

**Proceeding Report**  
**Session on 'Doing Business  
in Maharashtra'**

**Date - 4<sup>th</sup> May, 2016**

**Venue - Taj Mahal Palace, Mumbai**

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## Introduction

As part of the Make in Maharashtra initiative, the Directorate of Industries, Government of Maharashtra in coordination with the Confederation of Indian Industries (event partner) and KPMG (knowledge partner), organized a session on “Ease of Doing Business in Maharashtra” at the Taj Mahal Palace, Mumbai on 4<sup>th</sup> May, 2015.

In order to give impetus to The Prime Minister’s vision for enhancing India’s competitiveness in doing business and increasing inward investments as well as manufactured exports in the country, the Government of Maharashtra introduced the ‘Make in Maharashtra’ drive in November 2014. As part of this, the State has introduced several reforms for streamlining the procedures for doing business in the state. The session was aimed at interacting with various industrialists, particularly the survey respondents for the World Bank Doing Business Assessment, in order to bring these reforms to their notice.

The event was hosted by **Mr. Apurva Chandra**, Principal Secretary (Industries) under the chairmanship of Honorable Chief Secretary, **Mr. Swadheen Kshatriya**. The dignitaries present in the session included **Mr. Shailendra Singh**, Joint Secretary, DIPP, Government of India; **Mr. Ajoy Mehta**, Municipal Commissioner, MCGM; **Ms. Marie-Lily Delion** from the World Bank Doing Business Team; **Mr. Sanjeev Kumar**, The Managing Director, MSEDCL, Government of Maharashtra; and **Mr. Nitin Potdar**, Partner, JSA Law. Further, the event saw participation from over 120 industrialists.

# Inaugural Session

**Table 1: Dignitaries on the dais during the inaugural session**

Name	Designation
<b>Mr. Swadheen Kshatriya</b>	Honorable Chief Secretary, Government of Maharashtra
<b>Mr. Apurva Chandra</b>	Principal Secretary, Industries, Government of Maharashtra
<b>Mr. Shailendra Singh</b>	Joint Secretary, Department of Industrial Policy and Promotion Ministry of Commerce & Industry Government of India
<b>Ms. Marie-Lily Delion</b>	Development Economics - Doing Business Team, World Bank
<b>Mr. Ajoy Mehta</b>	Municipal Commissioner, MCGM, Government of Maharashtra
<b>Dr. Ramaswami N.</b>	The Inspector General of Registration, Government of Maharashtra
<b>Mr. S P Kadu-Patil</b>	Settlement Commissioner & Director of Land record, Maharashtra State, Pune
<b>Mr. Sanjeev Kumar</b>	The Managing Director, MSEDCL, Government of Maharashtra
<b>Mr. Nitin Potdar</b>	Partner, JSA Law



The session was inaugurated by Mr. Apurva Chandra (Principal Secretary, Industries, Government of Maharashtra), who delivered the opening remarks and set the context for discussion. In his speech, he touched upon the State's endeavors to enhance India's current ranking (130 amongst 189 economies) in the World Bank Doing Business Assessment, which ranks countries on their doing business processes across 10 key indicators.

Presentation 1: 'Doing Business in India' by Mr. Shailendra Singh, Joint Secretary, Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India



#### SPEAKER PROFILE

Mr. Shailendra Singh is a 1988 batch IAS officer and holds a degree in Law. Mr. Singh has held several important positions in Government of Madhya Pradesh – he was CEO of M.P. Rural Road Development Authority, Commissioner of Commercial Tax Department and Managing Director of State Mining Development Corporation.

Taking the discussion forward, Mr. Shailendra Singh highlighted some of the key reforms implemented by the Government of India initiated in order to simplify the process of doing business in the country.

Amongst other reforms, he emphasized on

- The elimination of minimum capital requirement and common seal & rubber stamp requirement for starting a business, and
- The provision of online payment and common Challan for ESIC and EPFO contributions

Further, Mr. Singh presented DIPP's 340-point State Level Business Reforms Action Plan, which is aimed at inspiring a competitive spirit amongst states and intensifying the pace of reformation.

## Presentation 2: 'World Bank Doing Business Assessment 2017', by Ms. Marie-Lily Delion, Development Economics – Doing Business Team, World Bank



### SPEAKER PROFILE

Ms. Delion joined the Doing Business team in 2003 and has worked on several indicators of Doing Business assessment, specifically 'Dealing with Construction Permits' and 'Registering Property'. She studied international commerce from Cambridge and has a bachelor's degree in computer science from University of Maryland University College.

Ms. Delion initiated her presentation by explaining the different parameters measured by the following indicators: Doing Business, Starting a Business, Dealing with Construction Permits, Getting Electricity, Registering Property, Getting Credit, Protecting Minority Investors, Enforcing Contracts and Resolving Insolvency.

Based on the above indicators, she further went on to explain India's ranking on the Doing Business, as compared to the different countries of the world. Further, she explained the reason for the change in the Doing Business methodology as reducing the limitations of the original DB indicators set up in 2003.

Through the years 2015, 2016 and 2017, these indicators had major expansions/ revisions and additions in the methodology.

In 2015, the three indicators for resolving insolvency, protecting minority investors and getting credit were revised.

In 2016, new measures of quality were introduced in the methodology for the indicators of dealing with construction permits, getting electricity, registering property, enforcing contracts along with collecting new data for labor market regulation and cross border trade was given more importance.

In 2017, changes like expanding the paying taxes indicator to cover post filing and new research eg - correcting certain gender biases and new annex on selling to the government were introduced in the methodology.

### Presentation 3: 'Doing Business indicator: Starting Business & Dealing with Construction Permits in Mumbai', by Mr. Ajoy Mehta - the Municipal Commissioner, Municipal Corporation of Greater Mumbai (MCGM)



#### SPEAKER PROFILE

Mr. Mehta is from the 1984 batch of IAS and holds MBA in Finance from University of Glasgow, BTech from IIT, BHU as well as a degree in Law from Mumbai University. He has held numerous posts in Government of Maharashtra – he was Managing Director of MSEDCL, Municipal Commissioner, Nashik. He has also served as a member of the high level panel formed by Government of India on reforms and financial position of distribution utilities.

During the event, Mr. Ajoy Mehta delivered a presentation underlining the reforms specific to Dealing with Construction Permits in Mumbai.

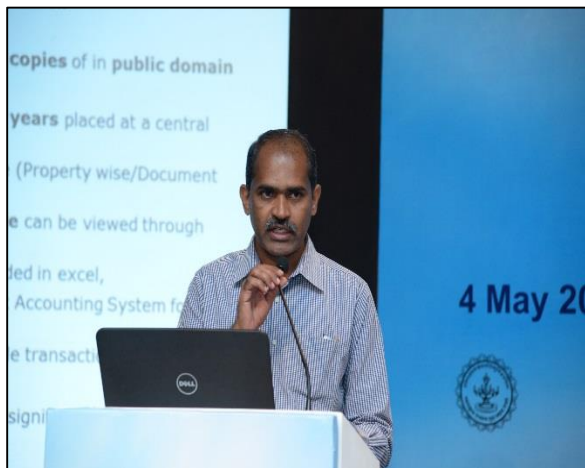
Some of the significant reforms he touched upon included the following:

- Reduction in the approval layer for obtaining Building Permit, leading to a decline in time from 365 days to 60 days, and

- Provision for all scrutiny fees to be auto-calculated and paid online during the submission of application, as opposed to payment at 89 different stages.

Additionally, he spoke about the processes that can be run in parallel to bring down the time required to obtain Building Permits. Moreover, going forward, to simplify the process of obtaining building permits, self-certification of related services such as plumbing, electrical and mechanical services will be accepted from consultants. Earlier, MCGM was responsible for providing this service. He also notified the audience that the new Development Control Regulations will be published in May, 2016 which will add rules relevant to repair work, while eliminating other redundant rules.

## Presentation 4: 'Property Registration in Mumbai', by Dr. Ramasawami N., the Inspector General of Registration, Maharashtra



Dr. Ramasawami N., Inspector General of Registration, Maharashtra, in his presentation, mentioned some of key points on property registration:

- 100% of the property records are digitized from 2002 and are available via an “e-Search” option.
- Besides, to enhance the ease of doing business, model sale deed contracts are available on the department website



## Presentation 5: 'Digitization of Land Records and Linking with Municipal Records in Mumbai' by Mr. S P Kadu-Patil, Settlement Commissioner & Director of Land record, Maharashtra



Mr. Kadu Patil, the Settlement Commissioner and Director of Land Records, Maharashtra emphasized on reforms related to digitization of land records in Mumbai. Some of the key highlights from his speech are as follows:

- 100% of the 7/12 extracts have been digitized for easy verification
- 88% of the talukas' records are now fully online
- Property cards in urban areas are also digitized

## Presentation 6: 'Getting Electricity in Mumbai', by Mr. Sanjeev Kumar, Managing Director, MSEDCL, Government of Maharashtra



### SPEAKER PROFILE

Mr. Sanjeev Kumar holds a degree in Electronics & Communication Engineering from IIT Roorkee and M.Tech in Communication Engineering from IIT, Kanpur. Prior to his current role, he has served in various ministries and state departments like sales tax, water supply and sanitation and industries. In the past he has also served as the joint CEO of the Maharashtra Industrial Development Corporation and MD of Maharashtra Agro Industries Development Corporation

In his address, **Mr. Sanjeev Kumar** highlighted that the State has implemented a number of successful reforms to streamline the process for sanctioning a new electricity connection in Maharashtra. He also elaborated upon these initiatives for reducing the traditional 7-step procedure for releasing a new

electricity connection for commercial and industrial consumers to a 3-step procedure. The application and payment for getting a new electricity connection can now be made online, along with the provision to download a digitally signed copy of the certificate.

Other reforms which have been implemented are:

- Simplification of the documentation by reducing the number of documents to be uploaded from 7 for High Tension (HT) and 4 for Low Tension (LT) to 2 for both
- Extensive use of IT in order to ensure transparency in the process and introduction of online facilities on the website, for eg.  
Online modules, online documentation upload and status check, payment facility and modes of payment
- Forming the Help Desk at Corporate office for HT Consumers which focus on grievance redressal, monitoring and follow up for existing HT consumers and allocating additional Testing Engineers to assist Electrical Inspector to reduce the delay in process of electrical installations

This has contributed to an **improvement of 29 points** (from 99 to 70) in India's ranking in the World Bank Assessment.

## Presentation 7: 'Make in Maharashtra – Second Generation Industry Reforms', by Mr. Apurva Chandra, Principal Secretary, Industries, Government of Maharashtra



### SPEAKER PROFILE

Mr. Chandra belongs to the 1988 batch of IAS, and has done his Bachelors in Civil Engineering & Masters in Structural Engineering from IIT Delhi. He has spent more than 7 years in the Ministry of Petroleum & Natural Gas where he was involved in making policies on fuel supplies to industries, supply logistics, transportation, storage & distribution of fuel products, among others. Mr. Chandra has served on the board of directors of GAIL (India) Ltd and Petronet LNG Ltd. He has been associated with the development of sugar sector in Maharashtra including establishment of cogeneration plants & ethanol plants.

Mr. Chandra initiated his presentation by emphasizing on the vision of 'Make in Maharashtra' as improving the investment climate in the state and making it a top investment destination in the world.

He highlighted many key reforms for improving the entire process of 'Doing Business', initiated under different Departments like Labour Department, Pollution Control Board, Payment of Taxes and Enforcing Contracts, etc. Some of these reforms are as follows:

- Randomized Risk based Inspection for Labour and Environment Clearances
- Single ID & Online Payment for VAT, CST, PT, Entry and Luxury Tax
- Abolition of Industrial Location Policy & Establishment of IITs & IIAs
- Mobile Application for support & facilitation to investors
- MAITRI – Trade and Investment Facilitation Cell
- Self-Certification Scheme for Labour & Environmental Clearances

He also elaborated the reforms initiated by Maharashtra Industrial Development Corporation which aimed to reduce the approvals from 14 to 5. Few of these reforms are:

- Appointment of 30 accredited Architects for Third party certification for fast track approvals of structural design and architectural drawings
- Appointment of MIDC as the tree authority for MIDC areas
- Provision of online application, document upload, payments and downloadable digitally signed certificates
- GIS system set up for holding information about industrial land parcels, earmarked by MIDC with specific criteria

Mr. Chandra also introduced some of the upcoming reforms like:

- Assessment of building plans using AutoCAD software across the state
- Streamlining the issuance of Tree NOC
- Specialized benches under District Courts to hear commercial cases
- Assistance for e-filing of tax returns

## Presentation 8: 'Ease of Doing Business in Maharashtra', by Mr. Nitin Potdar, Partner, JSA Law



### SPEAKER PROFILE

Mr. Potdar is a leading M&A Partner and was the M&A Practice Chair from 2010 to 2012. He has vast experience with transactions related to Foreign Direct Investments & Exchange Control Regulations and has advised several multinational companies on financial & technical collaborations in India, and strategies for commencing operations & consolidations in India, with focus on foreign investments from US, Germany and Japan. He has been keenly observing the evolution of the law regulating takeovers in India.

**Mr. Potdar** shed light upon the industry perspective on ease of doing business in the State by sharing his experience on business processes in the state. Further, he advocated that the State should follow an open-door policy for selected industries to enhance the business environment in the state.

## Launch of Investline – Maharashtra Investor Helpline

The Maharashtra Investor Helpline called Investline was launched by Honorable Chief Secretary, **Mr. Swadheen Kshatriya**. This helpline aims to address investor grievances by removing bottlenecks and helps in facilitating the issue of approvals in the stipulated time frame with ease.

Furthermore, The Maharashtra Investor Trade and Investment Facilitation Cell (MAITRI) toll-free helpline –a helpline to address queries related to permissions and approvals required by industry, land allotment and incentives for both potential and existing investors - was launched by Mr. Kshatriya.

The event was highly interactive and witnessed an active Q&A session moderated by the Honorable Chief Secretary. Some valuable and relevant comments were shared by the audience, such as the provision to

include the rationale for rejection of a building permit application on the department's website for public viewing.

## Special Address: Reforms Agenda in Maharashtra by Mr. Swadheen Kshatriya



### SPEAKER PROFILE

Mr. Kshatriya is from the 1980 batch of IAS and has held numerous posts in Government of Maharashtra – he was the Municipal Commissioner of Mumbai from 2009 to 2011, Additional Chief Secretary of the Revenue Department and the General Manager of the BEST Undertaking. Additionally he has also been deputed in the Ministry of Steel, Ministry of Power and Ministry of Home Affairs.

**Mr. Swadeen Kshatriya** made a special address on the “Reforms Agenda in Maharashtra”, where he shared his perspective on the future reforms to be implemented by the State. He spoke about the State's upcoming strategies for further streamlining the process of getting electricity by reducing the time to not more than 2 days. He also stressed on the State's Single Window Clearance system for industrial approvals, which will enable investors to apply and pay for multiple services through a single window.

## Question and Answer Session

A Question and Answer session was conducted, where the audience queried and appreciated the initiatives of the Government in the direction of simplifying the setting up of new businesses.

The editor of an NRI magazine wanted to know from Mr. Potdar whether the prospective Foreign Direct Investors are fearful about the prevailing corruption in the country. Mr. Potdar proudly emphasized that in his duty of 26 years where he has interacted with most MNCs across the world for setting up their offices in India, none has come up with the question of corruption in the initial meeting. He further added

that the question of corruption sometimes comes in the later stages if the proposal gets stuck somewhere. He concluded saying that 'One stray incident of corruption doesn't make the entire country corrupt'.

The audience appreciated the reforms introduced for self-approvals, online single window concept as well as the dedicated officers for fast approvals. Suggestions about appreciating & encouraging the efficient officers in the system to serve as an example for the other officers, were given.

Another question was regarding the inconvenience road digging permissions and the inconvenience caused due to it. Mr. Mehta mentioned that the agencies requesting this permission would have to apply for it online by a certain date (suggested by the MCGM) in order to avail huge concessional rates for the permission. After collecting this information, MCGM would club multiple agencies to ensure faster digging and repairs, along with the order to reinstate the trenches quickly & properly. Mr. Mehta also added that since this was a long term issue, all the new roads would have utility ducts and repaired roads would have cross ducts to facilitate easy repair work with lesser inconvenience.

The audience applauded the dignitaries for their excellent presentations and highlighted the issues faced by common people due to new reforms like digitization of property taxes, etc. to Mr. Mehta and suggested some actions on them.

The audience was interested to know more about the construction permissions, sewerage system, slum rehabilitation programme in the cities and about the authorities in Mumbai

Responding to the question posed by the Head of an Industry about the lack of provision of infrastructure and maintenance by Gram Panchayats in rural areas, the dignitaries explained the Infrastructure policy for Industrial development on non-MIDC rural areas. They also informed that the Cooperative or Private industrial estates or industry associations have taken the lead for industrial development and maintenance, where they would just have to contribute 25% of the maintenance charges while the Government would contribute for the remaining 75%.

Overall, the QnA round was very fruitful and a lot of insights were shared on the reforms for 'Ease of Doing Business in Maharashtra'.

**Mr. Vikram Kumar, Joint CEO, Maharashtra Development Industrial Corporation, extended a warm gratitude to the dignitaries present at the seminar especially the speakers and the panelists.**

## News Coverage of the Event

The Ease of Doing Business in Maharashtra session was covered by many leading newspapers, highlighting the various reforms and changes associated with setting up a business, which would help simplify the process of doing business in the state of Maharashtra.



### *Maha changing laws to attract higher investment: Chief Sec*

*IndiaToday, May 2016*

"To improve the ease of doing business, we have already started changing laws and bring down number of licences (to set up industries) and provide more and more facilities online so that we can attract more investments. The Municipal Corporation of Greater Mumbai (MCGM) has already cut down number of licences for construction sector, opened single window facility for various payments and brought more and more services online, which is expected to help investors ” — Mr. Swadheen Kshatriya (State Chief Secretary)

“The Maharashtra government had taken several radical policy decisions in the last one year for ease of business” — Mr. Apurva Chandra (State Principal Secretary, Industries)



### *Ease of Doing Business: Maharashtra makes first moves to better its ranking this year*

*The Economic Times, May 2016*

"You can obtain 48 clearances through Maitri as it will have officers from different departments like revenue, pollution, so that clearances can be obtained under a single-window system" — Mr. Apurva Chandra (State Principal Secretary, Industries)

Officials said that the time taken for power connection for industrial units has been cut to 15 days from the earlier 365 days and chief secretary Kshatriya added that the government is working towards bringing this down even further.



## *How lakhs of residents in Mumbai would benefit from BMC's ease of doing business initiatives*

*The Economic Times, May 2016*

Mr. Ajoy Mehta (MCGM Commissioner) was speaking to reporters on the sidelines of the Ease of doing Business organised by the state government to show case Maharashtra's efforts in easing up rules Industrialists and the World Bank. The MUMBAI Municipal Commissioner explained how his administration had not just simplified the ease of applying for building permissions but also had created a transparent system where by any person who tries to influence to deny or facilitate a building permission will be notified to the public.



## *Adopt technology to check illegal constructions, says Maharashtra CM Fadnavis*

*Indian Express, May 2016*

Fadnavis lauded the efforts of BMC commissioner Ajoy Mehta for curtailing building permits from three years to just 60 days at the “Ease of Doing Business” workshop organised by Municipal Corporation of Greater Mumbai at BKC. He said he had set a task for MCGM and BMC to upload the entire process of building permissions on digital platform, which is being done by May 15.



## *Doing business in Maharashtra is becoming easier*

*The FreePress Journal, May 2016*

The focus was to eliminate unnecessary laws and regulations and make bureaucratic processes more transparent, easier and shorter, thereby reducing the impediments in all the policies, procedures and rules to simplify and make the environment more investor friendly and support them to ‘Make in Maharashtra’.

“Me and my team have personally spearheaded the ‘ease of doing business’ campaign and brought in many change like reducing the number of approvals like environment clearance, Pollution control, etc. MSME application has been reduced from 22 pages to 1 page online. New designated courts have been setup. Third party certification now possible in Boilers act. All electricity connections can be done online and installation in 15 days. Our online single window website ebiz.gov.in is one of the best in the world.” — Mr. Shailendra Singh