

20 States implement ease of doing business reforms

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The number of States who have successfully completed the “Ease of Doing Business” reforms has reached to twenty. Five more States namely, Arunachal Pradesh, Chhattisgarh, Goa, Meghalaya and Tripura have completed the “Ease of Doing Business” reforms stipulated by the Department of Expenditure.

States completing Ease of Doing Business reforms are eligible for additional borrowing of 0.25 percent of Gross State Domestic Product (GSDP). Accordingly, on receipt of recommendations from the Department for Promotion of Industry and Internal Trade (DPIIT), the Department of Expenditure has granted permission to these 20 States to raise additional financial resources of Rs.39,521 crore through Open Market Borrowings. State wise amount of the additional borrowing permitted to these 20 States is annexed.

The ease of doing business is an important indicator of the investment friendly business climate in the country. Improvements in the ease of doing business will enable faster future growth of the state economy. Therefore, the government of India had in May 2020, decided to link grant of additional borrowing permissions to States who undertake the reforms to facilitate ease of doing business. The reforms stipulated in this category are:

- (i) Completion of first assessment of ‘District Level Business Reform Action Plan’
- (ii) Elimination of the requirements of renewal of registration certificates/approvals/licences obtained by businesses under various Acts.
- (iii) Implementation of computerized central random inspection system under the Acts wherein allocation of inspectors is done centrally, the same inspector is not assigned to the same unit in subsequent years, prior inspection notice is provided to the business owner, and inspection report is uploaded within 48 hours of inspection.

In view of the resource requirement to meet the challenges posed by the COVID-19 pandemic, the Government of India had on 17th May, 2020 enhanced the borrowing limit of the States by 2 percent of their GSDP. Half of this special dispensation was linked to undertaking citizen centric reforms by the States. The four citizen centric areas for reforms identified were (a) Implementation of One Nation One Ration Card System, (b) Ease of doing business reform, (c) Urban Local body/ utility reforms and (d) Power Sector reforms.

State wise additional borrowing permitted for completion of Ease of Doing Business Reforms

Sl.No.	State	Amount (Rs in crore)
1	Andhra Pradesh	2,525
2	Arunachal Pradesh	71
3	Assam	934
4	Chhattisgarh	895

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5	Goa	223
6	Gujarat	4,352
7	Haryana	2,146
8	Himachal Pradesh	438
9	Karnataka	4,509
10	Kerala	2,261
11	Madhya Pradesh	2,373
12	Meghalaya	96
13	Odisha	1,429
14	Punjab	1,516
15	Rajasthan	2,731
16	Tamil Nadu	4,813
17	Telangana	2,508
18	Tripura	148
19	Uttar Pradesh	4,851
20	Uttarakhand	702