor confidence. The ease or difficulty of doing business in a State is a function of the structures/framework put in place by the States alongwith its effective implementation. The Committee recommends that new edition of BRAP may place greater emphasis on outcome-based indicators and on-ground implementation, with particular focus on reduction in time and cost of compliance for businesses and that best

practices adopted by leading States may be systematically documented and shared with other States/UTs for wider replication.

4.4 **To ensure that these reforms deliver tangible relief, the Committee recommends integrating a mandatory Ground Reality Verification audit into the BRAP evaluation protocol, utilizing third-party random sampling and direct industry interviews instead of relying strictly on State-submitted paperwork.**

4.5 **Further, the Committee suggests expanding the BRAP 2024 framework to mandate the standard adoption of a single, PAN-based Business ID across all State-level clearances, completely eliminating the need for enterprises to re-verify identity across multiple local departments.**

4.6 **The Committee further recommends sensitizing States for removing significant efficiency gaps between major industrial cities and rural areas, ensuring consistent implementation of reforms at the local level. This will help States to improve business services uniformly across all districts rather than focusing only on economic centers.**

4.7 **Acknowledging that businesses interact mostly with local municipal and district offices, the Committee recommends future BRAP metrics to incentivize States to bridge the performance gap between their primary industrial hubs and rural areas, providing targeted capacity-building support to lagging regions to drive uniform grassroots execution of the District Business Reform Action Plan.**

NATIONAL SINGLE WINDOW SYSTEMS (NSWS)

5.1 The NSWS is a single window digital platform which guides in identifying and applying for approvals according to the business requirements. It reduces approval timelines, secures document repositories, and enables faster query management. The system integrates approval processes across 32 Central Departments and 34 State

Governments. It provides access to over 686 central and 7,498 state approvals. Since its launch in 2021, NSWS has granted over 8,29,750 approvals as on 20 November, 2025.

5.2 The Committee was apprised that the Department has promoted the adoption of Single Window Systems (SWS) by States and Union Territories to facilitate businesses to apply online for regulatory approvals/permissions from both Central and State Government in parallel. As of the latest assessment, 30 States and UTs have functional Single Window Systems. These digital platforms serve as a single touch point for investors to apply for approvals, track applications, access regulatory information and fulfill compliance obligations.

5.3 The SWS integrates key modules such as Single Sign-On, Know Your Approval, Common Application Form, Unified Payment Gateway, Inspection Management, Dashboards, Grievance Redressal and Incentive Tracking. Essential services made available on the SWS are categorized into pre-establishment, pre-operation and post-operation approvals. The platforms also integrate back-end department workflows and enable electronic communication, query resolution and Service Level Agreement (SLA) monitoring.

5.4 The implementation of the SWS has helped reduce physical interface, ensure transparency and expedite service delivery. The system is aligned with the National Single Window System (NSWS) through API integration and is designed to provide seamless data exchange and lifecycle tracking of applications. States have also been encouraged to enact the Single Window Act and adopt SLA-based Public Service Guarantee Acts to provide statutory backing to these platforms. The Department has issued a detailed guidebook for States outlining essential modules, technology architecture, assessment methodology and implementation templates to ensure standardization and interoperability. Moreover, the Single Window Guidebook has been circulated to all States and UTs. Further, DPIIT will undertake capacity-building initiatives to support the implementation of the Single Window reforms. A gap assessment is currently underway to evaluate the existing level of preparedness.

OBSERVATION/RECOMMENDATION

5.5 The Committee notes that Single Window Systems have been implemented in most States and Union Territories. The Committee further notes that these systems are integrated with the National Single Window System (NSWS) through API-based linkages, enabling seamless data exchange and end-to-end tracking of applications. The Committee is of the opinion that NSWS could turn out to be a game changer reform, if certain specific concerns of industry are addressed adequately.

5.6 To make NSWS a success, there is urgent need to bridge the gap further between implementation on paper and implementation on the ground. Despite the existence of a single-window system, approval processes continue to be time-consuming, indicating that significant improvements are still required in this

area. It is important to ensure that reforms are felt at the ground level by the end users as well as the private sector. The Committee, therefore, recommends that the Department should consider introducing a procedure mandating that all regulatory approvals/ renewals from Central Ministries to be provided only through the NSWS platform and in a time-bound manner. For this, all remaining Ministries, Departments and State/UT authorities should be mandatorily onboarded onto NSWS within a time-bound framework. NSWS should serve as an exclusive platform for applying for approvals, submitting documents, payments, inspections and receiving clearances.

5.7 The Committee also recommends that every provision that is posted on NSWS should mandatorily indicate timelines with provision of deemed approval. Further, the Committee recommends that a centralized real-time dashboard with published timelines and penalties for non-adherence should be integrated into the system. NSWS should have a dynamic and real-time-basis scoring (weighted index) and ranking mechanism of Ministries and States. Parameters like number of approvals provided through NSWS, number of total applications cleared in timely manner, average time taken per clearance etc. could be used for preparing the score & ranking.

5.8 The Committee notes the proposal of Capacity Building Initiative for NSW stakeholders. The Committee recommends that all stakeholders should be involved in the process and monitoring of Capacity Building programs should be done periodically to improve it further. The Committee also be apprised about the gap assessment report to evaluate the existing level of preparedness.

DECRIMINALIZATION (JAN VISHWAS)

6.1 The Department informed the Committee that in 2021, The Department initiated the drive to identify and decriminalize minor offences to improve Ease of Doing

Business and Ease of Living. Decriminalization was undertaken reflecting the Government's move towards 'trust-based governance' where its citizens may not be imposed with criminal sanctions for minor or procedural defaults.As part of the same exercise, Jan Vishwas (Amendment of Provisions) Act, 2023 was introduced to further the trust-based governance and enable decriminalization of minor offences. A total of 183 provisions in 42 Central Acts administered by 19 Ministries/Departments were decriminalized.

6.2 Further, the Jan Vishwas (Amendment of Provisions) Bill, 2025, comprises 355 provisions, of which 288 are proposed for decriminalization to promote EoDB and 67 for amendment to enhance Ease of Living, was introduced in the Lok Sabha on 18thAugust 2025. On 13th March, 2026, the Select Committee, chaired by Shri Tejasvi Surya, held 49 sittings and submitted its report to the Lok Sabha. The Committee undertook extensive consultations and, in addition to the provisions under consideration, examined further provisions within the same Acts and recommended decriminalization across 62 additional Central Acts. The Jan Vishwas (Amendment of Provisions) Bill, 2025 was thereafter withdrawn and Jan Vishwas (Amendment of Provisions) Bill, 2026 was introduced in Lok Sabha in March, 2026 and then passed by both Houses of Parliament in April, 2026. The Bill reflects the Government's commitment to fostering a trust-based governance framework and ensuring proportionate regulation by reducing the compliance burden on individuals and businesses.

6.3 As per the provisions of the Bill, 784 provisions across 79 Central Acts administered by 23 Ministries have been amended. Of these, 717 provisions have been decriminalized to promote Ease of Doing Business, while 67 provisions have been amended to facilitate Ease of Living. Overall, the Bill seeks to rationalize more than 1,000 offences by removing minor offences, thereby improving the regulatory environment and enabling a more conducive ecosystem for businesses and citizens alike.

6.4 In this context, the following suggestions were pressed upon by various stakeholders during evidence before the Committee:

- Decriminalize technical or procedural violations - Procedural lapses like failure to file annual returns, maintain statutory records or comply with procedural provisions should attract monetary penalty instead of fine.

- Decriminalize residuary punishment - Punishments for non-compliance with any provision, rule or direction for which a specific punishment has not been prescribed in a statute, may be decriminalized.

- Decriminalize offence of failure/ refusal to provide documents - Instead of a criminal consequence, the concerned authority could make an adverse inference due to non-production for purposes of the inquiry or investigation. This coupled with penalties and power to seize records where needed, with procedural guardrails, may be adequate consequence.

- Consider strengthening or introducing safeguards prior to the arrest of an accused in offences relating to business laws in order to ensure that there is a balance between efficient investigation without detrimental impact on business sentiment and reputation.

- For the offences punishable with 'penalty', an in-house adjudication procedure was introduced in the JV Act. The idea behind decriminalization of offences is to eliminate criminal prosecution for offences where a criminal conviction is not an adequate punishment, thereby reducing criminal pendency and de-clogging the judicial system. In the JV Act, the in-house adjudication-related provision has been introduced, *inter-alia*, in Air (Prevention and Control of Pollution) Act, 1981 (under

Section 39A), the Environment (Protection) Act, 1986 (under Section 15C) and Pharmacy Act, 1948 (under Section 43A). A similar approach may be adopted for the statutes proposed for de-criminalization under the proposed Act.

- The Government may consider providing the option of compounding offences, wherever is suitable. This may further reduce the heavy burden on the Indian judicial system, especially with respect to non-serious / regulatory offences. In the JV Act, the option of compounding was introduced in the Merchant Shipping Act, 1958 (under Section 436(6)).

- Under the JV Act, the benefit of the rationalization (including decriminalization) of offences is not extended to proceedings that have been instituted before the enactment of the JV Act. This could be because the Government was advised that since the penalty now fixed may be higher than the fine leviable at the relevant time, applying the law retrospectively may be seen as an onerous retrospective outcome and perhaps legally unsustainable. However, the increased punishment (in the form of 'penalty') introduced by the JV Act is fundamentally distinct from the earlier punishment (in the form of 'fine' or 'imprisonment') - one being criminal while the other one being civil in nature.

  In the past, the Indian Courts have taken the view that while an enhanced criminal sanction cannot be retrospective, a reduced sanction can be applied retrospectively without violating Article 20 of the Constitution of India. Accordingly:

  - It may be considered to extend the benefit of de-criminalization of the proposed offences retrospectively.

  - Alternatively, to avoid conflict, the accused could be provided with the option to choose one or the other consequence mentioned above, which could help withstand legal challenges on grounds of retrospective applicability. This could also result in the settlement of past matters without going through the rigors of criminal procedure.

- It may be considered to make consequential changes in the other statutes so that the offences once de-criminalized under the parent statute may no longer remain a criminal offence punishable under a different statute (like Bharatiya Nyaya Sanhita, 2023).

6.5 During the course of deliberations, stakeholders also made several suggestions for decriminalisation of business-related regulatory provisions across various Ministries. The major issues highlighted are as follows:

- Stakeholders submitted that certain offences under the Legal Metrology Act, 2009, such as tampering with standard weights and measures and violations relating to pre-packaged commodities, continue to attract imprisonment for repeat offences. They suggested replacing imprisonment with higher monetary penalties and strengthening enforcement through inspections and compliance measures.
- Stakeholders pointed out that certain provisions of the Companies Act, 2013, including those relating to refusal of registration of shares and loans and investments by companies, prescribe imprisonment for procedural or compliance-related defaults. They suggested replacing imprisonment with enhanced monetary penalties, as these violations are civil in nature and can be effectively addressed through financial penalties.
- Stakeholders informed the Committee that the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 provides for imprisonment for obstructing inspectors or failing to produce documents. They

suggested substituting imprisonment with higher monetary penalties to ensure compliance while reducing the scope for misuse.

- Stakeholders also submitted that failure to pay contributions under the Employees' State Insurance Act, 1948 attracts imprisonment. They suggested replacing imprisonment with higher financial penalties, along with payment of pending contributions and applicable interest.
- Stakeholders pointed out that the Central Goods and Services Tax Act, 2017 provides for criminal prosecution of companies and their officers for certain tax-related offences. They recommended replacing criminal liability with administrative penalties, corrective measures, regular compliance audits and stronger internal compliance mechanisms, particularly where violations arise from ambiguity or procedural lapses.
- Stakeholders further submitted that delayed deposit of Tax Deducted at Source (TDS) under the Income-tax Act, 1961 attracts imprisonment in addition to interest and monetary penalties. They suggested that imprisonment may be dispensed with in such cases, as adequate financial penalties and interest provisions already exist to ensure compliance.

OBSERVATION/RECOMMENDATION

6.6 The Committee notes that Decriminalization of business laws plays a vital role in enhancing investor confidence and reducing the burden on the judicial system. The Committee notes that the Jan Vishwas (Amendment of Provisions) Act, 2023 marked a significant shift towards trust-based governance by decriminalizing minor offences across several Central Acts. The Committee also notes that the Jan Vishwas (Amendment of Provisions) Bill, 2026 represents a major step towards modernizing India's regulatory framework and aligning it with globally accepted principles of proportionate and risk-

based regulation. The Committee, therefore, recommends that DPIIT ensure the effective implementation of the Act by issuing uniform guidelines to all concerned Ministries, regulators and enforcement agencies. The Committee further recommends establishing a centralized monitoring mechanism to oversee implementation, ensure consistency in enforcement, and prevent the reintroduction of criminal provisions through subordinate legislation.

6.7 To ensure global parity, the Committee recommends aligning Indian business regulations with Organisation for Economic Co-operation and Development (OECD) nations by replacing criminal penalties with civil oversight for minor administrative errors. The Committee is of the view that this approach would reduce fear of incarceration for non-hazardous mistakes, fostering a more attractive investment environment through global parity.

6.8 To establish safeguards against re-criminalization in future, the Committee suggests a mandatory legal clause requiring all future departmental notifications, circulars and State-level amendments to undergo a prior "Ease of Doing Business Impact Assessment" before enactment, ensuring legacy criminal penalties are not quietly reintroduced under new technical names.

6.9 The Committee also recommends that the Department engage closely with relevant stakeholders and the concerned Ministries/Departments to ensure that the decriminalization initiatives are effectively executed and results in tangible improvements.

BUSINESS READY (B-READY)

7.1 With regards to activities connected to World Bank's B-READY in India, the Committee was informed that DPIIT is the nodal department coordinating for B-Ready. The Ease of Doing Business (EoDB) rankings previously published by World Bank Group as Doing Business Report (DBR). India made a remarkable leap of 79 positions, from 142nd in 2014 to 63rd in 2019. After the discontinuation of 'Doing Business Report (DBR)' in October 2019, the World Bank has formulated Business Ready (B-Ready) – aframework to assess the business environment and investor friendliness of approximately 185 economies, in three phases, with the first report released in 2024. The Methodology and questionnaire are updated regularly by the World Bankand a new edition accompanies each report in the first three-year cycle.

7.2 India is in the part of third report, expected to be released around September 2026. Data collection process of India from firm-level surveys has already begun since January 2025. DPIIT is closely monitoring and assessing the current situation in consultation with nodal Ministries/Departments, relevant experts and industry stakeholders. Gathering and analyzing the as-is-situation is one of the important steps in identification of issues andway forward. Many reforms are being undertaken by Ministries/Departments to drive India's global ranking in the World Bank's B-Ready.

7.3 Some of the implemented reforms areas are as follows:

- Inclusive Policy decision making in International Trade: Foreign Trade Policy 2023 amended to include consultation with stakeholders to seek views, suggestions, comments or feedback from relevant stakeholders, including importers/exporters/industry experts concerning the formulation or amendment of the FTP.

- DISCOMs conducted and published results of sex disaggregated customer survey on quality of electricity services in Delhi.

- Merge the processes of name reservation (formerly R.U.N.) and company incorporation into a single, web-based HTML application called SPICe+ (SPICe Plus)

- Merge profession tax registration in Mumbai with company incorporation form (SPICe+)

- Eliminate the option of providing bank account details at the time of GST registration

- Eliminate the requirement of affixing rubber stamp on bank account opening forms for corporates

- Eliminate the practice of submitting notarized affidavits by each founder and proposed director (at the time of company incorporation)

- Eliminate any physical interaction/ practice of visiting EPFO office (in Delhi) to obtain approval of registration

- In Delhi & Mumbai, Right of Way (RoW) permission for all electricity connections should be granted within 3 working days through an online approval system. In Delhi, online portal is operational but not all road owning agencies are onboard (except PWD, MCDs). Time taken to grant RoW approvals through the portal is generally more than 2 weeks. In Mumbai, RoW permission from MCGM is received through online portal. In Delhi & Mumbai, electric connection (up to 150 KVA) should be provided within 7 days (where no RoW permission is required) and 15 days where there is requirement of RoW permission from agencies. The provision has been notified but not being experienced by the users, since there is no turnaround time assigned for RoW permissions. Operationalize Dig and Restore Policy, to reduce time involved in RoW permissions in Delhi.

OBSERVATION/RECOMMENDATION

7.4 **The Committee observes that, after the discontinuation of the World Bank's Doing Business Report (DBR), the Business Ready (B-READY) framework has emerged as the new global benchmark for assessing business environments. The Committee notes that DPIIT is undertaking reforms to address identified gaps, particularly in areas such as contract enforcement, regulatory quality and service delivery. The Committee recommends that reform measures initiated by various Ministries and Departments to improve India's performance in the World Bank's B-READY index may be pursued in a sustained manner, with**

periodic assessments to monitor progress and with continued efforts to maintain and further enhance India's overall ranking. To ensure seamless alignment with these global standards, the Committee further recommends the creation of an online 'B-READY Reform Dashboard' to track real-time regulatory compliance across all Ministries, ensuring any bottleneck in contract enforcement is flagged automatically.

7.5 The Committee notes that the improvement in 'Ease of Doing Business' rankings is going to have an huge impact on the overall development of the country from various perspectives i.e. infusion of foreign funds, creation of job opportunities, making India a global manufacturing hub, improving the entrepreneurship eco system within the country so that Indians themselves get into manufacturing in a large scale. The Committee recommends that the Department should foresee the steps to be taken at the Centre and State levels with full co-operation and collaborative approach to bring about actual difference on the ground level from the perspective of both foreign investors and Indian entrepreneurs.

7.6 The Committee recommends that DPIIT may explore the possibility of creating a specialized 'Support Cell' to ensure that first-generation entrepreneurs receive the same regulatory fast-tracking, digital single-window access and compliance benefits accorded to major corporate investors.

7.7 The Committee is of the view that it is necessary to move away from slow, paper-heavy legal processes and recommends setting up dedicated, fully digitized Commercial Courts in major industrial clusters to resolve contract disputes within a prescribed time limit.

KEY CHALLENGES IMPACTING DOING BUSINESS

FRAGMENTED REGULATORY FRAMEWORK

8.1 The Committee is concerned to note that regulatory responsibilities remain fragmented across multiple authorities, often resulting in overlapping approvals, duplicative inspections and inconsistent interpretations of laws. This fragmentation is most visible in construction permits, environmental clearances, fire safety approvals, and factory-related compliances.

OBSERVATION/RECOMMENDATION

8.2 The Committee recommends that the Government should consider merging overlapping licences (for example, trade licence and shops and establishments licence) for commercial establishments. The Committee also recommends that Inspectorate functions under various laws (Factories Act, Boilers Act, Petroleum Act, etc.) should be consolidated into a unified inspection authority using risk-based inspections. The Committee suggests that this unified inspection authority be natively integrated into the National Single Window System (NSWS), creating a single central repository for compliance data that completely eliminates duplicate document submissions across different departments. Further, a One Licence - One Renewal framework may be introduced for restaurants, hospitality, and retail sectors. The Committee is of the view that there should not be violation of the law of the land, *i.e.*, labour laws as per the Constitution.

INFRASTRUCTURE, TRANSPORTATION AND LOGISTICS CONSTRAINTS

8.3 The Committee notes that an efficient logistics system facilitates the timely movement of goods, reduces transportation and compliance costs, strengthens supply chain efficiency and enhances the competitiveness of Indian industry. During the course of deliberations, Some Ministries informed the Committee about the initiatives undertaken by them to improve the ease of doing business. These initiatives are outlined in the subsequent paragraphs.

8.4 The Ministry of Ports, Shipping and Waterways informed the Committee that it has undertaken several reforms to improve the ease of doing business in the maritime sector. It enacted the Merchant Shipping Act, Indian Ports Act, Coastal Shipping Act, Carriage of Goods by Sea Act and Bills of Lading Act, 2025 to simplify regulations, modernise laws and reduce compliance. It established an Adjudicatory Board for Major Ports and initiated the India International Maritime Dispute Resolution Centre for faster dispute resolution. It also notified regulations to promote private investment in waterways, granted infrastructure status to commercial ships and standardised inland vessel operations. The Ministry launched the One Nation One Port Process (ONOP)and One Nation One Documentation (ONOD) to standardise port procedures and reduce documentation by about 39 per cent. These reforms are expected to reduce transactions by over 50 per cent and document processing time by over 25 per cent. The Ministry has also introduced several digital initiatives, includingSagar Setufor paperless clearances,e-Samudra**,** e-Pariksha**,** the Indigenous Vessel Traffic Management System (iVTMS)**,** the Maritime Digital Centre of Excellence (MDCoE)**,** the Land Information Management System**,** MAITRI, the Jalyan&Navic Portal**,** and theJal Samriddhi Portal**,** to promote digital governance and seamless maritime operations.

8.5 The Ministry of Road Transport and Highways informed the Committee that it has undertaken several reforms to improve the ease of doing business in the transport sector. It decriminalised 36 offences under the Motor Vehicles Act and reduced the compliance burden by amending 21 provisions. A warning-based system for certain minor first-time offences was introduced. It allowed truck-trailer interchangeability and introduced Multi-Lane Free Flow (MLFF) tolling to improve logistics and reduce waiting time at toll plazas. It integrated VAHAN with the RBI's Unified Lending Interface for automatic removal of vehicle hypothecation after loan repayment. The Ministry is digitising around 100 transport services and has proposed faceless delivery of 94 services to reduce physical visits to government offices. It is standardising transport service processes and timelines across States and Union Territories. It has also reformed tourist vehicle permit rules and introduced single-window licensing for vehicle aggregators. The Ministry has promoted digital governance through transport data sharing and greater digitisation of vehicle-related services. It has also strengthened road safety by establishing Driver Training Institutes, introducing Bharat NCAP, mandating Advanced Driver Assistance Systems (ADAS) in trucks and buses, and notifying new safety standards for vehicles.

8.6 The Ministry of Railways informed the Committeethat it has undertaken several reforms to improve the ease of doing business in the rail and logistics sector. It introduced the Hub and Spoke Policy, expanded double-stack container train operations and launched Exclusive Container Rail Terminals to improve freight movement. It simplified container examination procedures and introduced assured transit services and mini rakes for export cargo. The Ministry simplified freight rates, introduced GTKM-based pricing for container traffic and made freight pricing more transparent. It revised the Gati Shakti Cargo Terminal Policy, extended terminal tenure, simplified approvals and encouraged private investment in multimodal logistics. It also introduced door-to-door parcel services, liberalised parcel leasing and launched the Rail Parcel App to improve parcel services. The

Ministry promoted digitalisation through online freight booking, real-time tracking, the Freight Business Development Portal and the Virtual Aggregator Platform. It also commissioned the Eastern and Western Dedicated Freight Corridors and expanded freight capacity through faster and longer trains, double-stack operations and greater private investment in rail logistics.

8.7 During the course of deliberations with stakeholders from the transportation and logistics sector, the Committee was apprised of several bottlenecks adversely affecting the ease of doing business such as procedural complexities, regulatory inconsistencies, inadequate infrastructure and digital integration gaps that continue to increase compliance costs, delay cargo movement, and reduce operational efficiency.

8.8 The logistics and multimodal transport sector drew attention to complex tax compliance procedures, inconsistent interpretation of tax provisions, delayed refunds, multiple audits, excessive documentation requirements, weak regulatory mechanisms, and difficulties in the recovery of dues and disposal of abandoned cargo. It suggested simplification of tax compliance, fully digital and time-bound refund mechanisms, streamlined audits, stronger regulatory oversight, improved insolvency mechanisms for MSMEs, and an efficient framework for the management of abandoned cargo.

8.9 The freight forwarding and customs logistics sector highlighted procedural delays arising from complex regulatory requirements, lack of clarity in compliance, inefficient digital systems, lengthy customs clearance processes, and insufficient airport cargo infrastructure. It recommended adoption of a trust-based regulatory approach in regulatory enforcement, greater digital integration, simplified compliance requirements, transparent grievance redressal mechanisms, streamlined customs procedures, and strengthening of airport cargo infrastructure.

8.10 The air cargo and freight forwarding sector pointed high compliance burdens, complex customs and tax procedures, delayed refunds, duplicate documentation, inadequate digital integration among trade and logistics systems, and insufficient cargo infrastructure, particularly for perishable and high-value exports. It recommended simplification of customs and tax procedures, time-bound digital approvals and refunds, elimination of duplicate documentation, greater digital integration across logistics platforms, improved cargo infrastructure and connectivity, harmonised airport procedures, and a coordinated national strategy for air cargo development.

8.11 The air cargo sector emphasised high logistics costs, long cargo dwell time, fragmented digital systems, complex documentation, inadequate cargo and cold-chain infrastructure, weak multimodal connectivity, and limited coordination among government agencies. It recommended paperless single-window processing, simplification of customs procedures, improved multimodal connectivity, modernisation of cargo infrastructure, rationalisation of tax policies, and adoption of international best practices.

8.12 The warehousing sector highlighted non-uniform regulations, lengthy land acquisition and approval processes, multiple departmental clearances, inadequate digital integration, underutilisation of bonded warehousing, poor last-mile connectivity, shortage of skilled manpower, and limited adoption of digital technologies. It suggested standardisation of regulations and definitions across States, introduction of single-window and time-bound approvals, improved connectivity, simplified bonded warehousing procedures, promotion of technology adoption and skill development and greater policy coordination to improve the efficiency of the warehousing ecosystem.

8.13 The liquid bulk logistics and import sector highlighted procedural delays, non-uniform implementation of customs procedures across ports, duplicate compliance requirements, inefficient digital systems, and inconsistent audit practices. It suggested standardisation of customs procedures across ports, strengthening of digital systems, risk-based and time-bound clearance mechanisms, simplified compliance requirements, improved cross-zone digital integration, and adoption of a trust-based approach in customs and tax administration.

OBSERVATION/RECOMMENDATION

8.14 The Committee observes that, despite significant policy and digital reforms undertaken by the Government, the transportation and logistics sector continues to face regulatory, procedural and infrastructure-related constraints that increase logistics costs and adversely affect the ease of doing business. The Committee recommends the Department to pursue simplification of tax and customs compliance by reducing duplicate documentation, streamlining audit mechanisms, ensuring time-bound disposal of approvals and refunds and promoting end-to-end digital processing. It further recommends adoption of a risk-based and trust-based regulatory framework to minimise unnecessary inspections, reduce litigation arising from genuine interpretational disputes and facilitate a more predictable business environment.

8.15 The Committee further recommends seamless integration of digital platforms across Customs, ports, airports, railways and other regulatory agencies through a unified single-window system to enable paperless processing and real-time information sharing.The Committee is of the view that to fully operationalize this digital integration, the Committee recommends mandating all private and public logistics operators integrate their tracking systems with the Unified Logistics Interface Platform (ULIP) *via* open APIs. The Committee believes that the procedures and timelines should be standardised across jurisdictions, supported by transparent grievance redressal mechanisms and

periodic review of compliance requirements to eliminate redundant processes and reduce the compliance burden.

8.16 The Committee also recommends that focused attention be given to strengthening logistics infrastructure by improving multimodal connectivity, expanding warehousing and cold-chain facilities, modernising cargo handling infrastructure at ports and airports and addressing last-mile connectivity gaps. It further recommends that land acquisition and approval processes for logistics infrastructure be simplified through single-window, time-bound clearances. The Committee also recommends exploring areas where complete digitalization is not followed and ensure optimal and efficient system of adoption of digital technologies and automation. The Committee recommends that the Government formulate a uniform national policy for warehousing standards and approvals across States. This national policy should incorporate an automated registration framework linked to the Warehousing Development and Regulatory Authority (WDRA), offering fast-tracked municipal clearances and zoning benefits to warehouses that adopt certified green building and automation standards.The Committee is of the view that greater coordination among Ministries and regulatory agencies is essential to ensure uniform implementation of reforms and remove operational bottlenecks.

8.17 The Committee further recommends expansion of air cargo, storage and perishable handling facilities, particularly in Tier-II and Tier-III cities, along with facilitation of round-the-clock cargo movement and simplified transit approvals. It also recommends rationalisation of cargo screening norms, terminal charges, customs cost recovery and GST on export air cargo. Further, to capture the booming global e-commerce market, the Committee suggests simplifying the regulatory framework for the International Courier Terminal (ICT) ecosystem, expanding digital processing limits for low-value cross-border

shipments to boost small-scale exporters.The Committee believes that timely implementation of these measures would reduce logistics costs, improve supply chain efficiency and strengthenIndia's position as a competitive global trade and logistics hub.

ACCESS TO CREDIT, ESPECIALLY FOR MSMEs

8.18 Adequate and timely access to credit is essential for improving the ease of doing business for Indian entrepreneurs, particularly MSMEs and start-ups. Though credit flow to MSMEs has increased significantly, small and micro enterprises continue to face procedural complexity, high documentation requirements and limited access to affordable working capital. Some of the key challenges faced by MSME for doing business, its major schemesand suggestions submitted by the MSME sector have been summarized as under:

Key challenges for MSME for doing business

8.19 The Ministry of MSME informed the Committee that the key challenges faced by MSMEs include formalisation of enterprises, access to affordable credit, technological upgradation, infrastructure development, market access and ease of doing business. To address these challenges, the Ministry has implemented various schemes relating to credit support, technology, marketing, entrepreneurship, employment generation and infrastructure development. It has also promoted formalisation through **Udyam Registration** and the **Udyam Assist Platform**, expanded credit guarantee coverage, facilitated equity funding through the Self-Reliant India Fund and strengthened market access through the Public Procurement Policy for MSEs.

8.20 The Ministry further informed that efforts are being made to improve the ease of doing business by supporting decriminalisation of laws, simplifying banking and credit processes and promoting digitalisation. It emphasised the need to sustain the momentum of MSME formalisation, improve access to low-cost and collateral-free credit, encourage cash flow-based lending, strengthen technology adoption and green manufacturing, enhance market and export opportunities, improve payment mechanisms through TReDS and simplify regulatory compliances for establishing new enterprises.

OBSERVATION/RECOMMENDATION

8.21 The Committee observes that adequate and timely credit is essential for improving the ease of doing business across MSMEs and other entrepreneurial sectors and notes that Small and micro enterprises continue to face procedural complexity and high documentation requirements. Access to working capital is particularly constrained for micro units, start-ups and first-time entrepreneurs. Collateral requirements and risk-averse lending practices further limit credit flow. The Committee notes that credit delivery remains uneven across regions and sectors. Banking practices such as foreclosure and pre-payment charges add to the financial burden. Multiple approvals and regulatory requirements also delay the establishment of new enterprises.

8.22 The Committee, therefore, recommends strengthening formalization through Udyam platforms to expand access to institutional finance as well as further expansion of credit guarantee and collateral-free lending mechanisms. To completely eliminate manual paperwork for working capital, the Committee further recommends that all commercial banks leverage the Reserve Bank of India's (RBI) Account Aggregator network to fetch verified financial footprints instantly, enabling data-driven, cash-flow-based lending rather than relying on asset-heavy collateral.

8.23 The Committee also recommends simplification of banking procedures, reduction in documentationand greater use of digital public infrastructure for credit assessment and faster disbursement.The Committee further recommends targeted credit support for MSMEs, manufacturing, exporters, and innovation-driven enterprises. The Committee is of the view that improved coordination among banks, financial institutions, and government agencies is essential to ensure seamless synergy. Further, to improve credit flow and significantly enhance the ease of doing business , the Committee recommends that RBI must issue guidelines to uniformly ban foreclosure and pre-payment charges for all micro and small enterprise loans, ensuring businesses are not financially penalized for early repayment or credit restructuring.

OTHER OBSERVATIONS AND RECOMMENDATIONS IN EASE OF DOING BUSINESS

STARTING A BUSINESS

9.1 The Committee, on the basis of interactions with various stakeholders, observes that while several procedural reforms have been introduced to simplify the process of starting a business, their benefits are not uniformly known to prospective entrepreneurs. The Committee is of the view that lack of awareness and inadequate dissemination of information dilute the intended impact of these reforms.

OBSERVATION/RECOMMENDATION

9.2 The Committee recommends that improvements in reformed services, simplified procedures and digital platforms should be communicated on a regular basis through print, electronic and digital media. Such outreach would enhance transparency, improve awareness among stakeholders and ensure

wider adoption of simplified processes, particularly by first-time entrepreneurs and MSMEs.

TRADING ACROSS BORDERS

9.3 The Committee notes that Trading Across Borders remains a critical determinant of India's export competitiveness. In this context, the Committee has taken note of the export-focused recommendations of stakeholders which are in line with the thematic focus areas under the National Trade Facilitation Action Plan (NTFAP) 3.0 (2025–27), which are given below:

(i) Comprehensive Review of Logistics Bottlenecks & PGA Protocols: Harmonize and simplify procedures followed by various Partner Government Agencies (PGAs) and Identify systemic and port-specific challenges to reduce time and transaction costs.

(ii) Enhanced Trade Facilitation Mechanisms: Expand facilitation measures like Risk Management Systems, Post Clearance Audits, and Pre-Arrival Processing.

(iii) Adoption of CBIC's AEO Programme by All PGAs: Encourage cross-agency mutual recognition of Authorized Economic Operators (AEOs) for seamless movement of goods.

(iv) Complete Digitization of Manual Export Processes: Eliminate remaining manual touchpoints in the export value chain, ensuring end-to-end digital workflows.

(v) Operationalize the National Trade Information Portal – 'Trade Connect': Develop a single-window trade portal for exporters to access real-time regulatory updates, procedural guidelines and documentation.

(vi) Augmentation of Hard Infrastructure at Ports: Invest in warehousing, cold storage, integrated logistics parks and last-mile connectivity.

(vii) Strengthening Multimodal Connectivity (Road, Rail, Inland Waterways): Facilitate seamless cargo movement through efficient integration of different transport modes; and Develop and Indian Shipping Line of Global repute.

(viii) Technology-Driven Infrastructure Expansion: Accelerate deployment of automated scanners, e-gates, IoT sensorsp and smart logistics systems.

(ix) Implementation of e-Bonds: Introduce electronic bonding mechanisms to replace physical guarantees for faster customs processing.

(x) Impact Assessment of Regulatory Reforms: Regularly evaluate reforms through time and cost studies, ensuring policies yield tangible exporter benefits.

(xi) Design Process Re-engineering for Logistics Efficiency: Simplify documentation, reduce redundancies, and introduce standard operating procedures across ports.

(xii) Advanced Integration for Automated Clearance: Enhance inter-agency system integration to ensure real-time data sharing and faster customs clearance.

(xiii) Business Continuity Plans for Supply Chain Resilience: Develop contingency frameworks to mitigate disruptions such as pandemics, geopolitical shocks, and natural disasters.

(xiv) Improved Access to Trade Finance: Expand affordable and timely financing solutions, especially for MSME exporters, through digital platforms.

(xv) Promotion of Green Energy at Ports: Incentivize use of renewable energy and adoption of green port guidelines to improve sustainability.

(xvi) Empowerment of Women, Youth and SMEs in Exports: Promote inclusive trade policies that enable wider participation in global trade, including targeted schemes for women-led and youth-led enterprises.

OBSERVATION/RECOMMENDATION

9.4 **The Committee observes that India's export potential is significant, with an ambitious target of** US$ **2 trillion in exports by 2030**. **However, to realise this objective, ease of doing business for exporters must go beyond regulatory compliance and address the entire export ecosystem from factory gate to foreign markets.The Committee further notes that effective, coordinated and time-bound implementation of the measures envisaged under the National Trade Facilitation Action Plan (NTFAP) 3.0, in alignment with the Foreign**

Trade Policy, 2023, will not only enhance India's EoDB performance but also support the achievement of long-term export targets. The Committee recommends that while finalizing Foreign Trade Policy 2023, level playing field for the exporters may be taken cognizance of and incorporated so that the exporters are not put at disadvantage.

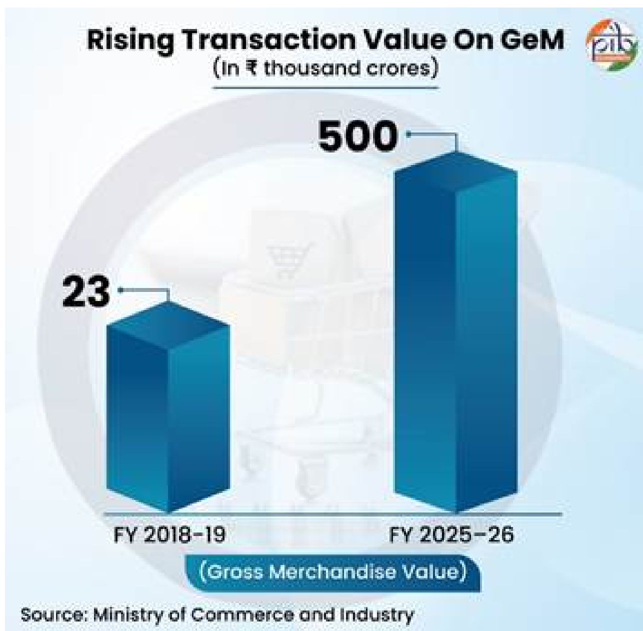
9.5 The Committee recommends the Department to engage with stakeholders to identify and work out measures to further ease cross-border trade. The Committee further recommends harmonization of procedures across Partner Government Agencies (PGAs) as well as complete end-to-end digitization of export and import processes. To expedite this process, the Committee recommends upgrading the ICEGATE portal to a fully automated, AI-driven clearance mechanism that reduces the average release time for export cargo to under 12 hours at seaports and under 4 hours at airports.

9.6 Further, the Committee suggests expanding the Authorized Economic Operator (AEO) certification network to micro and small-scale exporters, offering them automated, green-channel customs clearance, fast-tracked duty drawbacks and mutual recognition access in key international trade corridors.

9.7 The Committee also recommends strengthening port, airport and logistics infrastructure, including warehousing, cold storage and last-mile connectivity.The Committee further recommends developing open electronic data interchange (EDI) protocols with major global trade networks to establish paperless, blockchain-backed cross-border document validation, drastically minimizing the administrative compliance burden for Indian merchants.

EASE OF DOING BUSINESS IN GOVERNMENT E-MARKETPLACE (GeM)

10.1 GeM was introduced in 2016 to digitise and make public procurement more streamlined and inclusive. The e-marketplace connects women entrepreneurs, startups, micro and small enterprises (MSEs), artisans, self-help groups (SHGs) and Divyangjans to mainstream procurement. GeM has achieved a cumulative Gross Merchandise Value (GMV) of ₹18.4 lakh crore, including crossing ₹5 lakh crore GMV in the financial year 2025–26. During FY 2025–26, 68% of total orders were executed by MSEs, which accounted for 47.1% of total GMV. GeM supports the "Make in India" initiative by facilitating market access for over 35,705 start-ups. These startups have cumulatively processed orders worth more than ₹51,494 crore.



10.2 Besides, 2.04 lakh+ women-led MSEs are registered on GeM, servicing over 42 lakh orders valued at ₹79,231 crore (December 2025). Technology continues to play a central role in GeM's operations. The platform leverages Artificial Intelligence (AI), Machine Learning (ML) and strengthen accountability, streamline processes, and improve integrity in procurement systems. GeM has achieved 100% coverage of states and Union Territories. The e-Learning Training Courses are available in 12 official languages - Assamese, Bengali, English, Gujarati, Hindi, Kannada, Malayalam, Marathi, Odiya, Punjabi, Tamil, and Telugu, catering to diverse user needs. GeM enhances EoDB by replacing fragmented bidding with a smart, and sustainable system that eliminates entry barriers for MSMEs.

10.3 The Government e-Marketplace (GeM) informed the Committee that it has introduced several reforms to improve the ease of doing business in public procurement. It established a fully digital, end-to-end procurement platform and made procurement through GeM mandatory for goods and services available on the portal. It digitised the entire procurement process from vendor registration to payment. The platform simplified seller registration through integration with Udyam, GSTN, PAN and Aadhaar, abolished the requirement of caution money and enabled a faceless online registration process. GeM has supported MSMEs, startups, women and SC/ST entrepreneurs through dedicated product filters, GeM Outlet Stores, capacity-building programmes and relaxations in eligibility criteria. It has reduced transaction charges and vendor assessment fees, simplified the fee structure and continued zero transaction charges for orders up to ₹10 lakh. The platform has also enhanced transparency by publishing bid-related information online and improved access to finance by integrating with the Trade Receivables Discounting System (TReDS).

OBSERVATION/RECOMMENDATION

10.4 The Committee notes the significant contribution of GeM towards simplifying public procurement and promoting the ease of doing business. The Committee recommends further expanding the participation of MSMEs, startups and women entrepreneurs through greater awareness and capacity-building. India is an agrarian country with huge population, MSME and agro based industries are important sector to address unemployment. Priority may also be given to the Manufacturing units which play a vital role in the country's development. The

Committee also recommends strengthening digital integration across Government platforms to reduce compliance burden and improve procurement efficiency. The Committee further recommends that, in coordination with the concerned Ministries, suitable safeguards be incorporated in the procurement framework to promote compliance with labour laws, including provisions relating to contractual employment, payment of minimum wages and other statutory obligations by vendors. If not so, then the principal employers are entitled to comply with the law of the land.

EASE OF DOING BUSINESS IN E-COMMERCE

11.1 The Committee observes that the e-commerce sector has witnessed rapid expansion due to increased digital adoption, technological advancements and changing consumer behaviour. While this growth has contributed significantly to convenience, market access and economic activity, it has also given rise to concerns relating to labour conditions, consumer protection and regulatory oversight, which have a direct bearing on ease of doing business and consumer confidence. In light of this, the Committee considers it important to examine the challenges and address the issues faced by this sector. Addressing regulatory, operational, and compliance-related issues in e-commerce is essential to enhance ease of doing business, promote fair competition and ensure that the sector continues to contribute effectively to economic growth and employment generation.

Working Conditions in E-commerce "Dark Stores"

11.2 A question was raised in the Parliament about the issues of workers in e-commerce specifically in "dark stores" facing poor working conditions, including long working hours, lack of basic amenities such as toilets and rest areas and absence of fixed employment benefits; and the steps taken by the government to regulate working conditions in dark stores and ensure occupational safety of such workers under the Code on Occupational Safety, Health and Working Conditions, 2020.

11.3 The Minister of Labour and Employment in its reply informed that the Government of India has enacted the Occupational Safety, Health and Working Conditions (OSH&WC) Code, 2020, which has come into force on 21.11.2025. The Code regulates working conditions and workplace environments to safeguard the health, safety and well-being of persons employed in all establishments with ten or more workers. The mandate of ensuring the safe and healthy working conditions in any establishment having ten or more workers has been given to appropriate Government under the OSH & WC Code, 2020.Accordingly, the concerned State Government has to ensure the safety and healthy working condition in dark stores.

OBSERVATION/RECOMMENDATION

11.4 The Committee notes that the Occupational Safety, Health and Working Conditions (OSH&WC) Code, 2020, which came into effect on 21.11.2025, provides a statutory framework for ensuring safe and healthy working conditions in establishments employing ten or more workers. The responsibility for enforcement and compliance under the Code rests with the appropriate Government, which in the case of e-commerce dark stores, is the concerned State Government.

11.5 The Committee is of the view that effective implementation and continuous monitoring of labour welfare provisions in the e-commerce sector are critical to ensuring fair working conditions, reducing informal employment and promoting sustainable business practices. Accordingly, the Committee recommends that minimum standards relating to basic workplace amenities

and occupational safety be strictly enforced for e-commerce workers. Further, besides the labour welfare, the Committee recommends that implementation of the labour laws as per the Constitution must be ensured.

11.6 To ensure comprehensive protection, the Committee recommends that the enforcement of the OSH&WC Code be seamlessly linked with the Code on Social Security (2020), mandating that e-commerce aggregators strictly comply with the statutory 1% to 2% turnover-based contribution toward the National Social Security Board for gig and platform workers. The Committee further recommends that the OSH&WC Code must be implemented for all categories of the unorganized workers.

11.7 The Committee further recommends periodic review of labour practices in the sector to address emerging issues relating to working hours, worker welfare and job security. The Committee is of the view that this review must explicitly target quick-commerce delivery timelines, establishing strict guidelines to prevent algorithmic dispatch systems from imposing unrealistic speed targets that compromise the occupational safety of delivery partners on public roads.

11.8 Further, the Committee recommends that State Governments must frame a randomized, technology-driven inspection framework through designated Inspector-cum-Facilitators to conduct surprise digital and physical audits of dark stores, to verify the provision of adequate ventilation, hydration stations and mandatory rest intervals. The Committee suggests the department to explore the feasibility of creating a centralized registry to link all registered dark store and delivery personnel to an Aadhaar-backed portable insurance framework, guaranteeing automated medical and accident coverage across different platform providers. The Committee also recommends sustained engagement with e-commerce platforms, workers' representatives and

consumer organisations to ensure balanced, inclusive and sustainable growth of the e-commerce ecosystem.

CONSUMER PROTECTION AND ISSUES IN QUICK COMMERCE

11.9 On a question about the measures taken by the Government for e-commerce consumer protection and whether the digital platform has been strengthened to expedite consumer grievance redressal, the Minister of State, Consumer Affairs, Food and Public Distribution has furnished the following reply:

(i) Department of Consumer Affairs is continuously working for consumer protection and empowerment of consumers by enactment of progressive legislations. With a view to modernize the framework governing the consumer protection in the new era of globalization, technologies, e-commerce markets etc., the Consumer Protection Act, 1986 was repealed and Consumer Protection Act, 2019 was enacted.

(ii) To safeguard the interests of consumers from unfair trade practices in e-commerce, the Department of Consumer Affairs has notified the Consumer Protection (E-commerce) Rules, 2020 under the provisions of the Consumer Protection Act, 2019. These rules, *inter-alia,* outline the responsibilities of e-commerce entities and specify the liabilities of marketplace and inventory e-commerce entities, including provisions for consumer grievance redressal. These rules also provide that no e-commerce entity shall adopt any unfair trade practice, whether in the course of business on its platform or otherwise.

(iii) Aligned with global best practices, "Safety Pledge" has been finalized, in consultation with all the stakeholders, which is a voluntary public commitment of e-Commerce platforms to ensure the safety of goods sold online. This initiative strengthens consumer protection in the e-commerce. Various e-Commerce companies *viz*. Tata Digital, Tata 1mg, BigBasket, Tata

Cliq, Chroma, Swiggy, Ola, Zomato, Ajio, JioMart, Netmeds and Meesho etc. have signed the Safety Pledge for ensuring consumer safety. Under the provisions of the Consumer Protection Act, 2019, the Central Consumer Protection Authority (CCPA), an executive agency, came into existence on 24.07.2020. The CCPA, in exercise of the powers conferred by Section 18 of the Consumer Protection Act, 2019, has issued "Guidelines for Prevention and Regulation of Dark Patterns, 2023" on 30th November, 2023 for prevention and regulation of dark patterns listing 13 specified dark patterns identified in e-Commerce sector. These dark patterns include false urgency, Basket Sneaking, Confirm shaming, forced action, Subscription trap, Interface Interference, Bait and switch, Drip Pricing, Disguised Advertisements, Nagging, Trick Wording, Saas Billing and Rogue Malwares.

(iv) Further, an "Advisory for Self-Audit by E-Commerce Platforms for detecting the Dark Patterns on their platforms to create a fair, ethical and consumer centric digital ecosystem" was also issued by the CCPA on 5th June, 2025. The CCPA has also notified the Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022 on 9th June, 2022. These guidelines inter-alia provide for; (a) conditions for an advertisement to be non-misleading and valid; (b) certain stipulations in respect of bait advertisements and free claim advertisements; and, (c) duties of manufacturer, service provider, advertiser and advertising agency. These guidelines states that due diligence is required for endorsement of advertisements such that any endorsement in an advertisement must reflect the genuine, reasonably current opinion of the individual, group or organisation making such representation and must be based on adequate information about or experience with, the identified goods, product or service and must not otherwise be deceptive.

(v) The National Consumer Helpline (NCH) administered by the Department of Consumer Affairs has emerged as a single point of access to consumers across the country for their grievance redressal at a pre- litigation stage. Consumers can register their grievances from all over the country in 17 languages including Hindi, English, Kashmiri, Punjabi, Nepali, Gujarati, Marathi, Kannada, Telugu, Tamil, Malayalam, Maithili, Santhali, Bengali, Odia, Assamese and Manipuri through a toll-free number 1915. These grievances can be registered on Integrated Grievance Redressal Mechanism (INGRAM), an omni-channel IT enabled central portal, through various channels- WhatsApp (8800001915), SMS (8800001915), email (nch-ca@gov.in), the NCH app, the web portal (consumerhelpline.gov.in) and the Umang app, as per their convenience. 1169 companies, who have voluntarily partnered with NCH, as part of the 'Convergence' programme directly respond to these grievances according to their redressal process and revert by providing a feedback to the complainant on the portal. The technological transformation of the NCH has significantly boosted its call-handling capacity.

(vi) The number of calls received by NCH has grown from 70,159 in October, 2019 to 3,08,130 in October, 2025. This growth reflects the rising confidence of consumers in the helpline. Similarly, the average number of complaints registered per month has surged from 37,062 in 2017 to 1,42,605 in 2025 [as on 31.10.2025]. Additionally, grievance registration *via* WhatsApp has gained momentum, with the percentage of complaints filed through the platform increasing from 11% in October, 2023 to 30% in October, 2025 demonstrating a growing preference for digital communication channels.

(vii) In a significant move to further enhance grievance redressal, NCH has introduced AI-based Speech Recognition, a Translation System and an AI enabled Chatbot as part of the NCH 2.0 initiative. These technological advancements aim to make the grievance filing process more seamless, efficient and inclusive. The AI-powered Speech Recognition and Translation System enables consumers to file complaints through voice input, reducing manual intervention. The AI enabled Chatbot provides real-time assistance, streamlining complaint-handling processes and improving the overall user experience. These upgrades ensure that consumers from diverse linguistic backgrounds have equal access to the grievance redressal system.

(viii) The website of the National Consumer Helpline (NCH) has also been upgraded to serve as the central point of access for consumers across India seeking grievance redressal at the pre-litigation stage. This website includes enhanced functionality, modern features and improved navigation with a user-centric design. It incorporates advanced features, offering faster grievance resolution and a more efficient user experience. A total number of 14,26,046 grievances have been reported on the NCH in 2025 (till Oct., 2025) and 13,10,102 grievances have been disposed of. The "e-Jagriti" portal launched by the Department of Consumer Affairs on 1st January, 2025 aims to enhance consumer grievance redressal through a micro-service architecture, Artificial Intelligence / Machine Learning integration and modern features like faceless onboarding and role-based dashboards. It unifies existing applications (OCMS, e-Daakhil, NCDRC CMS, CONFONET) into a single, scalable platform, allowing users to file complaints seamlessly from anywhere with multilingual support. The system streamlines grievance redressal processes with real-time data access, automated workflows and tools for stakeholders like judges and advocates. The portal is designed to provide a convenient, transparent and efficient means for consumers to seek redressal by enabling online complaint filing, digital submission of documents, online payment of fees and virtual hearing from any location. On e-jagriti, 1,30,300 cases have been filed in the consumer commissions in 2025 (till Oct, 2025) and 1,26,640 cases have been disposed of.

OBSERVATION/RECOMMENDATION

11.10 The Committee notes that the Department of Consumer Affairs has taken a number of legislative and regulatory initiatives to strengthen consumer protection in the rapidly evolving e-commerce ecosystem. The Committee recommends that DPIIT co-ordinate with concerned Departments/Ministries for strengthening the regulatory framework in e-commerce to prevent unfair trade practices and safeguard consumer interests. The Committee is of the view that there should be strict enforcement of guidelines relating to dark patterns and misleading advertisements on digital platforms. To protect users from predatory technology, the Committee recommends creating a strict regulatory check on dynamic pricing, preventing platforms from using a consumer's search history, device type or location data to artificially inflate prices during checkout. There should be objective reality feedback of the implementation of e-commerce and quick commerce to prevent common man from misleading information.

11.11 The Committee is also of the opinion that digital grievance redressal platforms should be further upgraded to ensure faster, simpler and more accessible resolution of consumer complaints.Acknowledging the AI capabilities already deployed in NCH 2.0 for complaint categorization, the Committee recommends upgrading this framework by integrating it with automated Online Dispute Resolution (ODR) mechanisms. The Committee believes that this will change the helpline from routing platform into an actionable system capable of automatically settling routine e-commerce return and refund disputes within a strict, legally mandated timeframe.

11.12 The Committee notes that it is also essential to strengthen consumer awareness programmes to educate users about their rights, grievance redressal mechanisms, and safe online practices. The Committee recommends encouraging greater transparency by e-commerce platforms with respect to pricing, discounts, return policies, and grievance redressal processes to build consumer trust. The Committee further recommends that there should be a monitoring mechanism to check that it is being implemented effectively.

VISIT TO UNION TERRITORIES OF JAMMU & KASHMIR AND LADAKH

12.1 The Committee undertook a study visit to Srinagar and Ladakh to assess the Ease of Doing Business as well for revival of trade and commerce in the said Union Territories. During the visit, the Committee interacted with various stakeholders, local trade and industry associations, as well as representatives of various Ministries/ Departments covering various sectors such as finance, power, transport, etc.

12.2 During interactions, the stakeholders urged the Committee to address systemic bottlenecks in trade, industry and exports in J&K, citing bureaucratic delays, absence of industrial incentives and poor logistics infrastructure. Key demands included a genuine single-window clearance system, warehousing/logistics hubs, revival of export incentives, support for handicrafts and Pashmina branding, inclusion of Kashmiri startups in global platforms and easier credit access. It was also stressed that targeted interventions in trade, industry, horticulture, handicrafts and IT are essential for J&K's economic revival.

12.3 Concerns were flagged regarding ensuring a level playing field for key regional products like Pashmina and Saffron so as to preserve their uniqueness and promote the region's trade. As regards Pashmina shawls, concerns were also raised regarding the limited availability of pashmina shawl testing facilities, which are currently located only in Dehradun and Kolkata, despite J&K being the main producer of pashmina shawls.

12.4 Credit access also figured prominently wherein the stakeholders urged the Reserve Bank of India to create relaxations for entrepreneurs penalised by low or erroneous CIBIL scores. They recommended a Government-backed mechanism for reassessing such cases, noting that many businesses had been disrupted by conflict and natural calamities but remain viable today.

12.5 The Cricket Bats Association highlighted major challenges such as variations in raw material quality, inadequate government support and modern infrastructure, and the need for stronger quality control measures to remain competitive against English willow bats. The Association recommended undertaking replantation of Kashmir willow to ensure an uninterrupted and regular supply of willow wood. It also emphasized the need for technological upgradation to enable faster drying of willow, as traditional sun-drying methods take up to two years, resulting in financial losses.

12.6 In the Union territory of Ladakh, stakeholders highlighted significant challenges faced by local businesses. With the rise of large projects in Ladakh, outside firms increasingly participate in bidding processes, making it difficult for local entrepreneurs to compete. The unique working conditions such as a limited six-month construction season, higher labour costs, the need to pay wages in advance and advance return tickets for workers further raise operational expenses. Businesses also face pressure to maintain stocks for six months even without confirmed orders. To support local industry, the Chamber proposed introducing a special quota for local bidders and offering an interest subsidy on winter stock to help offset these structural disadvantages.

12.7 Stakeholders also apprised the Committee about Ladakh's potential to become a carbon-neutral region, noting that renewable energy could transform the local economy. However, most renewable energy tenders are currently being awarded to outside firms, limiting local participation. They recommended providing power subsidies to local stakeholders to strengthen their competitiveness. With Ladakh's high altitude and low ambient temperatures, the region can generate nearly 20% higher solar energy yields, making renewable energy a major opportunity for its development.

12.8 The Committee was informed of the issues facing the region such as cost of construction in the region is considerably high due to the need to stock and store construction materials in advance, arising from unique geographical and climatic constraints. It was further pointed out that there is limited construction window due to adverse weather conditions, there is heavy reliance on raw materials transported from outside the region and the high cost of labour together contribute to the escalation of overall expenditure.

12.9 The Committee was also apprised of the challenges in providing basic services such as primary health centres and educational institutions in Leh, owing to the sparse population and wide geographical spread. It was therefore suggested that relaxed norms be considered for the region, in view of its unique constraints.

OBSERVATION/RECOMMENDATION

12.10 The Committee recommends operationalising a time-bound and effective single-window clearance system, along with the revival of industrial and export incentives, to address bureaucratic and credit-related bottlenecks. The Committee further recommends automating the disbursement of capital subsidies, GST-linked incentives and interest subventions under the New Central Sector Scheme for Industrial Development of Jammu & Kashmir by

integrating them into the National Single Window System (NSWS) to prevent local department backlogs. The Committee recommends that some additional initiative may be provided to Jammu & Kashmir so that their businesses may survive. The Committee emphasises strengthening logistics, warehousing, air cargo and regional road and air connectivity to support trade, tourism and horticulture in Jammu and Kashmir.

12.11 The Committee recommends focused support for GI-tagged and traditional sectors such as Apples, Pashmina, Saffron, handicrafts, horticulture and Kashmir willow bats through improved testing, branding, quality control and technological upgradation. The Committee also recommends establishing specialized, state-of-the-art testing and certification laboratories in every major production hub alongside launching a Government-backed blockchain registry. The Committee is of the view that this digital framework will allow international buyers to instantly verify the authenticity and Geographical Indication (GI) trace history of premium Kashmiri products *via* QR code scans.

12.12 The Committee further recommends special financial, bidding and policy relaxations for local enterprises in Ladakh, considering its unique climatic, geographical, and cost constraints. To build local capacity, the Committee suggests introducing a mandatory local procurement quota in all Government tenders for indigenous Ladakhi micro-enterprises.

12.13 The Committee also recommends promoting local participation in renewable energy projects, adopting relaxed norms for basic infrastructure and social services and ensuring sustained stakeholder engagement to translate reforms into tangible outcomes.To accelerate Ladakh's vision of becoming a carbon-neutral economy, the Committee suggests for providing special customs duty

waivers and fast-tracked land-use permits for community-owned micro-grids, solar-wind hybrid farms and high-altitude cold-storage infrastructure.

WAY FORWARD

13.1 The Committee notes that the most efficient Governments globally have adopted coordinated, risk-based regulatory systems with minimal interference for low-risk activities. India must move towards:

- Establishing permanent Regulatory Reform Cells at the Union level for coordination.
- Incubating similar cells at the State level for execution.
- Developing India-specific toolkits for regulatory impact assessment.
- Measuring actual business experience and satisfaction, beyond portal-based metrics.

13.2 The Committee observes that while a beginning has been made through various initiatives, it is critical to sustain and deepen reforms through continuous monitoring, stakeholder consultation, and adaptive policy-making. Reforms must focus not only on simplification but also on predictability, consistency, and trust between the Government and businesses.

OBSERVATION/RECOMMENDATION

13.3 The Committee notes that DPIIT, entrusted with the task of driving EoDB reforms, has created the desired momentum. With stronger inter-ministerial coordination, deeper State-level engagement, time-bound implementation tracking and a firm commitment to outcome-based governance, India can significantly enhance its business environment. The Committee further observes that as industries transition towards clean technologies, automation, advanced manufacturing and digital platforms, skill gaps have emerged. There remains a need for greater awareness and capacity-building among municipal officials,

inspectors and regulatory personnel. To address this, the Committee recommends regular capacity-building and training programmes for municipal officers, inspectors and regulatory personnel to ensure familiarity with reformed procedures and digital systemsbacked by an independent third-party impact assessment.

13.4 **The Committee desires that the issues and suggestions highlighted in this Report be addressed in right earnest to realise India's long-term economic aspirationsand strengthen its position as a globally competitive and investor-friendly economy.**

OBSERVATIONS/RECOMMENDATIONS - AT A GLANCE

INITIATIVES OF THE GOVERNMENT

1. The Committee notes that under the Reducing Compliance Burden initiative, DPIIT has coordinated with Central Ministries and States/UTs to simplify procedures, remove redundant provisions, digitize approvals and inspections and decriminalize minor and technical defaults. As a result, over 47,000 compliances across Central and State legislations have been reduced, simplified, digitized, or decriminalized. The Committee also appreciates the launch of the Regulatory Compliance Portal, which has enabled systematic tracking and monitoring of compliance reforms. (Para 3.5)

2. The Committee recommends that the Department may undertake periodic third-party evaluations of these reforms to assess their on-ground impact on businesses. The Committee also recommends that the Department may strengthen the Regulatory Compliance Portal by integrating real-time grievance redressal and performance metrics to ensure effective implementation of compliance reforms at the ground level. (Para 3.6)

3. The Committee is of the view that rigorous efforts should be made to ensure that redundant or overlapping licences are merged or remove so as to avoid duplicacy of work. The Committee notes that manufacturing facilities face distinct overlapping disruptions from separate departments conducting parallel inspections under independent laws, The Committee, therefore, recommends that DPIIT must transition from discretionary administrative checking to an automated Joint Site Inspection framework, shifting lower-risk sectors entirely toward third-party certifications and trust-based self-reporting regimes. (Para 3.7)

4. The Reducing Compliance Burden (RCB) programme has achieved notable progress at the Central level, but local-level compliances remain unaddressed in many States. Therefore, the Committee recommends that the Department may develop sector-specific compliance roadmaps, in consultation with industry and State Governments, to address regulatory bottlenecks unique to different sectors.To institutionalize this integration at the lowest tier of governance, the Committee recommends the immediate expansion of the District Business Reform Action Plan (D-BRAP), ensuring that all State line-department approvals, business renewals and exit filings under the Insolvency and Bankruptcy Code (IBC)

migrate onto a single transactional dashboard linked directly to the National Single Window System (NSWS) platform with mandatory 'deemed approval'. (Para 3.8)

5. Further, the Committee observes that complex fiscal execution frameworks continue to freeze vital corporate liquidity. To lower these operational overheads, the Committee recommends the Department to coordinate with the Ministry of Finance to rationalize and group the overly fragmented Tax Deducted at Source (TDS) parameters into simplified, uniform standard bands. The Committee is also of the view that the Department must work to remove working capital blockages by exploring mechanisms to allow GST liabilities under the Reverse Charge Mechanism (RCM) to be serviced through the Electronic Credit Ledger (ECRL), while enabling the fluid transfer of unutilized input tax credits between separate GSTIN branches registered under the exact same Permanent Account Number (PAN). (Para 3.9)

DELAYS IN APPROVALS

6. The Committee observes that fragmented regulations and multiple approvals at the Central and State levels cause delays and increase the cost of doing business. The Committee further notes that overlapping compliance requirements lead to duplication of effort. The Committee recommends rationalization and consolidation of regulatory frameworks by adopting risk-based regulations and increasing the use of self-certification and third-party certification.The Committee is of the view that replacing rigid physical caps such as structural building height restrictions with flexible, hazard-linked safety guidelines in the National Building Code (NBC) to include modern semiconductor fabrication facilities and automated production lines will ease the process. (Para 3.23)

7. Further, to support the green energy transition, the Committee recommends creating a separate, simplified regulatory category under the Factories Act and State Fire Rules for renewable energy deployments like solar parks, wind farms, and Battery Energy Storage Systems (BESS), shifting lower-risk installations entirely to a trust-based self-certification framework. (Para 3.24)

8. The Committee further recommends uniform implementation of national standards across all States. The Committee is of the views that Mutual Recognition Agreements (MRAs) must be established between State inspectorates to ensure that safety and technical inspection certificates issued in one State are automatically recognized nationwide, eliminating redundant testing. (Para 3.25)

9. The Committee also recommends expansion of single-window digital clearance systems and delegation of approvals to appropriate authorities. The Committee believes that these measures would significantly reduce compliance burden, speed up project implementation and improve the overall ease of doing business without compromising safety, environmental safeguards, or labour welfare. (Para 3.26)

TIMELINE ADHERENCE BY GOVERNMENT AUTHORITIES

10. The Committee acknowledges the efforts of the Department in introducing the Single Window Guidebook for implementation by States/UTs. However, during its interactions with various stakeholders, the Committee observed that processes for obtaining approvals and issuance of NoCs continue to be time-consuming. The Committee is of the view that measures may be explored and, if feasible, introduced to ensure time-bound and faceless delivery of services by Central Ministries, with provisions for penalties in cases of delay or deficiencies, while leveraging India's Digital Public Infrastructure to further strengthen Ease of Doing Business. (Para 3.29)

11. The Committee, therefore, recommends that all licences, approvals, permissions and renewals across Central, State and local authorities should be granted within clearly defined timelines, with a provision for deemed approval. The Committee is of the view that these deemed approvals must be generated automatically via the National Single Window System (NSWS) upon the expiration of Service Level Agreements (SLAs), carrying the same statutory validity as standard manual certifications. (Para 3.30)

12. The Committee considers that the renewals should be automatic for businesses with a clean track record and, in all other cases, should remain strictly time-bound. The Committee further recommends that clear timelines be prescribed and strictly enforced for Government refunds, project approvals, fund

disbursements, and subsidies, with compensatory payments in the event of delays.

(Para 3.31)

13. The Committee also recommends that all such defined timelines be placed in the public domain for information and transparency. The Committee suggests that to enforce this transparency, transforming the current internal grading metrics into a publicly accessible and real-time SWS Performance Dashboard, allowing citizens to view the processing trends and average resolution times down to the district level. The Committee believes that these measures would reduce compliance burden, speed up project implementation and improve ease of doing business without compromising safety, environmental safeguards. The Committee further recommends that labour welfare as well as the law of the land, *i.e.*, labour laws as per Constitution may be complied with. (Para 3.32)

BUSINESS REFORM ACTION PLAN (BRAP)

14. The Committee observes that the Business Reform Action Plan (BRAP) has played a significant role in promoting the spirit of competitiveness among States to introduce business reforms. To make the campaign a success, States have a vital role to play in promoting investor confidence. The ease or difficulty of doing business in a State is a function of the structures/framework put in place by the States alongwith its effective implementation. The Committee recommends that new edition of BRAP may place greater emphasis on outcome-based indicators and on-ground implementation, with particular focus on reduction in time and cost of compliance for businesses and that best practices adopted by leading States may be systematically documented and shared with other States/UTs for wider replication. (Para 4.3)

15. To ensure that these reforms deliver tangible relief, the Committee recommends integrating a mandatory Ground Reality Verification audit into the BRAP evaluation protocol, utilizing third-party random sampling and direct industry interviews instead of relying strictly on State-submitted paperwork. (Para 4.4)

16. Further, the Committee suggests expanding the BRAP 2024 framework to mandate the standard adoption of a single, PAN-based Business ID across all

State-level clearances, completely eliminating the need for enterprises to re-verify identity across multiple local departments. (Para 4.5)

17. The Committee further recommends sensitizing States for removing significant efficiency gaps between major industrial cities and rural areas, ensuring consistent implementation of reforms at the local level. This will help States to improve business services uniformly across all districts rather than focusing only on economic centers. (Para 4.6)

18. Acknowledging that businesses interact mostly with local municipal and district offices, the Committee recommends future BRAP metrics to incentivize States to bridge the performance gap between their primary industrial hubs and rural areas, providing targeted capacity-building support to lagging regions to drive uniform grassroots execution of the District Business Reform Action Plan. (Para 4.7)

NATIONAL SINGLE WINDOW SYSTEMS (NSWS)

19. The Committee notes that Single Window Systems have been implemented in most States and Union Territories. The Committee further notes that these systems are integrated with the National Single Window System (NSWS) through API-based linkages, enabling seamless data exchange and end-to-end tracking of applications. The Committee is of the opinion that NSWS could turn out to be a game changer reform, if certain specific concerns of industry are addressed adequately. (Para 5.5)

20. To make NSWS a success, there is urgent need to bridge the gap further between implementation on paper and implementation on the ground. Despite the existence of a single-window system, approval processes continue to be time-consuming, indicating that significant improvements are still required in this area. It is important to ensure that reforms are felt at the ground level by the end users as well as the private sector. The Committee, therefore, recommends that the Department should consider introducing a procedure mandating that all regulatory approvals/ renewals from Central Ministries to be provided only through the NSWS platform and in a time-bound manner. For this, all remaining Ministries, Departments and State/UT authorities should be mandatorily onboarded onto NSWS within a time-bound framework. NSWS should serve as an

exclusive platform for applying for approvals, submitting documents, payments, inspections and receiving clearances. (Para 5.6)

21. The Committee also recommends that every provision that is posted on NSWS should mandatorily indicate timelines with provision of deemed approval. Further, the Committee recommends that a centralized real-time dashboard with published timelines and penalties for non-adherence should be integrated into the system. NSWS should have a dynamic and real-time-basis scoring (weighted index) and ranking mechanism of Ministries and States. Parameters like number of approvals provided through NSWS, number of total applications cleared in timely manner, average time taken per clearance etc. could be used for preparing the score & ranking. (Para 5.7)

22. The Committee notes the proposal of Capacity Building Initiative for NSW stakeholders. The Committee recommends that all stakeholders should be involved in the process and monitoring of Capacity Building programs should be done periodically to improve it further. The Committee also be apprised about the gap assessment report to evaluate the existing level of preparedness. (Para 5.8)

DECRIMINALIZATION (JAN VISHWAS)

23. The Committee notes that Decriminalization of business laws plays a vital role in enhancing investor confidence and reducing the burden on the judicial system. The Committee notes that the Jan Vishwas (Amendment of Provisions) Act, 2023 marked a significant shift towards trust-based governance by decriminalizing minor offences across several Central Acts. The Committee also notes that the Jan Vishwas (Amendment of Provisions) Bill, 2026 represents a major step towards modernizing India's regulatory framework and aligning it with globally accepted principles of proportionate and risk-based regulation. The Committee, therefore, recommends that DPIIT ensure the effective implementation of the Act by issuing uniform guidelines to all concerned Ministries, regulators and enforcement agencies. The Committee further recommends establishing a centralized monitoring mechanism to oversee implementation, ensure consistency in enforcement, and prevent the reintroduction of criminal provisions through subordinate legislation. (Para 6.6)

24. To ensure global parity, the Committee recommends aligning Indian business regulations with Organisation for Economic Co-operation and Development (OECD) nations by replacing criminal penalties with civil oversight for minor administrative errors. The Committee is of the view that this approach would reduce fear of incarceration for non-hazardous mistakes, fostering a more attractive investment environment through global parity. (Para 6.7)

25. To establish safeguards against re-criminalization in future, the Committee suggests a mandatory legal clause requiring all future departmental notifications, circulars and State-level amendments to undergo a prior "Ease of Doing Business Impact Assessment" before enactment, ensuring legacy criminal penalties are not quietly reintroduced under new technical names. (Para 6.8)

26. The Committee also recommends that the Department engage closely with relevant stakeholders and the concerned Ministries/Departments to ensure that the decriminalization initiatives are effectively executed and results in tangible improvements. (Para 6.9)

BUSINESS READY (B-READY)

27. The Committee observes that, after the discontinuation of the World Bank's Doing Business Report (DBR), the Business Ready (B-READY) framework has emerged as the new global benchmark for assessing business environments. The Committee notes that DPIIT is undertaking reforms to address identified gaps, particularly in areas such as contract enforcement, regulatory quality and service delivery. The Committee recommends that reform measures initiated by various Ministries and Departments to improve India's performance in the World Bank's B-READY index may be pursued in a sustained manner, with periodic assessments to monitor progress and with continued efforts to maintain and further enhance India's overall ranking. To ensure seamless alignment with these global standards, the Committee further recommends the creation of an online 'B-READY Reform Dashboard' to track real-time regulatory compliance across all Ministries, ensuring any bottleneck in contract enforcement is flagged automatically. (Para 7.4)

28. The Committee notes that the improvement in 'Ease of Doing Business' rankings is going to have an huge impact on the overall development of the

country from various perspectives i.e. infusion of foreign funds, creation of job opportunities, making India a global manufacturing hub, improving the entrepreneurship eco system within the country so that Indians themselves get into manufacturing in a large scale. The Committee recommends that the Department should foresee the steps to be taken at the Centre and State levels with full co-operation and collaborative approach to bring about actual difference on the ground level from the perspective of both foreign investors and Indian entrepreneurs. (Para 7.5)

29. The Committee recommends that DPIIT may explore the possibility of creating a specialized 'Support Cell' to ensure that first-generation entrepreneurs receive the same regulatory fast-tracking, digital single-window access and compliance benefits accorded to major corporate investors. (Para 7.6)

30. The Committee is of the view that it is necessary to move away from slow, paper-heavy legal processes and recommends setting up dedicated, fully digitized Commercial Courts in major industrial clusters to resolve contract disputes within a prescribed time limit. (Para 7.7)

KEY CHALLENGES IMPACTING DOING BUSINESS

FRAGMENTED REGULATORY FRAMEWORK

31. The Committee recommends that the Government should consider merging overlapping licences (for example, trade licence and shops and establishments licence) for commercial establishments. The Committee also recommends that Inspectorate functions under various laws (Factories Act, Boilers Act, Petroleum Act, etc.) should be consolidated into a unified inspection authority using risk-based inspections. The Committee suggests that this unified inspection authority be natively integrated into the National Single Window System (NSWS), creating a single central repository for compliance data that completely eliminates duplicate document submissions across different departments. Further, a One Licence - One Renewal framework may be introduced for restaurants, hospitality, and retail sectors. The Committee is of the view that there should not be violation of the law of the land, *i.e.*, labour laws as per the Constitution. (Para 8.2)

INFRASTRUCTURE, TRANSPORTATION AND LOGISTICS CONSTRAINTS

32. The Committee observes that, despite significant policy and digital reforms undertaken by the Government, the transportation and logistics sector continues

to face regulatory, procedural and infrastructure-related constraints that increase logistics costs and adversely affect the ease of doing business. The Committee recommends the Department to pursue simplification of tax and customs compliance by reducing duplicate documentation, streamlining audit mechanisms, ensuring time-bound disposal of approvals and refunds and promoting end-to-end digital processing. It further recommends adoption of a risk-based and trust-based regulatory framework to minimise unnecessary inspections, reduce litigation arising from genuine interpretational disputes and facilitate a more predictable business environment. (Para 8.14)

33. The Committee further recommends seamless integration of digital platforms across Customs, ports, airports, railways and other regulatory agencies through a unified single-window system to enable paperless processing and real-time information sharing.The Committee is of the view that to fully operationalize this digital integration, the Committee recommends mandating all private and public logistics operators integrate their tracking systems with the Unified Logistics Interface Platform (ULIP) *via* open APIs. The Committee believes that the procedures and timelines should be standardised across jurisdictions, supported by transparent grievance redressal mechanisms and periodic review of compliance requirements to eliminate redundant processes and reduce the compliance burden. (Para 8.15)

34. The Committee also recommends that focused attention be given to strengthening logistics infrastructure by improving multimodal connectivity, expanding warehousing and cold-chain facilities, modernising cargo handling infrastructure at ports and airports and addressing last-mile connectivity gaps. It further recommends that land acquisition and approval processes for logistics infrastructure be simplified through single-window, time-bound clearances. The Committee also recommends exploring areas where complete digitalization is not followed and ensure optimal and efficient system of adoption of digital technologies and automation. The Committee recommends that the Government formulate a uniform national policy for warehousing standards and approvals across States. This national policy should incorporate an automated registration framework linked to the Warehousing Development and Regulatory Authority (WDRA), offering fast-tracked municipal clearances and zoning benefits to warehouses that adopt certified green building and automation standards. The

Committee is of the view that greater coordination among Ministries and regulatory agencies is essential to ensure uniform implementation of reforms and remove operational bottlenecks. (Para 8.16)

35. The Committee further recommends expansion of air cargo, storage and perishable handling facilities, particularly in Tier-II and Tier-III cities, along with facilitation of round-the-clock cargo movement and simplified transit approvals. It also recommends rationalisation of cargo screening norms, terminal charges, customs cost recovery and GST on export air cargo. Further, to capture the booming global e-commerce market, the Committee suggests simplifying the regulatory framework for the International Courier Terminal (ICT) ecosystem, expanding digital processing limits for low-value cross-border shipments to boost small-scale exporters. The Committee believes that timely implementation of these measures would reduce logistics costs, improve supply chain efficiency and strengthen India's position as a competitive global trade and logistics hub. (Para 8.17)

ACCESS TO CREDIT, ESPECIALLY FOR MSMEs

36. The Committee observes that adequate and timely credit is essential for improving the ease of doing business across MSMEs and other entrepreneurial sectors and notes that Small and micro enterprises continue to face procedural complexity and high documentation requirements. Access to working capital is particularly constrained for micro units, start-ups and first-time entrepreneurs. Collateral requirements and risk-averse lending practices further limit credit flow. The Committee notes that credit delivery remains uneven across regions and sectors. Banking practices such as foreclosure and pre-payment charges add to the financial burden. Multiple approvals and regulatory requirements also delay the establishment of new enterprises. (Para 8.21)

37. The Committee, therefore, recommends strengthening formalization through Udyam platforms to expand access to institutional finance as well as further expansion of credit guarantee and collateral-free lending mechanisms. To completely eliminate manual paperwork for working capital, the Committee further recommends that all commercial banks leverage the Reserve Bank of India's (RBI) Account Aggregator network to fetch verified financial footprints instantly, enabling data-driven, cash-flow-based lending rather than relying on asset-heavy collateral. (Para 8.22)

38. The Committee also recommends simplification of banking procedures, reduction in documentation and greater use of digital public infrastructure for credit assessment and faster disbursement. The Committee further recommends targeted credit support for MSMEs, manufacturing, exporters, and innovation-driven enterprises. The Committee is of the view that improved coordination among banks, financial institutions, and government agencies is essential to ensure seamless synergy. Further, to improve credit flow and significantly enhance the ease of doing business , the Committee recommends that RBI must issue guidelines to uniformly ban foreclosure and pre-payment charges for all micro and small enterprise loans, ensuring businesses are not financially penalized for early repayment or credit restructuring. (Para 8.23)

OTHER OBSERVATIONS AND RECOMMENDATIONS IN EASE OF DOING BUSINESS

STARTING A BUSINESS

39. The Committee recommends that improvements in reformed services, simplified procedures and digital platforms should be communicated on a regular basis through print, electronic and digital media. Such outreach would enhance transparency, improve awareness among stakeholders and ensure wider adoption of simplified processes, particularly by first-time entrepreneurs and MSMEs.

(Para 9.2)

TRADING ACROSS BORDERS

40. The Committee observes that India's export potential is significant, with an ambitious target of US$ **2 trillion in exports by 2030**. **However, to realise this objective, ease of doing business for exporters must go beyond regulatory compliance and address the entire export ecosystem from factory gate to foreign markets. The Committee further notes that effective, coordinated and time-bound implementation of the measures envisaged under the National Trade Facilitation Action Plan (NTFAP) 3.0, in alignment with the Foreign Trade Policy, 2023, will not only enhance India's EoDB performance but also support the achievement of long-term export targets. The Committee recommends that while finalizing Foreign Trade Policy 2023, level playing field for the exporters may be taken cognizance of and incorporated so that the exporters are not put at disadvantage.**

(Para 9.4)

41. The Committee recommends the Department to engage with stakeholders to identify and work out measures to further ease cross-border trade. The Committee further recommends harmonization of procedures across Partner Government Agencies (PGAs) as well as complete end-to-end digitization of export and import processes. To expedite this process, the Committee recommends upgrading the ICEGATE portal to a fully automated, AI-driven clearance mechanism that reduces the average release time for export cargo to under 12 hours at seaports and under 4 hours at airports. (Para 9.5)

42. Further, the Committee suggests expanding the Authorized Economic Operator (AEO) certification network to micro and small-scale exporters, offering them automated, green-channel customs clearance, fast-tracked duty drawbacks and mutual recognition access in key international trade corridors (Para 9.6)

43. The Committee also recommends strengthening port, airport and logistics infrastructure, including warehousing, cold storage and last-mile connectivity. The Committee further recommends developing open electronic data interchange (EDI) protocols with major global trade networks to establish paperless, blockchain-backed cross-border document validation, drastically minimizing the administrative compliance burden for Indian merchants. (Para 9.7)

EASE OF DOING BUSINESS IN GOVERNMENT E-MARKETPLACE (GeM)

44. The Committee notes the significant contribution of GeM towards simplifying public procurement and promoting the ease of doing business. The Committee recommends further expanding the participation of MSMEs, startups and women entrepreneurs through greater awareness and capacity-building. India is an agrarian country with huge population, MSME and agro based industries are important sector to address unemployment. Priority may also be given to the Manufacturing units which play a vital role in the country's development. The Committee also recommends strengthening digital integration across Government platforms to reduce compliance burden and improve procurement efficiency. The Committee further recommends that, in coordination with the concerned Ministries, suitable safeguards be incorporated in the procurement framework to promote compliance with labour laws, including provisions relating to contractual employment, payment of minimum wages and other statutory obligations by vendors. If not so, then the principal employers are entitled to comply with the law of the land. (Para 10.4)

EASE OF DOING BUSINESS IN E-COMMERCE

Working Conditions in E-commerce "Dark Stores"

45. The Committee notes that the Occupational Safety, Health and Working Conditions (OSH&WC) Code, 2020, which came into effect on 21.11.2025, provides a statutory framework for ensuring safe and healthy working conditions in establishments employing ten or more workers. The responsibility for enforcement and compliance under the Code rests with the appropriate Government, which in the case of e-commerce dark stores, is the concerned State Government. (Para 11.4)

46. The Committee is of the view that effective implementation and continuous monitoring of labour welfare provisions in the e-commerce sector are critical to ensuring fair working conditions, reducing informal employment and promoting sustainable business practices. Accordingly, the Committee recommends that minimum standards relating to basic workplace amenities and occupational safety be strictly enforced for e-commerce workers. Further, besides the labour welfare, the Committee recommends that implementation of the labour laws as per the Constitution must be ensured. (Para 11.5)

47. To ensure comprehensive protection, the Committee recommends that the enforcement of the OSH&WC Code be seamlessly linked with the Code on Social Security (2020), mandating that e-commerce aggregators strictly comply with the statutory 1% to 2% turnover-based contribution toward the National Social Security Board for gig and platform workers. The Committee further recommends that the OSH&WC Code must be implemented for all categories of the unorganized workers. (Para 11.6)

48. The Committee further recommends periodic review of labour practices in the sector to address emerging issues relating to working hours, worker welfare and job security. The Committee is of the view that this review must explicitly target quick-commerce delivery timelines, establishing strict guidelines to prevent algorithmic dispatch systems from imposing unrealistic speed targets that compromise the occupational safety of delivery partners on public roads.

(Para 11.7)

49. Further, the Committee recommends that State Governments must frame a randomized, technology-driven inspection framework through designated

Inspector-cum-Facilitators to conduct surprise digital and physical audits of dark stores, to verify the provision of adequate ventilation, hydration stations and mandatory rest intervals. The Committee suggests the department to explore the feasibility of creating a centralized registry to link all registered dark store and delivery personnel to an Aadhaar-backed portable insurance framework, guaranteeing automated medical and accident coverage across different platform providers. The Committee also recommends sustained engagement with e-commerce platforms, workers' representatives and consumer organisations to ensure balanced, inclusive and sustainable growth of the e-commerce ecosystem. (Para 11.8)

CONSUMER PROTECTION AND ISSUES IN QUICK COMMERCE

50. The Committee notes that the Department of Consumer Affairs has taken a number of legislative and regulatory initiatives to strengthen consumer protection in the rapidly evolving e-commerce ecosystem. The Committee recommends that DPIIT co-ordinate with concerned Departments/Ministries for strengthening the regulatory framework in e-commerce to prevent unfair trade practices and safeguard consumer interests. The Committee is of the view that there should be strict enforcement of guidelines relating to dark patterns and misleading advertisements on digital platforms. To protect users from predatory technology, the Committee recommends creating a strict regulatory check on dynamic pricing, preventing platforms from using a consumer's search history, device type or location data to artificially inflate prices during checkout. There should be objective reality feedback of the implementation of e-commerce and quick commerce to prevent common man from misleading information. (Para 11.10)

51. The Committee is also of the opinion that digital grievance redressal platforms should be further upgraded to ensure faster, simpler and more accessible resolution of consumer complaints. Acknowledging the AI capabilities already deployed in NCH 2.0 for complaint categorization, the Committee recommends upgrading this framework by integrating it with automated Online Dispute Resolution (ODR) mechanisms. The Committee believes that this will change the helpline from routing platform into an actionable system capable of

automatically settling routine e-commerce return and refund disputes within a strict, legally mandated timeframe. (Para 11.11)

52. The Committee notes that it is also essential to strengthen consumer awareness programmes to educate users about their rights, grievance redressal mechanisms, and safe online practices. The Committee recommends encouraging greater transparency by e-commerce platforms with respect to pricing, discounts, return policies, and grievance redressal processes to build consumer trust. The Committee further recommends that there should be a monitoring mechanism to check that it is being implemented effectively. (Para 11.12)

VISIT TO UNION TERRITORIES OF JAMMU & KASHMIR AND LADAKH

53. The Committee recommends operationalising a time-bound and effective single-window clearance system, along with the revival of industrial and export incentives, to address bureaucratic and credit-related bottlenecks. The Committee further recommends automating the disbursement of capital subsidies, GST-linked incentives and interest subventions under the New Central Sector Scheme for Industrial Development of Jammu & Kashmir by integrating them into the National Single Window System (NSWS) to prevent local department backlogs. The Committee recommends that some additional initiative may be provided to Jammu & Kashmir so that their businesses may survive. The Committee emphasises strengthening logistics, warehousing, air cargo and regional road and air connectivity to support trade, tourism and horticulture in Jammu and Kashmir. (Para 12.10)

54. The Committee recommends focused support for GI-tagged and traditional sectors such as Apples, Pashmina, Saffron, handicrafts, horticulture and Kashmir willow bats through improved testing, branding, quality control and technological upgradation. The Committee also recommends establishing specialized, state-of-the-art testing and certification laboratories in every major production hub alongside launching a Government-backed blockchain registry. The Committee is of the view that this digital framework will allow international buyers to instantly verify the authenticity and Geographical Indication (GI) trace history of premium Kashmiri products *via* QR code scans. (Para 12.11)

55. The Committee further recommends special financial, bidding and policy relaxations for local enterprises in Ladakh, considering its unique climatic,

geographical, and cost constraints. To build local capacity, the Committee suggests introducing a mandatory local procurement quota in all Government tenders for indigenous Ladakhi micro-enterprises. (Para 12.12)

56. The Committee also recommends promoting local participation in renewable energy projects, adopting relaxed norms for basic infrastructure and social services and ensuring sustained stakeholder engagement to translate reforms into tangible outcomes. To accelerate Ladakh's vision of becoming a carbon-neutral economy, the Committee suggests for providing special customs duty waivers and fast-tracked land-use permits for community-owned micro-grids, solar-wind hybrid farms and high-altitude cold-storage infrastructure. (Para 12.13)

WAY FORWARD

57. The Committee notes that DPIIT, entrusted with the task of driving EoDB reforms, has created the desired momentum. With stronger inter-ministerial coordination, deeper State-level engagement, time-bound implementation tracking and a firm commitment to outcome-based governance, India can significantly enhance its business environment. The Committee further observes that as industries transition towards clean technologies, automation, advanced manufacturing and digital platforms, skill gaps have emerged. There remains a need for greater awareness and capacity-building among municipal officials, inspectors and regulatory personnel. To address this, the Committee recommends regular capacity-building and training programmes for municipal officers, inspectors and regulatory personnel to ensure familiarity with reformed procedures and digital systems backed by an independent third-party impact assessment. (Para 13. 3)

58. The Committee desires that the issues and suggestions highlighted in this Report be addressed in right earnest to realise India's long-term economic aspirationsand strengthen its position as a globally competitive and investor-friendly economy. (Para 13. 4)

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