

A World Bank Group Flagship Report



# Doing Business 2018

## Reforming to Create Jobs

### Economy Profile

### India



Comparing Business Regulation  
for Domestic Firms in **190** Economies

## Economy Profile of India

Doing Business 2018 Indicators  
(in order of appearance in the document)

<b>Starting a business</b>	Procedures, time, cost and paid-in minimum capital to start a limited liability company
<b>Dealing with construction permits</b>	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
<b>Getting electricity</b>	Procedures, time and cost to get connected to the electrical grid, the reliability of the electricity supply and the transparency of tariffs
<b>Registering property</b>	Procedures, time and cost to transfer a property and the quality of the land administration system
<b>Getting credit</b>	Movable collateral laws and credit information systems
<b>Protecting minority investors</b>	Minority shareholders' rights in related-party transactions and in corporate governance
<b>Paying taxes</b>	Payments, time and total tax rate for a firm to comply with all tax regulations as well as post-filing processes
<b>Trading across borders</b>	Time and cost to export the product of comparative advantage and import auto parts
<b>Enforcing contracts</b>	Time and cost to resolve a commercial dispute and the quality of judicial processes
<b>Resolving insolvency</b>	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
<b>Labor market regulation</b>	Flexibility in employment regulation and aspects of job quality

## About Doing Business

The Doing Business project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level.

The Doing Business project, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.

Doing Business captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. Doing Business also measures features of labor market regulation. Although Doing Business does not present rankings of economies on the labor market regulation indicators or include the topic in the aggregate distance to frontier score or ranking on the ease of doing business, it does present the data for these indicators.

By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, Doing Business encourages economies to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists, private sector researchers and others interested in the business climate of each economy.

In addition, Doing Business offers detailed [subnational reports](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These reports provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas. Selected cities can compare their business regulations with other cities in the economy or region and with the 190 economies that Doing Business has ranked.

The first Doing Business report, published in 2003, covered 5 indicator sets and 133 economies. This year's report covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more than 100 million as of 2013 (Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States) where Doing Business, also collected data for the second largest business city. The data for these 11 economies are a population-weighted average for the 2 largest business cities. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business around the world.

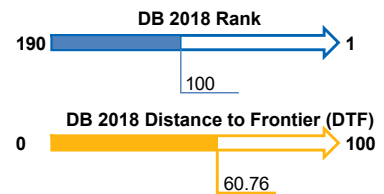
The distance to frontier (DTF) measure shows the distance of each economy to the "frontier," which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. The ease of doing business ranking ranges from 1 to 190. The ranking of 190 economies is determined by sorting the aggregate distance to frontier scores, rounded to two decimals.

More about [Doing Business](#) (PDF, 5MB)

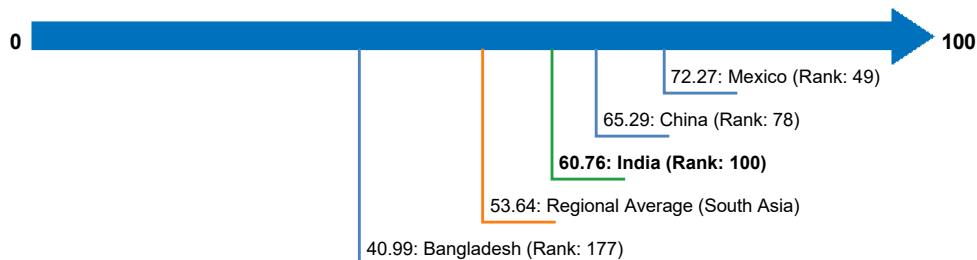
Ease of Doing Business in India



Region	South Asia
Income Category	Lower middle income
Population	1,324,171,354
GNI Per Capita (US\$)	1,680
City Covered	Mumbai

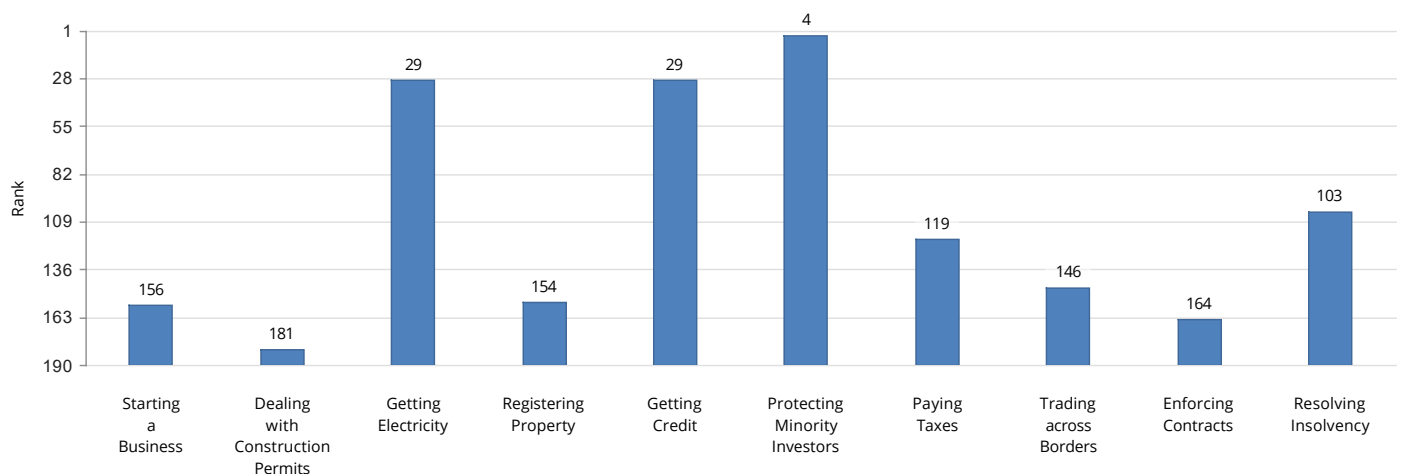


DB 2018 Distance to Frontier (DTF)

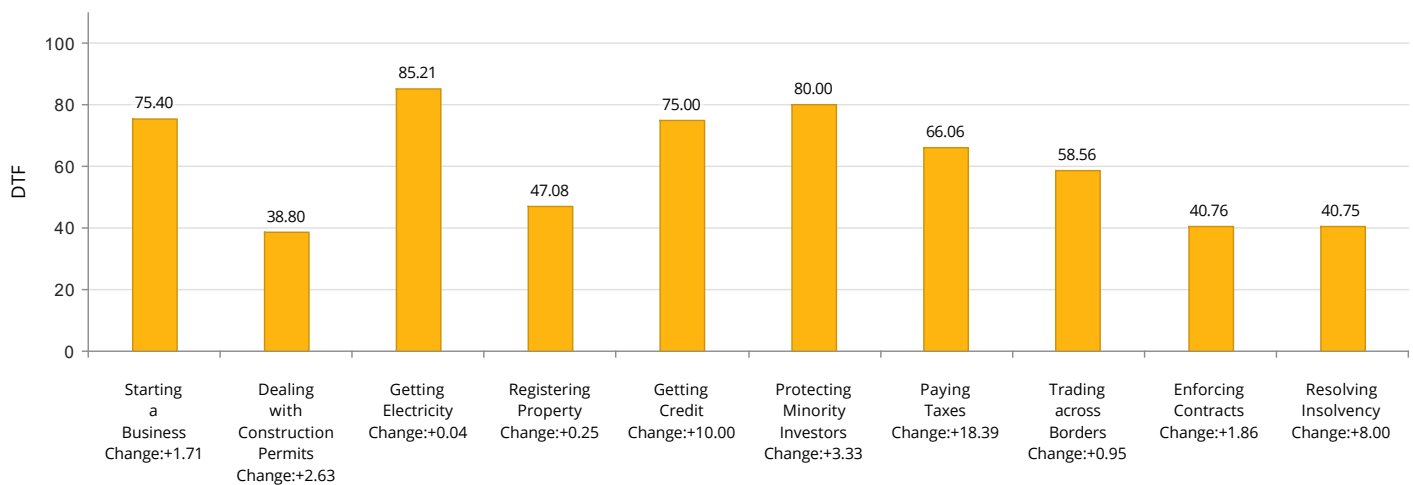


Note: The distance to frontier (DTF) measure shows the distance of each economy to the "frontier," which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. The ease of doing business ranking ranges from 1 to 190.

Rankings on Doing Business topics - India



Distance to Frontier (DTF) on Doing Business topics - India



## Starting a Business

This topic measures the paid-in minimum capital requirement, number of procedures, time and cost for a small- to medium-sized limited liability company to start up and formally operate in economy's largest business city.

To make the data comparable across 190 economies, Doing Business uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The distance to frontier score for each indicator is the average of the scores obtained for each of the component indicators.

The latest round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to legally start and operate a company (number)

- Pre-registration (for example, name verification or reservation, notarization)
- Registration in economy's largest business city
- Post-registration (for example, social security registration, company seal)
- Obtaining approval from spouse to start business or leave home to register company
- Obtaining any gender-specific permission that can impact company registration, company operations and process of getting national identity card

#### Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day (2 procedures cannot start on the same day)
- Procedures fully completed online are recorded as ½ day
- Procedure is considered completed once final document is received
- No prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- No professional fees unless services required by law or commonly used in practice

#### Paid-in minimum capital (% of income per capita)

- Funds deposited in a bank or with third party before registration or up to 3 months after incorporation

### Case study assumptions

To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.

#### The business:

- Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office.
- Operates in the economy's largest business city and the entire office space is approximately 929 square meters (10,000 square feet). For 11 economies the data are also collected for the second largest business city.
- Is 100% domestically owned and has five owners, none of whom is a legal entity; and has a start-up capital of 10 times income per capita and has a turnover of at least 100 times income per capita.
- Performs general industrial or commercial activities, such as the production or sale of goods or services to the public. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It does not use heavily polluting production processes.
- Leases the commercial plant or offices and is not a proprietor of real estate and the amount of the annual lease for the office space is equivalent to 1 times income per capita.
- Does not qualify for investment incentives or any special benefits.
- Has at least 10 and up to 50 employees one month after the commencement of operations, all of whom are domestic nationals.
- Has a company deed 10 pages long.

#### The owners:

- Have reached the legal age of majority. If there is no legal age of majority, they are assumed to be 30 years old.
- Are sane, competent, in good health and have no criminal record.
- Are married and the marriage is monogamous and registered with the authorities.
- Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.

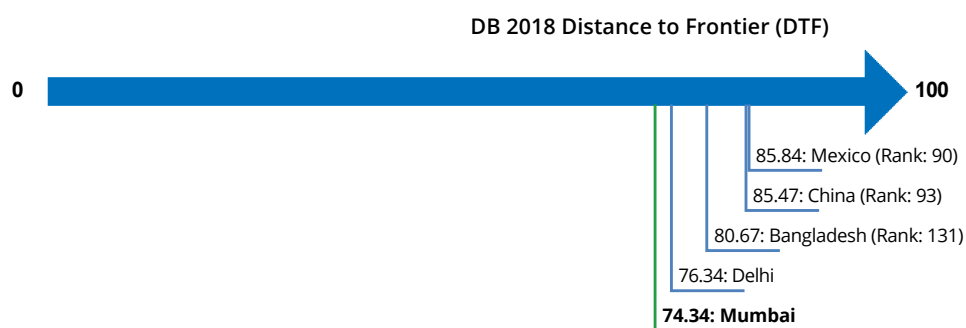
## Starting a Business - Mumbai

### Standardized Company

Legal form	Private Limited Company
Paid-in minimum capital requirement	INR 0
City Covered	Mumbai

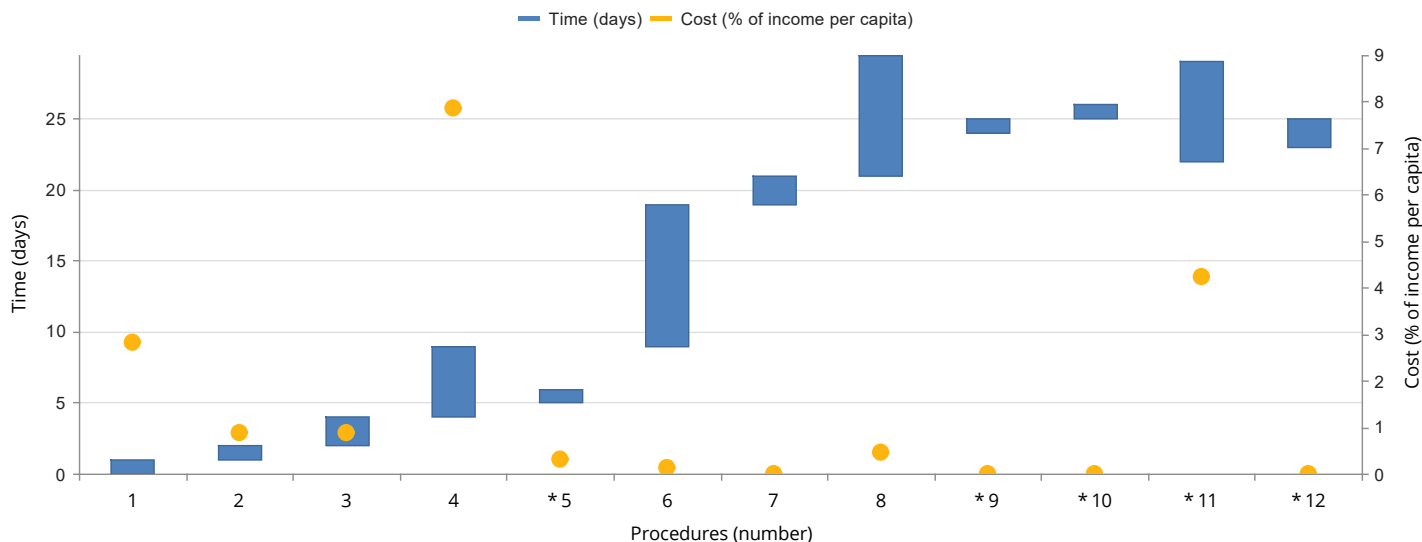
Indicator	Mumbai	South Asia	OECD high income	Overall Best Performer
Procedure – Men (number)	12	7.9	4.9	1.00 (New Zealand)
Time – Men (days)	29.5	15.4	8.5	0.50 (New Zealand)
Cost – Men (% of income per capita)	17.6	21.4	3.1	0.00 (United Kingdom)
Procedure – Women (number)	12	8.1	4.9	1.00 (New Zealand)
Time – Women (days)	29.5	15.5	8.5	0.50 (New Zealand)
Cost – Women (% of income per capita)	17.6	21.4	3.1	0.00 (United Kingdom)
Paid-in min. capital (% of income per capita)	0.0	0.2	8.7	0.00 (113 Economies)

**Figure – Starting a Business in India and comparator economies – Ranking and DTF**



Note: The ranking of economies on the ease of starting a business is determined by sorting their distance to frontier scores for starting a business. These scores are the simple average of the distance to frontier scores for each of the component indicators.

Figure – Starting a Business in Mumbai – Procedure, Time and Cost



\* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

## Details – Starting a Business in Mumbai – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Obtain a digital signature certificate</b></p> <p>Agency : Authorized private agency (Federal)</p> <p>The applicant must obtain a Class-II Digital Signature Certificate from a certification agency authorized by the Controller of Certification Agencies. These include private agencies like NIC, E-Mudhra, MTNL Trust line, to which company directors submit the prescribed application form along with notarized proof of identity and address.</p> <p>A Class-II Digital Signature Certificate can be obtained for either a period of 1 year or a period of 2 years, and then needs to be renewed for another 1 or 2 years upon payment of renewal fees. Each agency has its own fee structure, ranging from INR 700 to INR 2500. The cost will vary in accordance with the duration of the Digital Signature Certificate. Once the Digital Signature Certificate is obtained, the authorized personnel (directors/manager/secretary) are required to register the same with MCA for statutory e-filing.</p>	1 day	INR 700 to INR 2,500 per Digital Signature Certificate



**2 Obtain director identification number (DIN)**

1 day

INR 500 per DIN

Agency : Ministry of Corporate Affairs (Federal)

In accordance with the Companies Act, 2013, every private limited company must have at least 2 directors, each obtaining a DIN and DSC.

1) Form DIR 3 has to be filed online with the Ministry of Corporate Affairs (MCA) along with a photograph and scanned copy of supporting documents, i.e., proof of identity and proof of residence not older than 2 months.

2) Form DIR 3 has to be signed and submitted electronically by the applicant using his or her own Digital Signature Certificate (DSC).

3) Form DIR 3 has to be verified digitally by: (i) a chartered accountant, company secretary or a cost accountant in practice (Practicing Professional); or (ii) a company secretary in full-time employment of the company or a director of the company in which the applicant is to be appointed as director.

4) In case the Form DIR 3 is certified by a Practicing Professional and is not identified by the system as a potential duplicate, the DIN will be approved and generated by the system immediately. In all other cases, a DIN application number is generated. The DIN application is then reviewed by MCA officials. In case the MCA officials are satisfied with the application based on the information provided, the DIN will be generated within a month of the date of application. If the eForm is not approved, then status of provisional DIN will appear as "Lapsed."

Legal basis: Companies (Appointment and Qualifications of Directors) Rules, 2014 and FAQs published by Ministry of Corporate Affairs. The fee for obtaining a DIN number is specified in the Companies (Registration Offices and Fees) Rules, 2014.

As of 2016, companies can also complete the DIN reservation through the SPICe form; however, in practice, companies reserve the DIN before completing the application for incorporation.

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<b>3 Reserve the company name with the Registrar of Companies (ROC) online</b>	1-3 days	INR 1,000
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Agency : Registrar of Companies, Ministry of Corporate Affairs (Federal)

In order to reserve a unique company name, a name search is conducted on the website of MCA and eForm INC-1 is required to be filed pursuant to Section 4(4) of the Companies Act, 2013 and Rule 8 & 9 of Companies (Incorporation) Rules, 2014. The name reservation fee is provided under the Companies (Registration offices and fees) Rules, 2014.

The process is as follows:

1. Check availability of the proposed name by checking on the MCA21 portal for other companies or LLPs having similar names. Alternatively, engage a professional (practicing chartered accountant, company secretary or cost accountant) to perform the check on the MCA 21 portal and provide a search report which can be attached to the application.
2. Prepare the application in eForm INC-1 with all relevant details and declarations. If a professional has been engaged to check availability of name, have the professional certify and digitally sign the eForm.
3. Upload the eForm INC-1 to the MCA 21 portal and pay fees of INR 1,000 electronically (net banking or credit card).
4. If the e-Form has been certified by a professional (as described above), the proposed name shall be approved by the Registrar of Companies on a priority basis via the Straight Through Process ("STP"), provided the name is not similar to any existing trademark, any of the words proposed in the company's name does not exactly match any existing company's name and the name does not consist of a single word (other than private limited).
5. The name, if made available to the applicant, will be reserved for the applicant to use for 60 days from the date of application. If the proposed company is not incorporated during this 60-day period, the approval will lapse and the name will be available to other applicants.

As of 2016, companies can also complete the name reservation through the SPICe form; however, in practice, companies reserve the name before completing the application for incorporation.

**4 Pay stamp duties, file the SPICE form and obtain the certificate of incorporation**

5 days

see comments

Agency : Registrar of Companies, Ministry of Corporate Affairs (Federal)

Pursuant to Section 7 (1) of the Companies Act, 2013, and pursuant to Rules 10, 12, 14 and 15 of Companies (Incorporation) Rules, 2014, the following forms are required to be electronically filed on the Ministry of Corporate Affairs website for incorporation purposes:

As of December 2016, it is mandatory for private limited companies to complete the incorporation process using the SPICe Form (Form INC -32)

Fee schedule for a small company of paid-up share capital between INR 500,000 and INR 1,000,000:

- Electronic Filing of the Memorandum of Association (eMOA): INR 4,800 (up to 1,000,000 amount is fixed 2,000+ 200 INR for every 10,000 or part thereof)
- Electronic Filing fee for the Articles of association (eAOA): INR 400 (between 500,000 to 2,499,999)
- Electronic Filing fee for Form INC32 (SPICe form): INR 500
- Stamp duty: INR 10
- Stamp duty for Articles of Association: INR 3,000
- Stamp duty for Memorandum of Association: INR 200

**⇒ 5 Make a company stamp**

1 day, simultaneous INR 350-500

Agency : Authorized vendor (Private)

As per the amendment to the Companies Act 2013, making a company seal is no longer a legal requirement. However, making a company rubber stamp is still commonly used in practice. The stamp is normally required to be affixed by a director upon signing on behalf of the company in order to file several applications relevant to business startup. This includes but is not limited to opening a bank account, application for registration with the Employee State Insurance Corporation (ESIC) and application for a company Permanent Account Numbers (PAN).

- |          |  |         |              |
|----------|--|---------|--------------|
| <b>6</b> | <b>Submit and obtain a Permanent Account Number (PAN) and card and a Tax deduction and Collection Account Number (TAN)</b> | 10 days | see comments |
|----------|--|---------|--------------|

Agency : Registrar of Companies (ROC)

As of 2016, after completing and uploading of Form SPICe and paying for the applicable fees and duties, the company will receive a SRN (service request number) instantaneously. They then go to "Submit Application for PAN and TAN" page, which is also in the MCA21 portal, enter the SRN, and download the system generated Forms 49A and 49B. Affix the DSC and upload them back to "Submit Application for PAN and TAN" within 2 days of filing Form SPICe.

Under the Income Tax Act 1961, each person must quote his or her permanent account number (PAN) for tax payment purposes and the tax deduction and collection account number (TAN) for depositing tax deducted at source. The PAN is a 10-digit alphanumeric number issued on a laminated card by an assessing officer of the Income Tax Department. Since 2003/04, UTI and NSDL have become the authorized agencies that process PAN registration applications on behalf of the Income Tax department. The applicant completes Form 49A (statutory form for applying for PAN), pays the due fees of INR 93 (plus applicable taxes) and submits the application form together with proof of identity, proof of address and 2 recent photographs to the authorized agent/designated service centers for verification. After being allotted a PAN number, UTI/ISL or NSDL will print the PAN card and deliver it to the applicant via mail which takes about 10 calendar days on average.

To complete the application TAN, the applicant completes form 49B (statutory form for applying for TAN) pays the dues of INR 55 (plus applicable taxes). After verification of the application, it is sent to Income Tax Department which issues the TAN to the applicant. The national government levies the income tax.

- |          |                            |        |           |
|----------|----------------------------|--------|-----------|
| <b>7</b> | <b>Open a bank account</b> | 2 days | no charge |
|----------|----------------------------|--------|-----------|

Agency : Bank

The company must open a bank account. The bank account details must be provided by the company in various post-registration applications, such as registrations for taxes.

**8 Register for VAT and profession tax**

7-10 days

INR 500 (Registration Fee) + INR 25 (Stamp Duty) for compulsory VAT registration

Agency : Department of Sales Tax

VAT online registration is conducted via the website [www.mahavat.gov.in](http://www.mahavat.gov.in).

After the completed application form is submitted online, an acknowledgment containing the date and time for attending before the registering authority along with code/designation and address of registering authority is generated. The company should print a copy of the completed e-application and submit it along with the acknowledgement to the registration authority for verification and photo attestation on a given date and time along with relevant documents. If the application is correct and complete in all respect along with relevant documents, then the registering authority will generate TIN after verification of the documents. Registration certificate will be printed and issued to the company on the appointed date. The appointment date is usually scheduled in the next 7- 10 days.

Other accompanying documentation includes:

- Certified true copy of the memorandum and articles of association of the company.
- Proof of permanent residential address.
- Proof of place of business (lease agreement)
- One recent passport size photograph of the applicant
- Copy of Income Tax Assessment Order having PAN or copy of PAN card
- Chalan in Form No. 210 (original) showing payment of registration fee at INR 5000/in case of voluntary RC and INR 500/in other cases

As of May 2016, companies can register for profession tax and MVAT through the same application. According to section 5 of the Profession Tax Act, every employer (not being an officer of the government) is liable to pay tax and shall obtain a certificate of registration from the prescribed authority.

Documents required to be provided with the application form include:

- copy of the memorandum and articles of association of the company;
- proof of place of business: Proof of ownership of the premises namely, copy of the property card or ownership deed or agreement with the builder or any other relevant documents;
- copy of the PAN and/ or TAN;
- proof of residence of the signatory to the application;
- bank account number, bank and branch name, and blank cancelled cheque leaf of the bank account.

⇒ 9 **Register with Employees' Provident Fund Organization** 1 day, simultaneous no charge

Agency : Employees Provident Fund Organization (Federal)

The Employees Provident Fund Organization (EPFO) is a statutory organization under the Ministry of Labor and Employment. The Employees Provident Funds & Miscellaneous Provisions Act, 1952 applies to an establishment, employing 20 or more persons and engaged in any of the 183 Industries and Classes of business establishments, throughout India excluding the State of Jammu and Kashmir.

Pursuant to launch of OLRE (online registration of establishment portal) by the Employee Provident Fund department, employers are required to apply online for registering their establishment. The required documents are as follows:

1. Specimen of signature (scanned physical signature)
2. Scanned copy of canceled check (Note: All labor consultants said that bank account is mandatory information. Deep Consultancy said you cannot click the "Next" button of bank account is not furnished in the online registration form. Shreeji Services said in case of noncompliance, EPFO can seize the establishment's account.)
3. Proof of address
4. Proof of establishment (i.e. Col)
5. Scanned copy of PAN card

For verification purposes, the employer shall send the copies of all the documents mentioned in the application form along with the copy of the application generated at the time of submission after the issuance of PF Code intimation letter to the EPFO office.

⇒ 10 **Register with the Employee State Insurance Corporation (ESIC)** 1 day, simultaneous no charge

Agency : Employees' State Insurance Corporation (Federal)

As per the Employees' State Insurance (General), Form 01 is the form required to be submitted by Employer for registration. The Employer Code Number issued will be included in the "intimation letter" which is sent by post to the employer. Employers can now submit application online for registration under ESI Act on the ESIC website ([www.esic.in](http://www.esic.in)).

The Employee's individual insurance is a separate process and occurs after Employer's registration. The Employer is responsible for submitting the required Declaration Form and employees are responsible for providing correct information to the employer.

⇒ 11	<b>Register with Office of Inspector, Mumbai Shops and Establishment Act</b> Agency : Municipal Corporation of Greater Mumbai	7 days, simultaneous	INR 1,200 (registration fee) + 3 times registration fee for Trade Refuse Charges (INR 3,600)
<p>According to Section 7 of the Bombay Shops and Establishments Act, 1948, the establishment must be registered as follows:</p> <ul style="list-style-type: none"> <li>- Under Section 7(4), the employer must register the establishment in the prescribed manner within 30 days of the date on which the establishment commences its work.</li> <li>- Under Section 7(1), the establishment must submit to the local shop inspector Form A and the prescribed fees for registering the establishment. Supporting documents must be attached, including a certified true copy of the company's PAN Card, TAN Allotment Letter, Certificate of Incorporation, Memorandum and Articles of Association, a list of company directors, their particulars and copies of their PAN Cards.</li> <li>- Under Section 7(2), after the statement in Form A and the prescribed fees are received and the correctness of the statement is satisfactorily audited, the certificate for the registration of the establishment is issued in Form D, according to the provisions of Rule 6 of the Maharashtra Shops and Establishments Rules of 1961.</li> </ul> <p>Since the amendments in the Maharashtra Shops &amp; Establishment (Amendment) Rules, 2010, the Schedule for fees for registration &amp; renewal of registration (as per Rule 5) is as follows:</p> <ul style="list-style-type: none"> <li>0 employees: INR 120</li> <li>1 to 5 employees: INR 360</li> <li>6 to 10 employees: INR 720</li> <li>11 to 20 employees: INR 1,200</li> <li>21 to 50 employees: INR 2,400</li> <li>51 to 100 employees: INR 4,200</li> <li>101 or more: INR 5,400.</li> </ul> <p>In addition, an annual fee (three times the registration and renewal fees) is charged as trade refuse charges (TRC), under the Mumbai Municipal Corporation Act, 1888.</p>			
⇒ 12	<b>Receive inspection for the Shops and Establishments registration certificate</b> Agency : Office of Inspector, Municipal Corporation of Greater Mumbai	2 days, simultaneous	no charge
<p>After applying for registration under the Shops and Establishments Act by visiting the nearest Citizen Facilitation Center (CFC) of the Municipal Corporation of Greater Mumbai to file the duly completed and signed Form A, along with the required documents and fees, the application is assigned to and processed by Department Head (Sr.Inspector) at the concerned Ward.</p> <p>After site inspection and approval of the application the Registration Certificate is issued to the applicant.</p>			

♀ Applies to women only.

⇒ Takes place simultaneously with previous procedure.

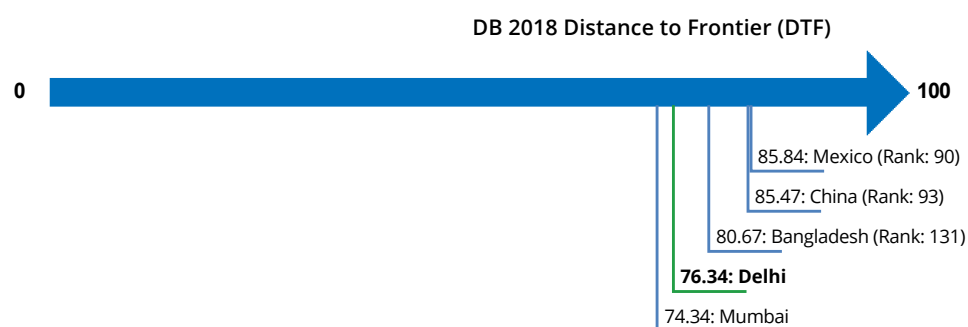
## Starting a Business - Delhi

### Standardized Company

Legal form	Private Limited Company
Paid-in minimum capital requirement	INR 0
City Covered	Delhi

Indicator	Delhi	South Asia	OECD high income	Overall Best Performer
Procedure – Men (number)	11	7.9	4.9	1.00 (New Zealand)
Time – Men (days)	30	15.4	8.5	0.50 (New Zealand)
Cost – Men (% of income per capita)	12.3	21.4	3.1	0.00 (United Kingdom)
Procedure – Women (number)	11	8.1	4.9	1.00 (New Zealand)
Time – Women (days)	30	15.5	8.5	0.50 (New Zealand)
Cost – Women (% of income per capita)	12.3	21.4	3.1	0.00 (United Kingdom)
Paid-in min. capital (% of income per capita)	0.0	0.2	8.7	0.00 (113 Economies)

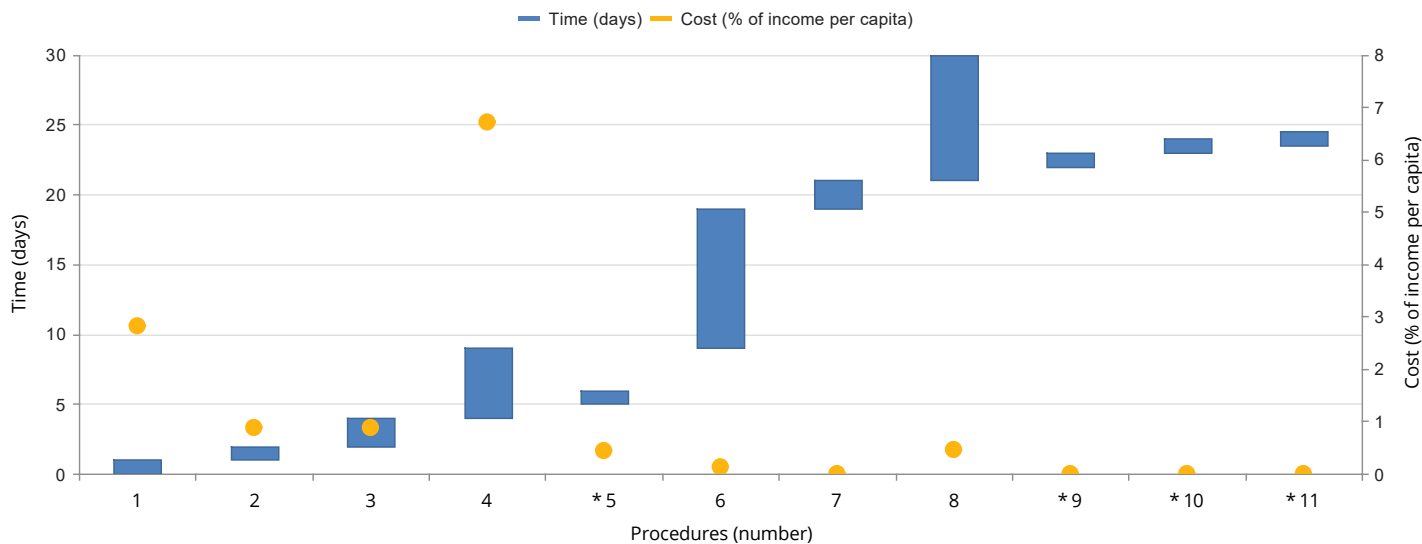
**Figure – Starting a Business in India and comparator economies – Ranking and DTF**



Note: The ranking of economies on the ease of starting a business is determined by sorting their distance to frontier scores for starting a business. These scores are the simple average of the distance to frontier scores for each of the component indicators.



Figure – Starting a Business in Delhi – Procedure, Time and Cost



\* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

## Details – Starting a Business in Delhi – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Obtain digital signature certificate online from private agency authorized by the Ministry of Corporate Affairs (National)</b></p> <p>Agency : Certified private agencies</p> <p>The applicant must obtain a Class-II Digital Signature Certificate from a certification agency authorized by the Controller of Certification Agencies. These include private agencies like NIC, E-Mudhra, MTNL Trust line, to which company directors submit the prescribed application form along with notarized proof of identity and address.</p> <p>A Class-II Digital Signature Certificate can be obtained for either a period of 1 year or a period of 2 years, and then needs to be renewed for another 1-2 years upon payment of renewal fees. Each agency has its own fee structure, starting from INR 700. The cost will vary in accordance with the duration of the Digital Signature Certificate. Once the Digital Signature Certificate is obtained, the authorized personnel (directors/manager/secretary) are required to register the same with MCA for statutory e-filing.</p>	1 day	INR 700 to INR 2,500 per Digital Signature Certificate

- 2 **Obtain director identification number (DIN) online from the Ministry of Corporate Affairs portal** 1 day INR 500 per DIN

Agency : Ministry of Corporate Affairs

As per Companies Act, 2013, the current procedure for obtaining DIN is as detailed below. Every private limited company must have at least 2 directors, each would obtain a DIN number.

1) Form DIR 3 has to be filed online with the Ministry of Corporate Affairs (MCA) along with a photograph and scanned copy of supporting documents i.e. proof of identity and proof of residence not older than 2 months.

2) Form DIR 3 has to be signed and submitted electronically by the applicant using his or her own Digital Signature Certificate (DSC).

3) Form DIR 3 has to be verified digitally by: (i) a chartered accountant in practice or a company secretary in practice or a cost accountant in practice (Practising Professional); or (ii) a company secretary in full time employment of the company or a director of the company in which the applicant is to be appointed as director.

4) In case the Form DIR 3 is certified by a Practising Professional and is not identified by the system as a potential duplicate, the DIN will be approved and generated by the system immediately. In all other cases, a DIN application number is generated. The DIN application is then reviewed by MCA officials. In case the MCA officials are satisfied with the application based on the information provided, the DIN will be generated within a month of the date of application. If the eForm is not approved, then status of provisional DIN will appear as 'Lapsed'.

Legal basis: Companies (Appointment and Qualifications of Directors) Rules, 2014 and FAQs published by Ministry of Corporate Affairs. The fee for obtaining a DIN number is specified in the Companies (Registration Offices and Fees) Rules, 2014.

As of 2016, companies can also complete the DIN reservation through the SPICe form; however, in practice, companies reserve the DIN before completing the application for incorporation.

<p><b>3 Reserve the company name online with the Registrar of Companies (ROC)</b></p> <p>Agency : Registrar of Companies (ROC)</p> <p>In order to reserve a unique company name eForm INC-1 is completed. The name reservation fee is provided under the Companies (Registration offices and fees) Rules, 2014.</p> <p>The process is as follows:</p> <ul style="list-style-type: none"> <li>- Prepare the application in eForm INC-1 with all relevant details and declarations. If a professional has been engaged to check availability of name, have the professional certify and digitally sign the eForm.</li> <li>- Upload the eForm INC-1 to the MCA 21 portal and pay fees of INR 1,000 electronically (net banking or credit card).</li> <li>- If the e-Form has been certified by a professional (as described above), the proposed name shall be approved by the Registrar of Companies on a priority basis via the Straight Through Process ("STP"), provided the name is not similar to any existing trademark, any of the words proposed in the company's name does not exactly match any existing company's name and the name does not consist of a single word (other than private limited).</li> <li>- The name, if made available to the applicant, will be reserved for the applicant to use for 60 days from the date of application. If the proposed company is not incorporated during this 60-day period, the approval will lapse and the name will be available to other applicants.</li> </ul> <p>As of April 2016 companies can also complete the name reservation through the SPICe form; however, in practice, companies reserve the company name before completing the application for incorporation.</p>	1-3 days	INR 1,000
<p><b>4 Pay stamp duties, file the SPICE form and obtain the certificate of incorporation</b></p> <p>Agency : Registrar of Companies (ROC)</p> <p>Pursuant to Section 7 (1) of the Companies Act, 2013 and pursuant to Rule 10, 12, 14 and 15 of Companies (Incorporation) Rules, 2014, the following forms are required to be electronically filed on the website of the Ministry of Corporate Affairs for incorporation purposes.</p> <p>As of December 2016, it is mandatory for private limited companies to complete the incorporation process using the SPICe Form (Form INC -32)</p> <p>Fee schedule for a small company of paid-up share capital between INR 500,000 and INR 1,000,000:</p> <ul style="list-style-type: none"> <li>- Electronic filing of the Memorandum of Association (eMOA): INR 4,800 (up to 1,000,000 amount is fixed 2,000+ 200 INR for every 10,000 or part thereof)</li> <li>- Electronic filing fee for filing the Articles of association (eAOA): INR 400</li> <li>- Electronic filing fee for Form INC-32 SPICe: INR 500</li> <li>- Stamp duty: INR 10</li> <li>- Stamp duty for Articles of Association: INR 1,703</li> <li>- Stamp duty for Memorandum of Association: INR 200</li> </ul>	5 days	see comments

<p>⇒ <b>5 Make a company stamp</b></p> <p>Agency : Authorized vendor (Private)</p> <p>As per the amendment to the Companies Act 2013, making a company seal is no longer a legal requirement. However, making a company rubber stamp is still commonly used in practice. The stamp is normally required to be affixed by a director upon signing on behalf of the company in order to file several applications relevant to business startup. This includes but is not limited to opening a bank account, application for registration with the Employee State Insurance Corporation (ESIC) and application for a company Permanent Account Numbers (PAN).</p>	1 day, simultaneous	INR 500-1,000
<p><b>6 Submit application and obtain Permanent Account Number (PAN) and Tax Account Number (TAN)</b></p> <p>Agency : Registrar of Companies (ROC)</p> <p>As of 2016, after completing and uploading of Form SPICe and paying for the applicable fees and duties, the company will receive a SRN (service request number) instantaneously. They then go to "Submit Application for PAN and TAN" page, which is also in the MCA21 portal, enter the SRN, and download the system generated Forms 49A and 49B. Affix the DSC and upload them back to "Submit Application for PAN and TAN" within 2 days of filing Form SPICe.</p> <p>Under the Income Tax Act 1961, each person must quote his or her permanent account number (PAN) for tax payment purposes and the tax deduction and collection account number (TAN) for depositing tax deducted at source. The PAN is a 10-digit alphanumeric number issued on a laminated card by an assessing officer of the Income Tax Department. Since 2003/04, UTI and NSDL have become the authorized agencies that process PAN registration applications on behalf of the Income Tax department.</p> <p>The applicant completes Form 49A (statutory form for applying for PAN), pays the due fees of INR 93 (plus applicable taxes currently at 12.36%) either online or otherwise and submits the application form together with proof of identity, proof of address and 2 recent photographs to the authorized agent/designated service centers for verification. After being allotted a PAN number, UTI/NSDL will print the PAN card and deliver it to the applicant.</p> <p>The tax deduction and collection account number (TAN) is a 10-digit alphanumeric number required by all persons responsible for deducting or collecting tax, as per Section 203A of the Income Tax Act. The application must be filed using Form 49B. The processing fee is INR 55 (plus applicable taxes). After verification of the application, it is sent to Income Tax Department which issues the TAN to the applicant. The national government levies the income tax.</p>	10 days	See comments
<p><b>7 Open a bank account</b></p> <p>Agency : Bank</p> <p>The company must open a bank account. The bank account details must be provided by the company in various post-registration applications, such as registrations with taxes.</p>	2 days	no charge

**8 Register for Value-Added Tax (VAT) at the Department of Trade and Taxes, Government of NCT of Delhi (State)**

9 days

INR 500 registration fee + INR 25 stamp duty for compulsory VAT registration

Agency : Department of Trade and Taxes, Government of NCT of Delhi

Form DVAT 04: Application for Registration under Delhi Value Added Tax Act, 2004 must be filed with Department of Trade and Taxes, Government of NCT of Delhi. Online registration for VAT has been introduced on April 30, 2015.

The following documents are required to be submitted along with the application:

- (i) Parts A, B, C & D of the Form-DVAT-04 duly filled in
- (ii) Proof of incorporation of the applicant dealer i.e. in case of a private company, incorporation certificate and constitutional documents
- (iii) Proof of identity of authorised signatory signing the Registration Application Form
- (iv) Two self addressed envelopes (without stamps)
- (v) In case of a dealer applying for registration and simultaneously opting for payment of tax under composition scheme, an application in Form DVAT 01 is to be attached along with this application
- (vi) bank account

**⇒ 9 Register with the Employees' Provident Fund Organization**

1 day, simultaneous no charge

Agency : Employees Provident Fund Organization (Federal)

The Employees Provident Fund Organization (EPFO) is a statutory organization under the Ministry of Labor and Employment. The Employees Provident Funds & Miscellaneous Provisions Act, 1952 applies to an establishment, employing 20 or more persons and engaged in any of the 183 Industries and Classes of business establishments, throughout India excluding the State of Jammu and Kashmir.

Pursuant to launch of OLRE (online registration of establishment portal) by the Employee Provident Fund department, employers are required to apply online for registering their establishment. The application portal of the EPFO Official Website is [www.epfindia.gov.in](http://www.epfindia.gov.in). Employers are required to select 'For Employers', under 'Our Services' and then select the fourth item, 'Online Registration of Establishment (OLRE Portal)' to register their establishments. The OLRE portal was launched and made available with effect from September 28, 2015. The required documents are:

- Specimen of signature
- Scanned copy of canceled check
- Proof of address
- Proof of establishment

⇒ **Register with the Employees' State Insurance Corporation**

1 day, simultaneous no charge

10 Agency : Employees' State Insurance Corporation, Ministry of Labor and Employment

As per the Employees' State Insurance (General), Form 01 is the form required to be submitted by Employer for registration. The Employer Code Number issued will be included in the "intimation letter" which is sent by post to the employer. Employers can now submit application online for registration under ESI Act on the ESIC website ([www.esic.in](http://www.esic.in)).

The Employee's individual insurance is a separate process and occurs after Employer's registration. The Employer is responsible for submitting the required Declaration Form and employees are responsible for providing correct information to the employer.

⇒ **Register online under the Delhi Shops and Establishments Act**

Less than one day no charge  
(online procedure),  
simultaneous

11 Agency : Department of Labor - Government of NCT of Delhi

Under the Delhi Shops and Establishments Act 1954, the company shall send to the Chief Inspector a statement in prescribed form A containing:

- (a) the name of the employer and the manager
- (b) the postal address of the establishment
- (c) the name of the establishment,
- (d) the category of the establishment, i.e. whether it is a shop/commercial establishment
- (e) the number of employees working in the establishment; and
- (f) such other particulars as may be prescribed.

Upon receipt of the statement, a registration certificate will be generated online instantly.

♀ Applies to women only.

⇒ Takes place simultaneously with previous procedure.

## Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in June 2017. [See the methodology for more information](#)

### What the indicators measure

#### Procedures to legally build a warehouse (number)

- Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates
- Submitting all required notifications and receiving all necessary inspections
- Obtaining utility connections for water and sewerage
- Registering and selling the warehouse after its completion

#### Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

#### Cost required to complete each procedure (% of warehouse value)

- Official costs only, no bribes

#### Building quality control index (0-15)

- Sum of the scores of six component indices:
- Quality of building regulations (0-2)
- Quality control before construction (0-1)
- Quality control during construction (0-3)
- Quality control after construction (0-3)
- Liability and insurance regimes (0-2)
- Professional certifications (0-4)

### Case study assumptions

To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.

#### The construction company (BuildCo):

- Is a limited liability company (or its legal equivalent) and operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is 100% domestically and privately owned; has five owners, none of whom is a legal entity. Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers. BuildCo is not assumed to have any other employees who are technical or licensed experts, such as geological or topographical experts.
- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.

#### The warehouse:

- Will be used for general storage activities, such as storage of books or stationery.
- Will have two stories, both above ground, with a total constructed area of approximately 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high and will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo, and the warehouse is valued at 50 times income per capita.
- Will have complete architectural and technical plans prepared by a licensed architect. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as procedures.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

#### The water and sewerage connections:

- Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the economy, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.
- Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.
- Will have a constant level of water demand and wastewater flow throughout the year; will be 1 inch in diameter for the water connection and 4 inches in diameter for the sewerage connection.



## Dealing with Construction Permits - Mumbai

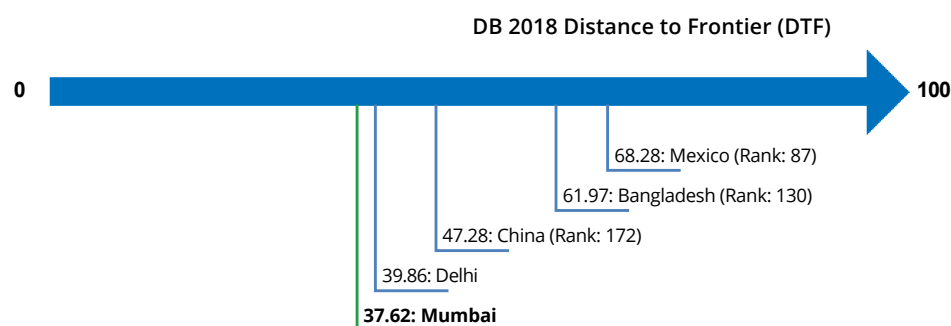
## Standardized Warehouse

Estimated value of warehouse INR 5,673,337.20

City Covered Mumbai

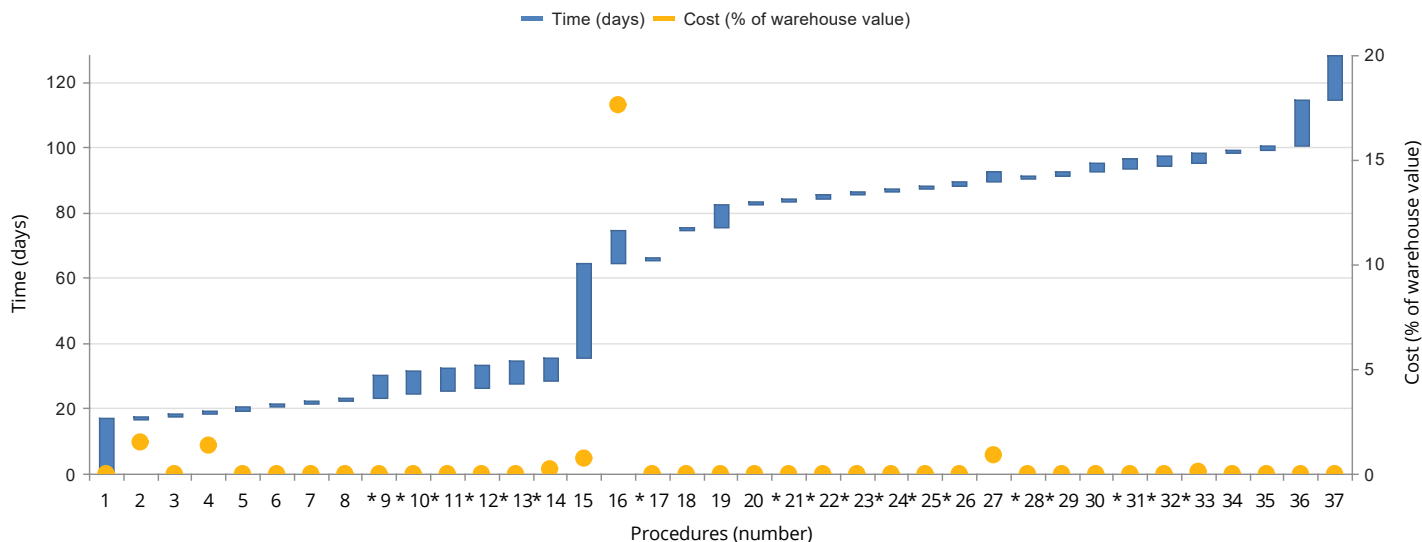
Indicator	Mumbai	South Asia	OECD high income	Overall Best Performer
Procedures (number)	37	16.0	12.5	7.00 (Denmark)
Time (days)	128.5	193.9	154.6	27.5 (Korea, Rep.)
Cost (% of warehouse value)	22.5	17.6	1.6	0.10 (5 Economies)
Building quality control index (0-15)	12.0	8.7	11.4	15.00 (3 Economies)

Figure – Dealing with Construction Permits in India and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of dealing with construction permits is determined by sorting their distance to frontier scores for dealing with construction permits. These scores are the simple average of the distance to frontier scores for each of the component indicators.

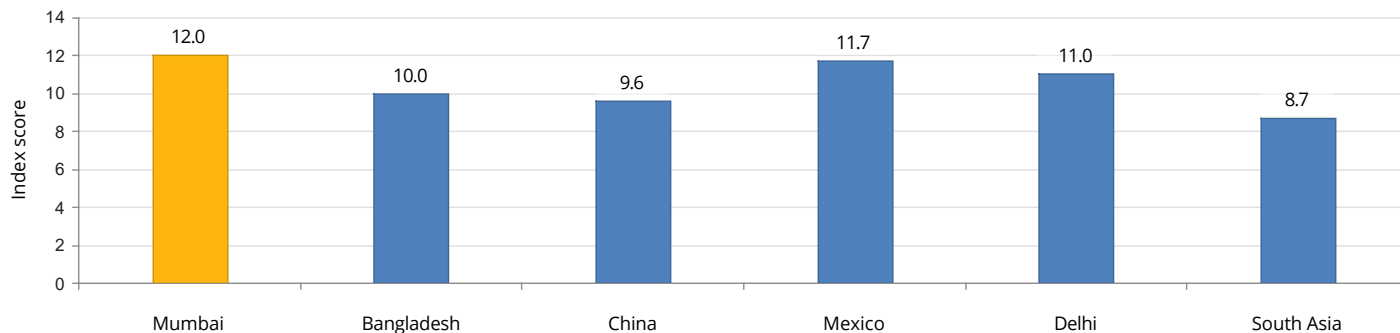
Figure – Dealing with Construction Permits in Mumbai – Procedure, Time and Cost



\* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Figure – Dealing with Construction Permits in Mumbai and comparator economies – Measure of Quality



## Details – Dealing with Construction Permits in Mumbai – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
-----	------------	------------------	------------------

- |   |  |         |        |
|---|--|---------|--------|
| 1 | <b>Obtain an extract of the Property Register Card (P.R. Card) from the Revenue Department</b> | 17 days | INR 60 |
|---|--|---------|--------|

Agency : Revenue Department

The Property Register Card (P.R. Card) is a record showing the ownership along with the land area of the Holdings held by the Revenue Department about the Building Land/Plot. This P.R. Card is a mandatory document to be provided to the MCGM when applying for a Building Permit. The Application for the P.R. Card is made to the City Survey Officer (An Officer of the Revenue Department) by affixing a Rs.10 Court Fee Stamp.

**2 Submit application and design plans and pay scrutiny fee** 0.5 days INR 85,840

Agency : Building Proposal Office, Municipal Corporation of Greater Mumbai

BuildCo submits an online application form with the plans and all required documents, as prescribed by Section 337 of the BMC Act, at the sub-engineer of the concerned locality within the Eastern suburbs of Mumbai using the Common Application Form. At the same time, a video clip of the property and pictures taken from the four corners of the land plot are also submitted online.

Using these documents, the sub-engineer reviews the plans and makes sure that the property card is mutated in the name of the owner of the land and signs on the plans. If all documents are in order and the file is complete, BuildCo can proceed to pay the scrutiny fees in the same building by cash or bank draft.

Once the fees have been paid, the application file is forwarded to the concerned officer in the Building Proposal Office. Then the file is forwarded to the Survey Office, which will remark on the application file and check the remarks from the Development Plan Office (obtained during the design stage of the project). If the Survey Office is satisfied with their review, they will send back the application file to the Building Proposal Office within one week. After the site inspection, the application file returns to the Building Proposal Office to receive an intimation of disapproval (authorization). The concerned Sub Engineer reviews the proposal and forwards the report to the Assistant Engineer and Executive Engineer. The proposal is approved at the Executive Engineer's level if no concessions are involved. There are 3 executive engineers in the main Municipal Corporation of Greater Mumbai (MCGM) office and 2 in the Andhuri office (the latter is the office considered for the purposes of this study).

The intimation of disapproval is issued with a list of NOC's which the applicant must obtain separately from various departments and government authorities. Final clearance to build will only be given once BuildCo obtains all NOC's. The NOC's assigned to the intimation of disapproval are case specific. For the purpose of this study, Doing Business has determined a few basic NOC that are required of almost all projects:

- Tree Authority
- Storm Water and Drain Department
- Sewerage Department
- Hydraulic Department
- Environmental Department (concerned with debris management)
- Traffic and Coordination Department
- CFO (fire clearance)

BuildCo's architect must take the Intimation of Disapproval and the design plans to each clearance office separately. NOCs can be applied for simultaneously, but NOC offices are spread out so the submission for these 7 NOC's is likely to take some time.

**3 Apply for no-objection certificate (NOC) from Storm Water and Drain Department** 1 day no charge

Agency : Storm Water and Drain Department, Municipal Corporation of Greater Mumbai

**4 Apply for no-objection certificate (NOC) from Sewerage Department** 1 day INR 77,306

Agency : Sewerage Department, Municipal Corporation of Greater Mumbai

5	<b>Apply for no-objection certificate (NOC )from the Hydraulic Engineer Department (water supply)</b> Agency : Hydraulic Engineer Department, Municipal Corporation of Greater Mumbai	1 day	no charge
6	<b>Receive inspection from Storm Water and Drain Department</b> Agency : Storm Water and Drain Department, Municipal Corporation of Greater Mumbai	1 day	no charge
7	<b>Receive inspection from Sewerage Department</b> Agency : Sewerage Department, Municipal Corporation of Greater Mumbai	1 day	no charge
8	<b>Receive inspection from the Hydraulic Engineer Department (water supply)</b> Agency : Hydraulic Engineer Department, Municipal Corporation of Greater Mumbai	1 day	no charge
⇒ 9	<b>Obtain NOC from the Storm Water and Drain Department</b> Agency : Storm Water and Drain Department, Municipal Corporation of Greater Mumbai	7 days	no charge
⇒ 10	<b>Obtain NOC from Sewerage Department</b> Agency : Sewerage Department, Municipal Corporation of Greater Mumbai	7 days	no charge
⇒ 11	<b>Obtain NOC from Hydraulic Engineer Department (water supply)</b> Agency : Hydraulic Engineer Department, Municipal Corporation of Greater Mumbai	7 days	no charge
⇒ 12	<b>Request and obtain NOC from Electric Department</b> Agency : Brihanmumbai Electric Supply and Transport (BEST)  BuildCo has to inform Brihanmumbai Electric Supply and Transport (BEST) of the project's power requirements along with a copy of the application submitted for building plan approval. BEST will assess whether an electrical substation upgrade is required at this stage.	7 days	no charge
⇒ 13	<b>Request and obtain NOC from Roads &amp; Traffic Department</b> Agency : Roads & Traffic Department, Municipal Corporation of Greater Mumbai	7 days	no charge
⇒ 14	<b>Request and obtain NOC from Chief Fire Office</b> Agency : Chief Fire Office, Municipal Corporation of Greater Mumbai  All commercial structures require a fire safety clearance.	7 days	INR 13,006
15	<b>Obtain Intimation of Disapproval and pay fees</b> Agency : Building Proposal Office, Municipal Corporation of Greater Mumbai  Once all the NOCs are obtained from different authorities, BuildCo submits all the documents to the Municipality of Greater Mumbai to obtain the intimation of disapproval.	29 days	INR 42,000

16	<b>Obtain plinth commencement certificate from sub-engineer and pay development charges</b>	10 days	INR 998,512
	Agency : Building Proposal Office, Municipal Corporation of Greater Mumbai		
	Upon submission of all required NOCs mentioned in the IOD and on compliance of the IOD conditions, the applicant may submit a request for the commencement certificate. The documents and NOC submitted by the applicants are verified by the staff and the necessary commencement certificate is approved. After payment of development charges and other applicable premium the commencement certificate is issued within 7 to 15 days.		
	The commencement certificate is valid for four years in the aggregate, but must be renewed before the expiry of one year from the date it was issued if the work has not yet commenced. Such renewal shall be for three consecutive terms of one year each, after which the proposal would need to re-obtain development permission.		
⇒	<b>Submit Notice of commencement and completion to Labour Inspector</b>	1 day	no charge
17	Agency : Labour Inspector		
	According to Rule 239 of The Building and other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996, BuildCo must submit a notice of commencement of building and indicate at the same time the probable end of construction, at least 30 days prior to the commencement of construction works.		
18	<b>Request and receive inspection of plinth</b>	1 day	no charge
	Agency : Building Proposal Office, Municipal Corporation of Greater Mumbai		
19	<b>Request and obtain further commencement certificate</b>	7 days	no charge
	Agency : Building Proposal Office, Municipal Corporation of Greater Mumbai		
	The building permit is done in 2 steps. First, BuildCo must obtain the permit up to the plinth level. Once the plinth level has been completed, there is an inspection to verify that is in compliance with approved plans. It is only after this inspection has been done and approval obtained that the BuildCo can move on with the construction and start the superstructure of the warehouse. But in order to do so, it is necessary to obtain a permit to start building the superstructure.		
20	<b>Request completion NOC from the Storm Water and Drain Department</b>	1 day	no charge
	Agency : Storm Water and Drain Department, Municipal Corporation of Greater Mumbai		
⇒	<b>Request completion NOC from the Sewerage Department</b>	1 day	no charge
21	Agency : Sewerage Department, Municipal Corporation of Greater Mumbai		
⇒	<b>Apply for water connection from Hydraulic Engineer</b>	1 day	no charge
22	Agency : Hydraulic Engineer Department, Municipal Corporation of Greater Mumbai		
	BuildCo must visit the ward office and submit a written request for a water and sewerage connection. The connection request must be submitted along with a copy of the building plans.		

⇒	<b>Request completion NOC from Roads &amp; Traffic Department</b>	1 day	no charge
23	Agency : Roads & Traffic Department, Municipal Corporation of Greater Mumbai		
⇒	<b>Request completion NOC from Chief Fire Office</b>	1 day	no charge
24	Agency : Chief Fire Office, Municipal Corporation of Greater Mumbai		
⇒	<b>Receive inspection from Storm Water and Drain Department</b>	1 day	no charge
25	Agency : Storm Water and Drain Department, Municipal Corporation of Greater Mumbai		
	The Assistant Engineer of the Municipal Corporation makes the inspection. There are two inspections: one before the connections are completed and another after completion. The inspection would not take more than a day. An officer of the Municipal Corporation inspects the premises and prepares a report on the connection.		
⇒	<b>Receive inspection from Sewerage Department</b>	1 day	no charge
26	Agency : Sewerage Department, Municipal Corporation of Greater Mumbai		
27	<b>Obtain water connection from Hydraulic Engineer</b>	3 days	INR 51,210
	Agency : Hydraulic Engineer Department, Municipal Corporation of Greater Mumbai		
	Fees for water connection include:		
	• Water connection charges: INR 1,060.00		
	• Water meter: INR 150.00		
	• Refundable security deposit towards water charges bills at INR 25.00 per 1,000 liter + 60% of sewerage charges for the requirement of the building		
	Sewer fees are INR 50,000		
⇒	<b>Receive inspection from Roads &amp; Traffic Department</b>	1 day	no charge
28	Agency : Roads & Traffic Department, Municipal Corporation of Greater Mumbai		
⇒	<b>Receive inspection from Chief Fire Office</b>	1 day	no charge
29	Agency : Chief Fire Office, Municipal Corporation of Greater Mumbai		
30	<b>Obtain completion NOC from Storm Water and Drain Department</b>	3 days	no charge
	Agency : Storm Water and Drain Department, Municipal Corporation of Greater Mumbai		
⇒	<b>Obtain completion NOC from Sewerage Department</b>	3 days	no charge
31	Agency : Sewerage Department, Municipal Corporation of Greater Mumbai		
⇒	<b>Obtain the completion NOC from Roads &amp; Traffic Department</b>	3 days	no charge
32	Agency : Roads & Traffic Department, Municipal Corporation of Greater Mumbai		

⇒	<b>Obtain the completion NOC from Chief Fire Office</b>	3 days	INR 6,503
33	<p>Agency : Chief Fire Office, Municipal Corporation of Greater Mumbai</p> <p>All commercial structures require fire safety clearance according to fire and safety rules and regulations stipulated in Development Control Rules 1991 and the National Building Code. The fee for low-rise commercial buildings is INR 5.00 per sq. m.</p> <p>This NOC may be requested and obtained online, but it still takes several days to receive.</p>		
34	<p><b>Submit letter stating completion of building works to obtain an occupancy certificate and certificate of completion</b></p> <p>Agency : Building Proposal Office, Municipal Corporation of Greater Mumbai</p> <p>The owner, through a licensed plumber, shall furnish a drainage completion certificate to the Commissioner to certify that the works were completed according to approved drainage plans. The licensed surveyor, engineer, or architect who has supervised the construction shall furnish a building completion certificate to the Commissioner works to certify that the building has not deviated from the approval plans. This shall be accompanied by three sets of plans of the completed development. Following the reception of both certificates of completion the Commissioner shall inspect the work, and after satisfying himself that there is no deviation from the approved plans, issue a certificate of acceptance of the completion of the work.</p>	1 day	no charge
35	<p><b>Receive final inspection from Building Proposal Office</b></p> <p>Agency : Building Proposal Office, Municipal Corporation of Greater Mumbai</p>	1 day	no charge
36	<p><b>Obtain Completion and Occupancy Certificate from Building Proposal Office (sub-engineer)</b></p> <p>Agency : Building Proposal Office, Municipal Corporation of Greater Mumbai</p> <p>Once the final inspection has been concluded and the final plans are stamped by the Building Proposal Office, the combined Completion certificate and Occupancy certificate are issued. The final stamped plans by the Building Proposal Office and a copy of the Completion and Occupancy certificate are forwarded to the Hydraulic Engineer (Water) Department.</p>	14 days	no charge
37	<p><b>Obtain final NOC from Hydraulic Engineer (Water) Department</b></p> <p>Agency : Hydraulic Engineer Department, Municipal Corporation of Greater Mumbai</p>	14 days	no charge

⇒ Takes place simultaneously with previous procedure.



## Details – Dealing with Construction Permits in Mumbai – Measure of Quality

	Answer	Score
<b>Building quality control index (0-15)</b>		<b>12.0</b>
<b>Quality of building regulations index (0-2)</b>		<b>2.0</b>
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid; Required preapprovals.	1.0
<b>Quality control before construction index (0-1)</b>		<b>1.0</b>
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect; Licensed engineer.	1.0
<b>Quality control during construction index (0-3)</b>		<b>2.0</b>
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer; Inspections at various phases.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
<b>Quality control after construction index (0-3)</b>		<b>3.0</b>
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, final inspection is done by government agency; Yes, in-house engineer submits report for final inspection.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
<b>Liability and insurance regimes index (0-2)</b>		<b>0.0</b>

Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	No party is held liable under the law.	0.0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance .	0.0
<b>Professional certifications index (0-4)</b>		<b>4.0</b>
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	Minimum number of years of experience; University degree in architecture or engineering; Being a registered architect or engineer.	2.0
What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)	Minimum number of years of experience; University degree in engineering, construction or construction management; Being a registered architect or engineer.	2.0

## Dealing with Construction Permits - Delhi

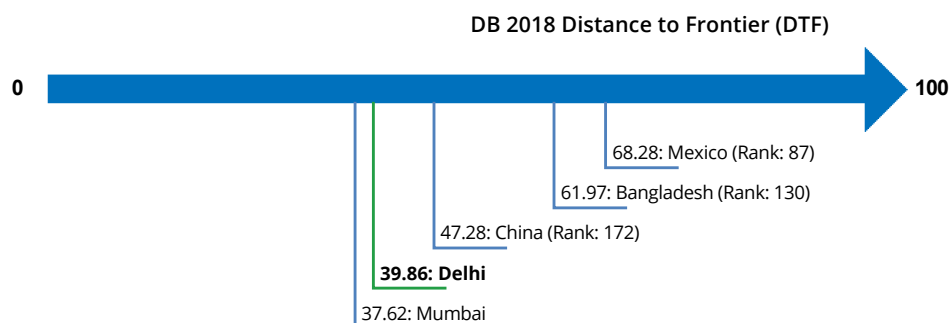
### Standardized Warehouse

Estimated value of warehouse INR 5,673,337.20

City Covered Delhi

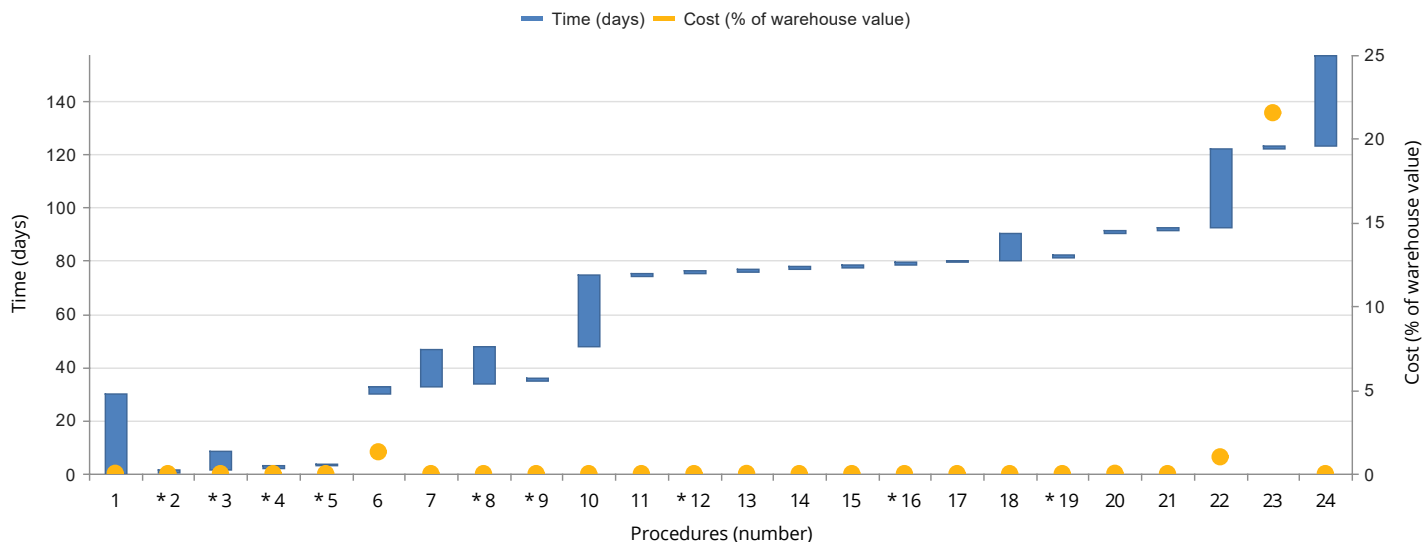
Indicator	Delhi	South Asia	OECD high income	Overall Best Performer
Procedures (number)	24	16.0	12.5	7.00 (Denmark)
Time (days)	157.5	193.9	154.6	27.5 (Korea, Rep.)
Cost (% of warehouse value)	23.9	17.6	1.6	0.10 (5 Economies)
Building quality control index (0-15)	11.0	8.7	11.4	15.00 (3 Economies)

**Figure – Dealing with Construction Permits in India and comparator economies – Ranking and DTF**



Note: The ranking of economies on the ease of dealing with construction permits is determined by sorting their distance to frontier scores for dealing with construction permits. These scores are the simple average of the distance to frontier scores for each of the component indicators.

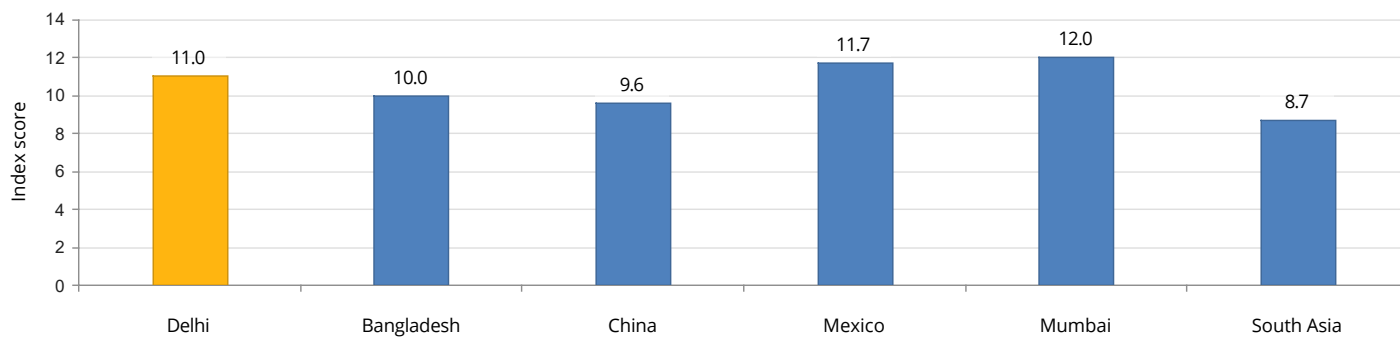
Figure – Dealing with Construction Permits in Delhi – Procedure, Time and Cost



\* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Figure – Dealing with Construction Permits in Delhi and comparator economies – Measure of Quality



## Details – Dealing with Construction Permits in Delhi – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Request and obtain consent to establish from Delhi Pollution Control Committee</b></p> <p>Agency : Delhi Pollution Control Committee</p> <p>Under Section 19 of the Air (Prevention and Control of Pollution) Act, 1981, New Delhi has been declared as the Air Pollution Control area. As per provision of Section 21 of this Act no person shall, without the previous consent of the State Board, establish or operate any industrial plant (any plant used for any industrial or trade purpose) in an air pollution control area. Delhi Pollution Control Committee, delegated by Central Pollution Control Board of statutory powers and functions, regulates water and air pollution. By regulation, the Delhi Pollution Control Committee has 3 months to approve an application but in practice, a committee meets monthly to discuss application received and the Consent to Establish is generally issued within 1 month.</p>	30 days	INR 1,000
⇒ 2	<p><b>Obtain no objection certificate regarding land use per the zoning plan</b></p> <p>Agency : Town Planning Department of Municipal Corporation of Delhi</p>	0.5 days	no charge
⇒ 3	<p><b>Request and obtain approval of the water and sewer connection plans</b></p> <p>Agency : Delhi Jal Board</p> <p>A complete water and sewer supply schemes must be submitted, including:</p> <ul style="list-style-type: none"> <li>• Six sets of layout plans, one should be cloth mounted</li> <li>• Hydraulic calculations</li> <li>• Key plan</li> <li>• Proposed water lines showing position of UGR/sluice valves</li> <li>• Calculation of water demand</li> <li>• Capacity of UGR</li> </ul> <p>This is submitted to DJB in the Executive Engineering and Planning office through the developing agency (Department of Development or Municipal Corporation of Delhi). A feasibility report is developed. If the water can be spared for the project then a connection and ferrule size is designed by the planning office as per the feasibility report. If there is not enough water, then plans will be approved through other sources of water such as through a tube well. The plans are then approved by the DJB.</p>	7 days	no charge
⇒ 4	<p><b>Obtain certificate of no tax due</b></p> <p>Agency : Property Tax Department of Municipal Corporation of Delhi</p> <p>Starting July 2012, property tax can be paid online at <a href="http://www.mcdonline.gov.in">www.mcdonline.gov.in</a>. With the property tax receipt, the building company must obtain an up-to-date Certificate of No Tax Due from the Property Tax Department of Municipal Corporation of Delhi and submit it when applying for the Building Permit.</p>	0.5 days	no charge

⇒ 5	<b>Notarize the affidavit/undertaking</b>	1 day	INR 100
<p>Agency : Notary Public</p> <p>The building company must submit an Affidavit/Undertaking on non judicial paper of INR 10, duly attested by the Oath Commissioner when applying for the Building Permit. In the affidavit, the building company acknowledges that during the course of construction, no building material will be stacked on public land.</p>			
6	<b>Submit building plans for first scrutiny online and obtain approval</b>	3 days	INR 73,739
<p>Agency : Municipal Corporation of Delhi</p> <p>BuildCo applies for the sanction of the building plans online through the Common Application Form by submitting the following documents:</p> <ol style="list-style-type: none"> <li>1. Six copies of building plans and statements</li> <li>2. Proof of ownership</li> <li>3. Specifications of the proposed construction</li> <li>4. Supervision certificate signed by the licensed architect/engineer, supervisor and plumber;</li> <li>5. Structural-stability Certificate signed by the licensed architect/engineer along with a copy of registration certificate (annexure A)</li> <li>6. Rain Water-Harvesting Certificate in case of plot size more than 100 square meters signed by the licensed architect and owner (annexure B)</li> <li>7. No Nuisance/Construction Debris Certificate signed by the owner (annexure C)</li> <li>8. Declarations in the Form of Affidavits (annexure E-I)</li> <li>9. Certificate of No Tax Due from the Property Tax Department</li> </ol> <p>All the plans must be signed by the licensed architect/engineer and owner registered with the Council of Architects/Institution of Engineers and shall indicate their names, addresses, license and enrollment numbers.</p>			

7	<b>Request and obtain building plans approval from the Director of Factories of Labor Department</b>	14 days	no charge
Agency : Labor Department			
As per statutory provisions of rule 3A of the Delhi Factories Rules, 1950, no site shall be used for location of a factory or no building in a factory shall be constructed, re-constructed, extended or taken into use as a factory or part of a factory, unless previous permission in writing is obtained from the Director of Factories.			
The builder must complete Form No.1 as prescribed under the Delhi Factories Rules (1950) and send it to the Director of Factories with the following documents:			
<ul style="list-style-type: none"> <li>- 3 Plans in duplicate drawn to scale showing: <ul style="list-style-type: none"> <li>(a) The site of the factory and immediate surroundings including adjacent buildings and other structure, roads, drains etc.</li> <li>(b) The plan and elevations and necessary cross-sections of the various buildings indicating all relevant details relating to natural lighting, ventilation and means of escape in case of fire. The plans shall also clearly indicate the plants and machinery, aisles and passage ways; and,</li> <li>(c) Such other particulars, as Chief Inspector of Factories, may require</li> </ul> </li> <li>- Proof for ownership, of plot/premises such as copy of the Lease-deed etc.</li> <li>- In case of permission for construction on a vacant plot, an Affidavit is required to be given by the owner of the plot that the plot is vacant. The affidavit should also state as to whether any previous Approval of the Director of Factories for construction/extension have been obtained or not.</li> </ul>			
⇒ 8	<b>Request and obtain no objection certificate from Fire Department</b>	14 days	no charge
Agency : Fire Department			
⇒ 9	<b>Receive inspection by building section</b>	1 day	no charge
Agency : Municipal Corporation of Delhi			
This inspection is done to verify that the land has no previous construction or that the new construction has not already started without approval			
10	<b>Request and obtain building permit</b>	27 days	no charge
Agency : Municipal Corporation of Delhi			
11	<b>Submit online commencement notice to the relevant Municipality</b>	0.5 days	no charge
Agency : Municipal Corporation of Delhi			
BuildCo must notify the MCD 7 days before beginning construction.			
⇒	<b>Submit Notice of commencement and completion to Labour Inspector</b>	1 day	no charge
12	Agency : Labour Commissioner of Delhi		
According to Rule 239 of The Building and other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996, BuildCo must submit a notice of commencement of building and indicate at the same time the probable end of construction, at least 30 days prior to the commencement of construction works.			

13	<b>Submit online notice of completion up to the plinth level online</b>	0.5 days	INR 500
	Agency : Municipal Corporation of Delhi		
	BuildCo must notify the MCD of the completion of the plinth level, including a copy of a valid certificate of the building plans. MCD inspects the construction and submits any objections, if necessary. Mandatory inspections are carried out at two stages: at plinth level and at completion. Routine inspections may be carried in between and the Municipal Corporation of Delhi reserves the right to inspect the premises before, during and after the construction.		
14	<b>Request and receive inspection at the plinth level</b>	1 day	INR 15
	Agency : Municipal Corporation of Delhi		
	BuildCo must notify the MCD of the completion of the plinth level, including a copy of a valid certificate of the building plans. MCD inspects the construction and submits any objections, if necessary. Mandatory inspections are carried out at two stages: at plinth level and at completion. Routine inspections may be carried in between and the Municipal Corporation of Delhi reserves the right to inspect the premises before, during and after the construction.		
15	<b>Obtain online approval of the plinth completion</b>	0.5 days	no charge
	Agency : Municipal Corporation of Delhi		
	This certificate certifies that the construction has reached the plinth level and that it has been inspected and the construction can continue with the superstructure.		
⇒	<b>Request final no objection certificate from the Fire Department</b>	1 day	no charge
16	Agency : Fire Department		
	The Municipal Corporation of Delhi will forward 2 copies of the completion plans to the Fire Service Department of Government NCT of Delhi for the Final No Objection Certificate, or the owners will visit the Fire Service Department in person to with the notice/guideline that it provided at the time of issuance of the Provisional No Objection Certificate and request the Fire Service Department to verify the compliance with the guidelines.		
17	<b>Receive site inspection from the Fire Department</b>	1 day	no charge
	Agency : Fire Department		
	In practice this can take up to 15 days.		
18	<b>Receive final no objection certificate from the Fire Department</b>	10 days	no charge
	Agency : Fire Department		
⇒	<b>Notarize the affidavit/undertaking to request the occupancy permit</b>	1 day	INR 100
19	Agency : Notary Public		



20	<b>Submit notice of completion</b>	1 day	INR 1,301
Agency : Municipal Corporation of Delhi			
The building company must submit a notice of completion in the pro forma given in the Building Bylaws (1983) along with a completion application and fee of INR 1 per square meter of built-up area.			
It has to submit the notice of completion through the licensed architect/engineer or supervisor who has supervised the construction accompanied by the following documents:			
1. Copy of lease-deed/sale deed			
2. Three copies of the completion plan			
3. Three copies of photographs taken from different angles so as to show the overall view of the building			
4. Original sanctioned building plan (to be returned to the building company along with the Occupancy Certificate)			
5. Copy of Water Connection Sanction and Sewerage Connection Sanction from Delhi Jal Board			
6. Structural-stability Certificate signed by the licensed architect/engineer along with the structural drawings			
7. Certificate of licensed architect/engineer or supervisor			
8. Extension of time from the lessor if required			
9. Rain Water-Harvesting Certificate in case of plot size more than 100 square meters signed by the licensed architect and owner			
10. Affidavit/Undertaking of licensed architect/engineer or supervisor (as the case may be)			
11. Affidavit of owner			
12. A statement indicating deviations that are carried out and compounding fee payable			
21	<b>Receive final inspection of the construction</b>	1 day	no charge
Agency : Municipal Corporation of Delhi			
In practice this can take up to one week.			
22	<b>Obtain completion/occupancy permit</b>	30 days	INR 56,733
Agency : Municipal Corporation of Delhi			
By regulation, Municipal Council of Delhi must grant or refuse the Occupancy Permit within 7 days. However, since there is a waiting period of 2 months from the time the Notice of completion is submitted and the inspection is carried out, therefore this waiting period is added to the time needed to obtain the Occupancy Permit.			

23 <b>Request water and sewer connection approval</b>	1 day	INR 1,220,680
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Agency : Delhi Jal Board

The building company must submit water and sewer connection application forms. Documents to be attached:

(1) Proof of identity document: photocopy of voter ID card, ration card, PAN card, driving license or post card

(2) Property ownership document: photocopy of GPA, allotment letter, government allotment letter, sale deed or NOC from landlord

(3) Proof of residence: photocopy of driving license, passport, election I card

(4) Sanction of Water Supply Scheme

It is compulsory to provide the document number of the attached documents.

Delhi Ja Board has integrated the process of obtaining an Excavation Permit from Municipal Corporation of Delhi by charging a road restoration charges for water and sewer connections on behalf of MCD.

24 <b>Receive on-site inspection for water and sewer connection and receive approval</b>	34 days	no charge
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Agency : Delhi Jal Board

An inspection of the site will be performed by a Survey Officer.

⇒ Takes place simultaneously with previous procedure.

## Details – Dealing with Construction Permits in Delhi – Measure of Quality

	Answer	Score
<b>Building quality control index (0-15)</b>		<b>11.0</b>
<b>Quality of building regulations index (0-2)</b>		<b>2.0</b>
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid; Required preapprovals.	1.0
<b>Quality control before construction index (0-1)</b>		<b>1.0</b>
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect; Licensed engineer.	1.0
<b>Quality control during construction index (0-3)</b>		<b>2.0</b>
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer; Inspections at various phases.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
<b>Quality control after construction index (0-3)</b>		<b>3.0</b>
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, final inspection is done by government agency; Yes, in-house engineer submits report for final inspection.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
<b>Liability and insurance regimes index (0-2)</b>		<b>0.0</b>

Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	No party is held liable under the law.	0.0
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Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance .	0.0
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**Professional certifications index (0-4)****3.0**

What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	Minimum number of years of experience; University degree in architecture or engineering; Being a registered architect or engineer.	2.0
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What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)	Minimum number of years of experience; University degree in engineering, construction or construction management.	1.0
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## ⚡ Getting Electricity

This topic measures the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to obtain an electricity connection (number)

- Submitting all relevant documents and obtaining all necessary clearances and permits
- Completing all required notifications and receiving all necessary inspections
- Obtaining external installation works and possibly purchasing material for these works
- Concluding any necessary supply contract and obtaining final supply

#### Time required to complete each procedure (calendar days)

- Is at least 1 calendar day
- Each procedure starts on a separate day
- Does not include time spent gathering information
- Reflects the time spent in practice, with little follow-up and no prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- Value added tax excluded

#### The reliability of supply and transparency of tariffs index (0-8)

- Duration and frequency of power outages (0-3)
- Tools to monitor power outages (0-1)
- Tools to restore power supply (0-1)
- Regulatory monitoring of utilities' performance (0-1)
- Financial deterrents limiting outages (0-1)
- Transparency and accessibility of tariffs (0-1)

#### Price of electricity (cents per kilowatt-hour)\*

- Price based on monthly bill for commercial warehouse in case study

\*Note: Doing Business measures the price of electricity, but it is not included in the distance to frontier score nor the ranking on the ease of getting electricity.

### Case study assumptions

To make the data comparable across economies, several assumptions are used.

#### The warehouse:

- Is owned by a local entrepreneur and is used for storage of goods.
- Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway.
- Is a new construction and is being connected to electricity for the first time.
- Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).

#### The electricity connection:

- Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW).
- Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners' private property because the warehouse has access to a road.
- Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer's service panel or switchboard and the meter base.

#### The monthly consumption:

- It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh.
- If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier.
- Tariffs effective in March of the current year are used for calculation of the price of electricity for the warehouse. Although March has 31 days, for calculation purposes only 30 days are used.

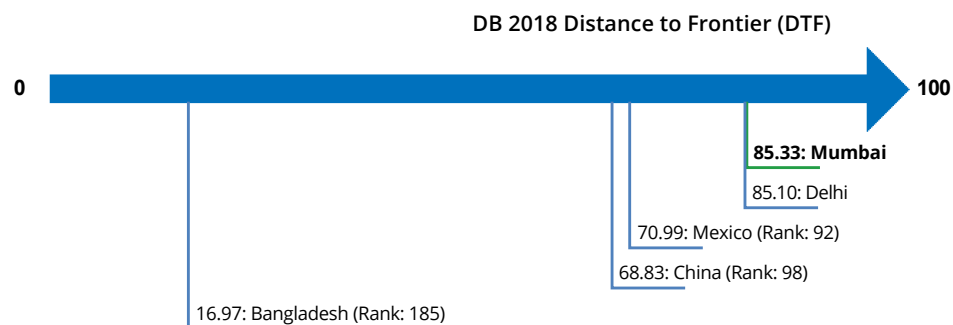
## Getting Electricity - Mumbai

## Standardized Connection

Price of electricity (US cents per kWh)	20.3
Name of utility	Reliance Utilities and Power Private Limited
City Covered	Mumbai

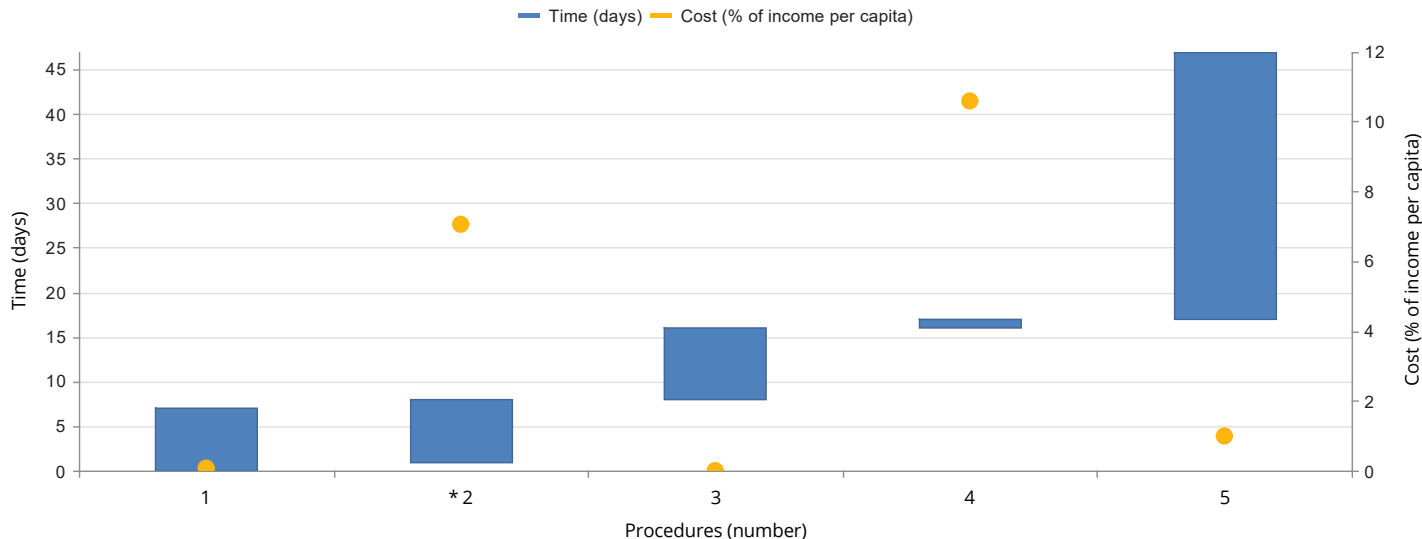
Indicator	Mumbai	South Asia	OECD high income	Overall Best Performer
Procedures (number)	5	5.7	4.7	2 (United Arab Emirates)
Time (days)	47	136.4	79.1	10 (United Arab Emirates)
Cost (% of income per capita)	18.7	1163.2	63.0	0.00 (Japan)
Reliability of supply and transparency of tariff index (0-8)	7	2.1	7.4	8.00 (28 Economies)

Figure – Getting Electricity in India and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of getting electricity is determined by sorting their distance to frontier scores for getting electricity. These scores are the simple average of the distance to frontier scores for each of the component indicators.

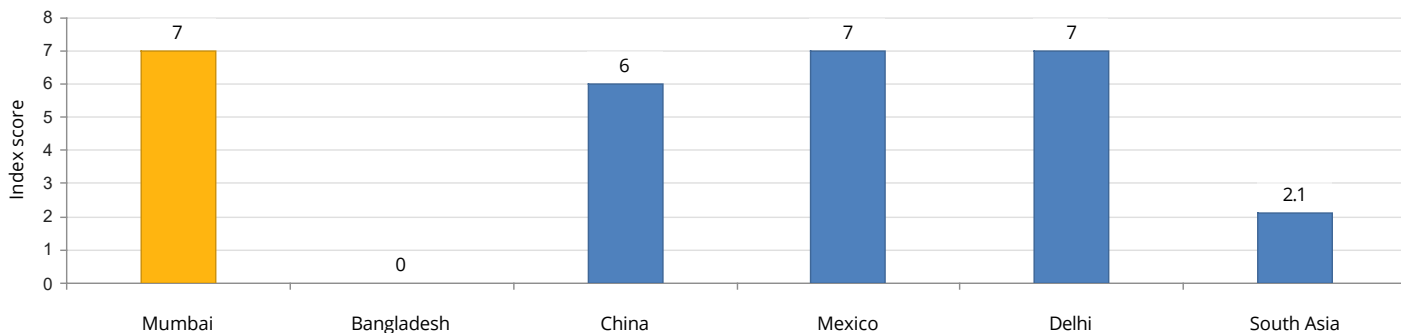
Figure – Getting Electricity in Mumbai – Procedure, Time and Cost



\* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Figure – Getting Electricity in Mumbai and comparator economies – Measure of Quality



## Details – Getting Electricity in Mumbai – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Submit application to utility and await site inspection</b></p> <p>Agency : Reliance Utilities and Power</p> <p>An application for new connection under industrial and commercial categories for an applied load of 100 KW and above can be submitted and accepted online. In addition, all statutory fees (including application fee, connection charges and security deposit) are to be paid along with the application submission. A unique reference number is generated through the portal.</p> <p>Customer then prints out the submitted online application, and attaches all necessary supporting documents (including statement of electrical load; proof of occupancy; layout plan; location plan; undertaking from customer) and submits to customer care office. From there, a site visit is scheduled.</p>	7 calendar days	INR 75
⇒ 2	<p><b>External works of meter board conducted by customer's electrical contractor</b></p> <p>Agency : Customer</p> <p>Consumers supplied with low and medium voltage electrical energy shall provide and maintain an enclosure with a dry masonry wall not less than 250 millimeters thick or such other structure as may be approved by the Utility on which the utility's meter boards and service cutouts shall be supported and shall provide and maintain adequate protection for the meter board from ingress of water, tampering and mechanical damage. The consumer's mains shall in all cases, be brought to the Utility's point of supply.</p>	7 calendar days	INR 8,000
3	<p><b>Receive external site inspection by Reliance Utilities and Power and await estimate</b></p> <p>Agency : Reliance Utilities and Power</p> <p>A site inspection is carried out to confirm the location of the premises and the position of the meter cabin. The following is also checked:</p> <ul style="list-style-type: none"> <li>- Details mentioned in the application and the documents submitted</li> <li>- Readiness of the site for the execution of the external works</li> <li>- Load sanction and confirmation of the network route and fixing of the meter cabin</li> </ul> <p>The estimate is then released based on the normative charges specified under MERC Schedule of Charges -- independent of site inspection,</p>	8 calendar days	INR 0



- |          |  |                |            |
|----------|--|----------------|------------|
| <b>4</b> | <b>Submit electrical contractor's wiring and test report and make payment of connection cost estimate to utility</b> | 1 calendar day | INR 12,000 |
|----------|--|----------------|------------|

Agency : Reliance Utilities and Power

The customer's licensed electrical contractor submits the test report to the utility. As required by Rule 45 of the Indian Electricity Rules, 1956, the electrical installation work (except such replacements of lamps, fans, fuses, switches, etc) for the purposes of supply of energy is only to be carried out by a licensed Electrical Contractor. As soon as the consumer's installation is completed the consumer must submit a wiring contractor's work Terms & Conditions of Supply completion and test report.

The charge amount is to be paid by the applicant online.

- |          |  |                  |              |
|----------|--|------------------|--------------|
| <b>5</b> | <b>Pay security deposit and receive external connection and electricity flow</b> | 30 calendar days | INR 1,121.09 |
|----------|--|------------------|--------------|

Agency : Reliance Utilities and Power

The Security Deposit is required to be paid and Rlnfra levies Security Deposit at the rate of Rs.100 per kW.

Post payment of estimate, the execution work is initiated which includes :

- a) Obtaining RoW Permit for road excavation from relevant Municipal authorities viz - MCGM / MBMC.
- b) Laying of Service cable to the customers installation
- c) Installation of meter board / meter room installation
- d) Installation of meters and wiring thereof
- e) Energizing of connection.

⇒ Takes place simultaneously with previous procedure.

## Details – Getting Electricity in Mumbai – Measure of Quality

	Answer
<b>Reliability of supply and transparency of tariff index (0-8)</b>	7
<b>Total duration and frequency of outages per customer a year (0-3)</b>	2
System average interruption duration index (SAIDI)	0.9
System average interruption frequency index (SAIFI)	1.6
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	5.0
<b>Mechanisms for monitoring outages (0-1)</b>	1
Does the distribution utility use automated tools to monitor outages?	Yes
<b>Mechanisms for restoring service (0-1)</b>	1
Does the distribution utility use automated tools to restore service?	Yes
<b>Regulatory monitoring (0-1)</b>	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
<b>Financial deterrents aimed at limiting outages (0-1)</b>	1
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes
<b>Communication of tariffs and tariff changes (0-1)</b>	1
Are effective tariffs available online?	Yes
Link to the website, if available online	<a href="http://www.bestundertaking.com-Electric supply-Regulatory Matters-Electricity tariff schedule">www.bestundertaking.com-Electric supply-Regulatory Matters-Electricity tariff schedule</a>
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

**Note:**

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

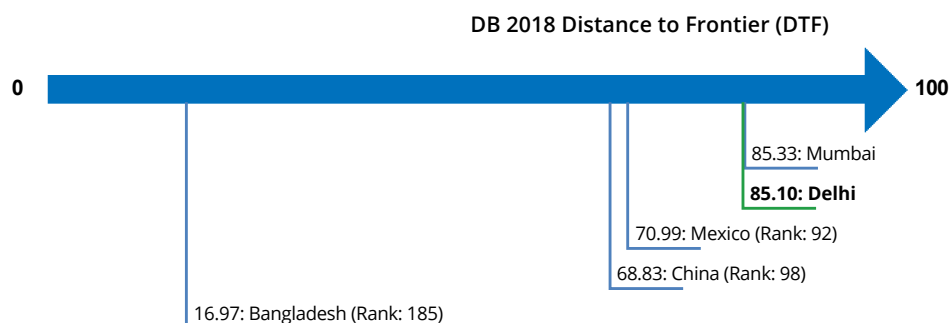
## Getting Electricity - Delhi

### Standardized Connection

Price of electricity (US cents per kWh)	15.2
Name of utility	TATA Power Delhi Distribution Limited
City Covered	Delhi

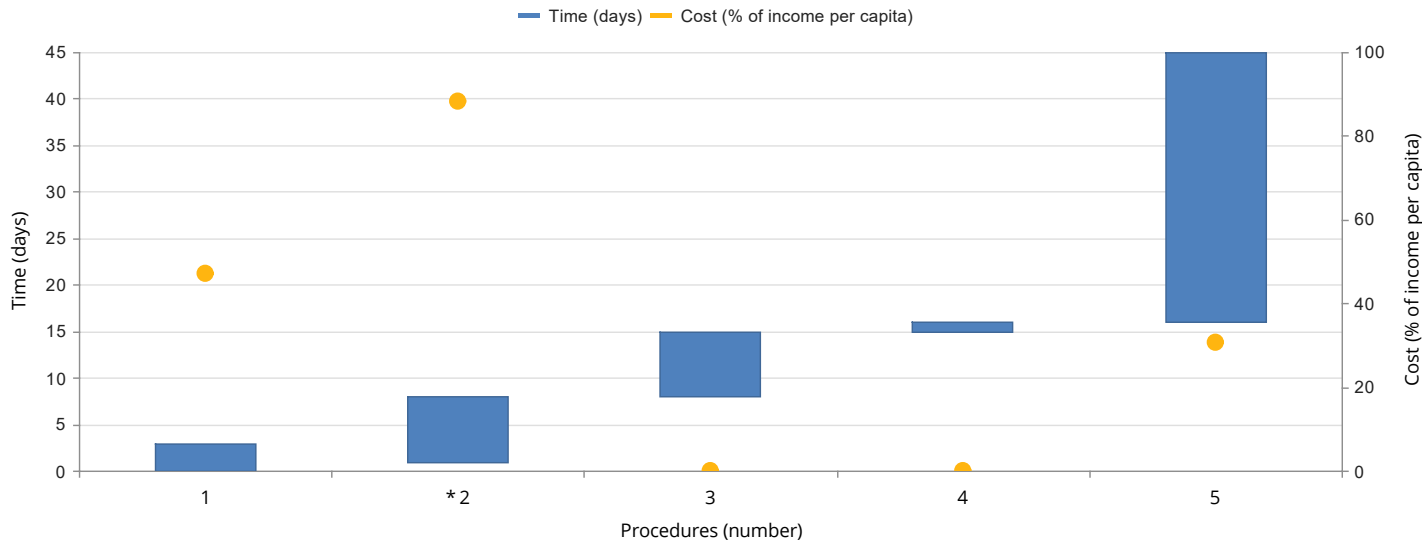
Indicator	Delhi	South Asia	OECD high income	Overall Best Performer
Procedures (number)	5	5.7	4.7	2 (United Arab Emirates)
Time (days)	45	136.4	79.1	10 (United Arab Emirates)
Cost (% of income per capita)	165.8	1163.2	63.0	0.00 (Japan)
Reliability of supply and transparency of tariff index (0-8)	7	2.1	7.4	8.00 (28 Economies)

**Figure – Getting Electricity in India and comparator economies – Ranking and DTF**



Note: The ranking of economies on the ease of getting electricity is determined by sorting their distance to frontier scores for getting electricity. These scores are the simple average of the distance to frontier scores for each of the component indicators.

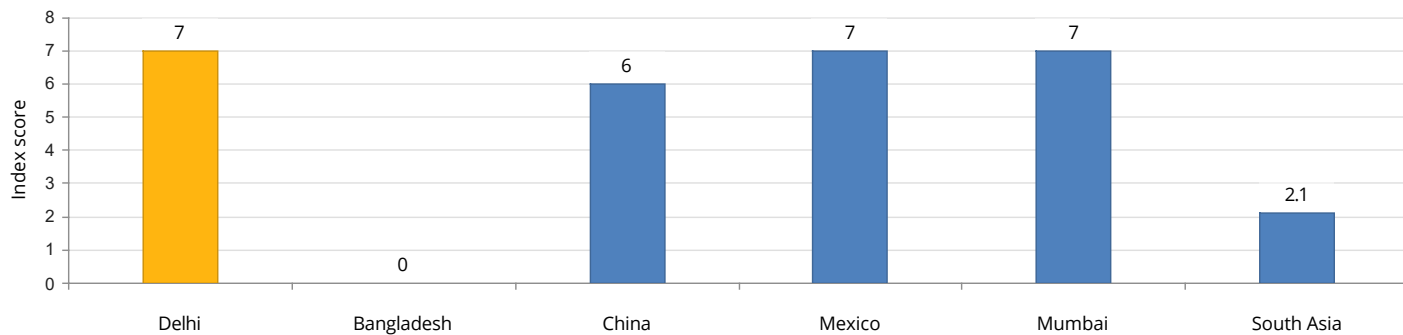
Figure – Getting Electricity in Delhi – Procedure, Time and Cost



\* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Figure – Getting Electricity in Delhi and comparator economies – Measure of Quality



## Details – Getting Electricity in Delhi – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Submit application to Tata Power Delhi Distribution Ltd. and await site inspection</b></p> <p>Agency : Tata Power Delhi Distribution Ltd.</p> <p>To apply for a new connection, customer must fill in the basic details in the Form at <a href="http://www.ndpl.com">http://www.ndpl.com</a> to generate a New Connection Request Notification Number. After customer fills the form and submits it, customer will receive a call from Sampark Kendra within 48 hour, who will provide customer the details of the documents to be submitted and information regarding nearest location for submission of documents.</p> <p>The list of documents is as follows:</p> <p>(1) ID Proof - any of the following:</p> <ul style="list-style-type: none"> <li>A- Electoral Identity Card</li> <li>B- Passport</li> <li>C - Driving License</li> <li>D- Ration Card with Photograph</li> <li>E- Pan Card</li> <li>F- Aadhar Card</li> <li>G- Photo Identity Card Issued by any Government Agency</li> </ul> <p>(2) Proof of Ownership/Occupancy - any of the following:</p> <ul style="list-style-type: none"> <li>A- Certified Copy of Title Deed</li> <li>B- Certified Copy of Conveyance Deed</li> <li>C - Possession/Allotment Letter</li> <li>D- GPA</li> <li>E- Rent receipt/lease agreement along with No Objection Certification and Proof of Ownership of Landlord.</li> </ul> <p>(2) Registrar of Companies: Certificate of Incorporation;</p> <p>Customer can also call TPDDL on the 24 hour Sampark Kendra 66404040, for initiating the new connection process. However, customers are mandated to visit one Document Submission Centers along with the necessary documents to initiate the new connection process. New Connection Request Notification will be cancelled if the documents are not submitted within 3 working days.</p>	3 calendar days	INR 53,400
⇒ 2	<p><b>External works of meter board conducted by customer's electrical contractor</b></p> <p>Agency : Customer's contractor</p> <p>Consumers supplied with low and medium voltage electrical energy shall provide and maintain an enclosure with a dry masonry wall not less than 250 millimeters thick or such other structure as may be approved by TPDDL on which TPDDL's meter boards and service cutouts shall be supported and shall provide and maintain adequate protection for the meter board from ingress of water, tampering and mechanical damage. The consumer's mains shall in all cases, be brought to TPDDL's point of supply.</p>	7 calendar days	INR 100,000

<p><b>3 Receive external site inspection from Tata Power and await estimate</b></p> <p>Agency : Tata Power Delhi Distribution Ltd.</p> <p>Customer makes appointment over the phone by providing application number as reference. TPDDL contacts the customer through e-mail, SMS or phone to make an inspection appointment at customer's convenience. Representative of TPDDL will inspect the premises to confirm its eligibility and study the technical requirements of giving supply to the consumer and fix the position of main cut outs or circuit breakers and meters and sanction the load for the premises in consultation with the consumer and/or his Licensed Electrical Contractor. Customer and/or his Licensed Electrical Contractor must be present during external site inspection.</p>	7 calendar days	INR 0
<p><b>4 Receive internal wiring inspection by utility</b></p> <p>Agency : Tata Power Delhi Distribution Ltd.</p> <p>Utility will appoint consultant to inspect the premises of the warehouse to ensure that the load applied for by the consultant is being adhered to. The team that conducts this internal load verification/internal wiring inspection is different from the team of the utility that conducts site inspection.</p>	1 calendar day	INR 0
<p><b>5 Receive external connection, meter installation and electricity flow</b></p> <p>Agency : Tata Power Delhi Distribution Ltd.</p> <p>TPDDL will conduct external connection works, including the fixing of meters and coupling them with the customer's installation preparatory to the inspection and testing of the installation and connection of supply.</p>	29 calendar days	INR 34,743.34

⇒ Takes place simultaneously with previous procedure.

## Details – Getting Electricity in Delhi – Measure of Quality

	Answer
<b>Reliability of supply and transparency of tariff index (0-8)</b>	7
<b>Total duration and frequency of outages per customer a year (0-3)</b>	2
System average interruption duration index (SAIDI)	2.9
System average interruption frequency index (SAIFI)	2.7
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	5.0
<b>Mechanisms for monitoring outages (0-1)</b>	1
Does the distribution utility use automated tools to monitor outages?	Yes
<b>Mechanisms for restoring service (0-1)</b>	1
Does the distribution utility use automated tools to restore service?	Yes
<b>Regulatory monitoring (0-1)</b>	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
<b>Financial deterrents aimed at limiting outages (0-1)</b>	1
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes
<b>Communication of tariffs and tariff changes (0-1)</b>	1
Are effective tariffs available online?	Yes
Link to the website, if available online	<a href="http://tatapower-ddl.com/UploadedFiles/Tariff%20Ad%20English%202015.pdf">http://tatapower-ddl.com/UploadedFiles/Tariff%20Ad%20English%202015.pdf</a>
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

**Note:**

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

## Registering Property

This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to legally transfer title on immovable property (number)

- Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration procedures in the economy's largest business city.
- Postregistration procedures (for example, filling title with municipality)

#### Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

#### Cost required to complete each procedure (% of property value)

- Official costs only (such as administrative fees, duties and taxes).
- Value Added Tax, Capital Gains Tax and illicit payments are excluded

#### Quality of land administration index (0-30)

- Reliability of infrastructure index (0-8)
- Transparency of information index (0-6)
- Geographic coverage index (0-8)
- Land dispute resolution index (0-8)
- Equal access to property rights index (-2-0)

### Case study assumptions

To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.

#### The parties (buyer and seller):

- Are limited liability companies (or the legal equivalent).
- Are located in the periurban area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Are 100% domestically and privately owned.
- Have 50 employees each, all of whom are nationals.
- Perform general commercial activities.

#### The property (fully owned by the seller):

- Has a value of 50 times income per capita, which equals the sale price.
- Is fully owned by the seller.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone, and no rezoning is required.
- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety.
- Will not be subject to renovations or additional construction following the purchase.
- Has no trees, natural water sources, natural reserves or historical monuments of any kind.
- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.
- Has no occupants, and no other party holds a legal interest in it.



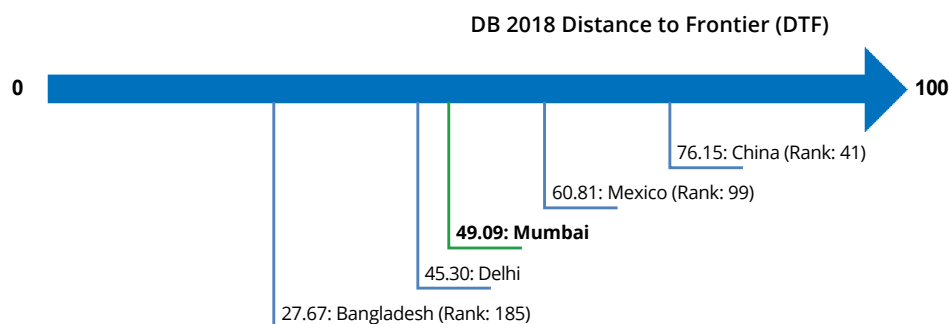
## Registering Property - Mumbai

### Standard Property Transfer

Property value	INR 5,673,337.20
City Covered	Mumbai

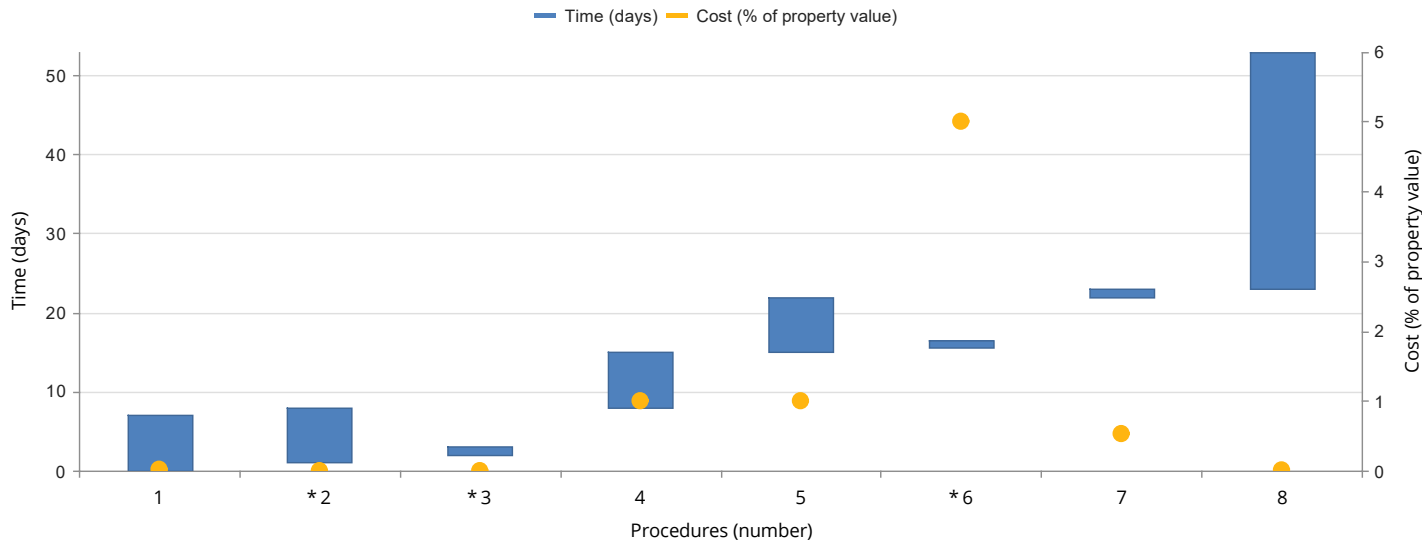
Indicator	Mumbai	South Asia	OECD high income	Overall Best Performer
Procedures (number)	8	6.8	4.6	1.00 (4 Economies)
Time (days)	53	111.6	22.3	1.00 (3 Economies)
Cost (% of property value)	7.6	6.9	4.2	0.00 (5 Economies)
Quality of the land administration index (0-30)	9.0	8.0	22.7	29.00 (Singapore)

**Figure – Registering Property in India and comparator economies – Ranking and DTF**



Note: The ranking of economies on the ease of registering property is determined by sorting their distance to frontier scores for registering property. These scores are the simple average of the distance to frontier scores for each of the component indicators.

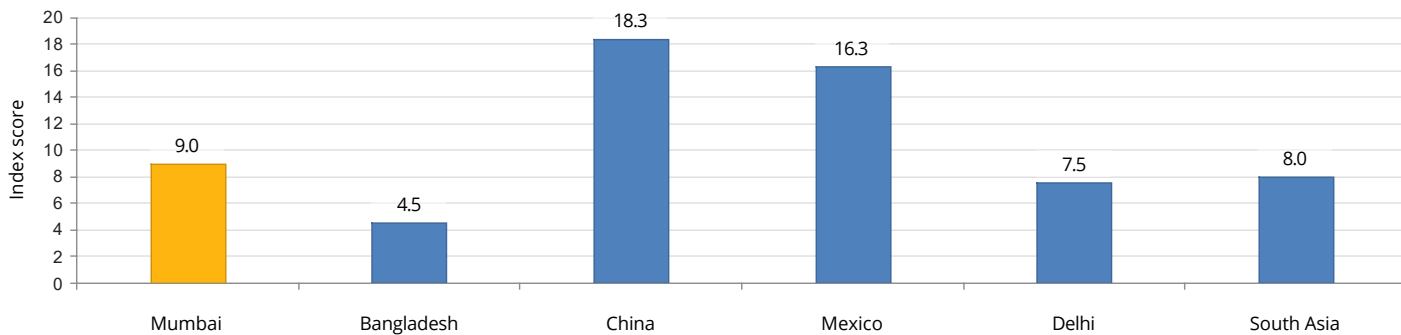
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Figure – Registering Property in Mumbai and comparator economies – Measure of Quality



## Details – Registering Property in Mumbai – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Conduct a title search at the office of Sub-Registrar of Assurance</b></p> <p>Agency : Sub-Registrar of Assurance</p> <p>The purchaser should conduct a search of the property in the Registry and the Revenue Office, noting the location details of the property and the time period to be checked. While investigating the title it should be verified.</p> <p>(1) the legal ownership document (i.e. the title document) is in the name of the owner and is duly stamped and registered before the concerned sub-registrar of assurances.</p> <p>(2) that on the date of purchase the title of the owner for the preceding 30 years (preferably) shows no mortgage or other encumbrance as still existing on the date of purchase,</p> <p>(3) the property is transferable and heritable,</p> <p>(4) the transferor is competent and/or authorized to transfer the property,</p> <p>(5) the transferee is qualified to be a transferee,</p> <p>(6) the object or consideration for the transfer is lawful,</p> <p>(7) the transfer has been made and completed in the manner prescribed by law.</p> <p>Also, all papers with regard to payment of taxes, the electricity bills and water bills need to be checked.</p> <p>If the seller is a Company incorporated under the provisions of the Companies Act, 2013 then it is prudent to take search in the office of the Registrar of Companies to verify whether there is any charge on the property registered under the provisions of Section 81 of the Companies Act, 2013.</p>	7 days (simultaneous with procedures 2 and 3)	INR 300 for a 12 years report + INR 25 per each additional year searched
⇒ 2	<p><b>Ensure that property is clear of all local tax dues</b></p> <p>Agency : Local authorities</p> <p>Non-payment of local property tax can result in the property being attached and sold by the local body. The last local tax bill will show the previous dues if any and the receipt of payment will indicate the date on which the payment was made. The receipt is issued by the local body upon receipt of payment.</p>	7 days (simultaneous with procedures 1 and 3)	No charge
⇒ 3	<p><b>Conduct charges search at the Registrar of Companies</b></p> <p>Agency : Registrar of Companies</p> <p>In case of companies formed under the provisions of Companies Act, 2013 and/or under the provisions of Companies Act, 1956 as also in case of any Limited Liability Partnership firms, all charges, modification of charges and satisfaction of charges are required to be compulsorily registered with the Registrar of Companies. Searches on the website of the Ministry of Company Affairs can be taken to peruse the charges created.</p>	1 day (simultaneous with procedures 1 and 2)	INR 100

<p><b>4 Prepare the final sale deed with the purchaser's lawyer</b></p> <p>Agency : Lawyer</p> <p>The lawyer prepares the final sale deed and then engrosses the document on green paper leaving the date and place blank. This document is then submitted for stamping. The fee for the lawyer varies from transaction to transaction.</p>	7 days	About 1% of the property value (About INR 55,000). This includes legal fees for due diligence, drafting the transfer deed and monitoring the registration and mutation process.
<p><b>5 Obtain a certificate for the Tax Deductible at Source</b></p> <p>Agency : Income Tax Department (Federal level)</p> <p>On June 1, 2013, Section 194IA of the Income Tax became effective. This section establishes that a Tax Deductible at Source (TDS) of 1% of the property value should be deducted at source from the amount paid to the seller/transferor of Immovable Property. This provision is only applicable to properties that have a value over INR 5,000,000.</p> <p>Any sum deducted under section 194-IA shall be paid to the credit of the Central Government within a period of seven days from the end of the month in which the deduction is made and shall be accompanied by a challan-cum-statement in Form No. 26QB. The sum so deducted shall be deposited to the credit of the Central Government by remitting it electronically to the Reserve Bank of India or the State Bank of India or to any authorized bank.</p> <p>Every person responsible for deduction of tax under section 194-IA shall furnish the certificate of deduction of tax at source in Form No. 16B to the payee within fifteen days from the due date for furnishing the Challan-cum-statement in Form No. 26QB under Rule 31A after generating and downloading the same from the web portal specified by the Director General of Income-tax (System) or the person authorized by him.</p> <p>It is required to provide the certificate of the TDS to the Sub-Registrar office in order to proceed with the registration of the property transfer.</p>	7 days (simultaneous with Procedure No. 6)	1% of the property value to be deducted

⇒ 6 **Pay Stamp Duty on the final Sale Deed through franking at the designated bank.**

Agency : Designated and authorised Banks and Government Revenue Accounting Department for online payment

Less than a day  
(online procedure)  
(simultaneous with  
Procedure No. 5)

5% of property value

Since December 2013 stamp duty and registration fees through electronic secured bank treasury receipt (eSBTR)—an online payment service available round-the-clock has been implemented in Mumbai and entire Maharashtra. Under this system, a customer can log onto the website of the authorized bank, click the link for payment of stamp duty/registration fees, enter the necessary details and pay the duty through the internet banking account. With the printout as proof of the online payment, the customer can walk into the nominated branches of the bank to get the eSBTR. The eSBTR is a receipt with security features, which has been designed by India Security Press, Nashik. "Alternatively, there is also a facility to make the data entry online and make the payment in bank branches. The sub-registrar then has to register the documents attached with the receipt.

Payment could be made

1) Online- through credit card, debit card, internet banking for online payment mode. For this purpose various banks have also been authorised authorizing their internet banking facility

2) through the process of Simple receipt (receipt printed on A-4 size paper). Payment is made to Banks, stamp vendors and post offices also who issue these receipts. Payments can be made through Cash, Cheque, Bank Draft or through electronic payment

3) ESBTR (Electronic Bank and Treasury Receipt) - Few banks have been authorised to issue ESBTR. Banks accept payment by various modes and then issue these ESBTRs.

Payment through GRAS system- details at <https://gras.mahakosh.gov.in/igr/>

<p><b>7 Execute final sale deed and submit documents to the local office of the Sub-Registrar of Assurances</b></p> <p>Agency : Sub Registrar of Assurances</p> <p>The execution of the sale deed in front of the 2 witnesses is commonly done at the same time and place where the buyer submits documents to the Sub-Registrar.</p> <p>The documents are submitted to the office of the Sub Registrar of Assurances within whose jurisdiction the property is located. The authorized signatories of the seller and purchaser are required to be present along with two witnesses. Once the document is registered, a distinct document number is assigned to that document. The record of registration is kept in the office of sub registrar of assurance.</p> <p>The documents are submitted to the Reader of the Sub-Registrar of Assurances for scrutiny. After scrutiny, the Reader indicates the registration fee required, which is 1% of the transaction value or Rs. 30,000/- whichever is less on the document itself. The due registration fee is to be deposited with the cashier against a receipt. After depositing the fees, the documents are presented before the Sub-Registrar in accordance with Section 32 of the Registration Act, 1908. Normally, the Seller hands over the peaceful vacant and physical possession of the property to the buyer simultaneous to the deed being presented for registration. Upon payment of the required registration fees and computer service charges in cash, as per the receipt, the document is returned within 30 minutes of getting the receipt.</p> <p>The documentation shall include:</p> <ol style="list-style-type: none"> <li>(1) Document required to be registered (in duplicate)</li> <li>(2) Two passport-size photographs of the authorized signatories of both parties.</li> <li>(3) Photo identification of each party and witnesses i.e. voters' identity card, passport, identity card issued by Govt. of India, Semi Govt. and Autonomous bodies or identification by a Gazette Officer.</li> <li>(4) Certified true copies of certificate of incorporation of both seller and purchaser.</li> <li>(5) Copy of the latest property register card (to be obtained from the City Survey Department) to indicate that the property does not belong to the government</li> <li>(6) Copy of the Municipal Tax bill to indicate the year in which the building was constructed</li> <li>(7) Copy of PAN Card of Income Tax of the Seller and the Buyer annexed along with the Sale Deed.</li> </ol> <p>The registration fees can be paid e-Challan on GRAS or e-SBTR through the websites of the authorised participatory banks.</p>	1 day	1% of market value of the property (Maximum INR 30,000) + INR 20 per page of final sale deed for scanning charges (paid in cash)
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<b>8 Apply to the Land &amp; Survey Office for mutation of the tile of the property</b>	30 days	INR 750 (Application fee of INR 100; stamp duty on the Indemnity Bond of INR 500, stamp duty of INR 100 on the Affidavit in the prescribed form and notary fees of INR 50)
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Agency : Land & Survey Office

An application for mutation of the title of the property will have to be made to the City Survey and Land Records office for seeking mutation of the title of the property in the name of the purchaser. The authorised signatory has to submit the duly signed application along with the affidavit, indemnity bond and a notarised copy of the registered Sale Deed. After the assessment of the request for mutation, the City Survey and Land Records office decides the value of the tax on the property and issues a letter of mutation in favour of the purchaser.

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⇒ Takes place simultaneously with previous procedure.

## Details – Registering Property in Mumbai – Measure of Quality

	Answer	Score
<b>Quality of the land administration index (0-30)</b>		<b>9.0</b>
<b>Reliability of infrastructure index (0-8)</b>		<b>2.0</b>
What is the institution in charge of immovable property registration?	Sub-Registrar office	
In what format are the majority of title or deed records kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Scanned	1.0
Is there an electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	No	0.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Land Records Department	
In what format are the majority of maps of land plots kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Paper	0.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	No	0.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Separate databases	0.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	Yes	1.0
<b>Transparency of information index (0-6)</b>		<b>3.5</b>
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Anyone who pays the official fee	1.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	www.igrmaharashtra.gov.in under the heading 'Activities' and sub heading 'Document Registration' http://www.igrmaharashtra.gov.in/SB_ACTIVITIES/activities_DocRegistration.aspx	



Is the applicable fee schedule for any property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	www.igrmaharashtra.gov.in under the heading 'Publications' and sub heading 'Fee Structure' <a href="http://www.igrmaharashtra.gov.in/SB_PUBLICATION/DATA/Registration%20fee%20table.pdf">http://www.igrmaharashtra.gov.in/SB_PUBLICATION/DATA/Registration%20fee%20table.pdf</a>	
Does the agency in charge of immovable property registration commit to delivering a legally binding document that proves property ownership within a specific time frame—and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	www.igrmaharashtra.gov.in under the heading Citizen's Charter <a href="http://www.igrmaharashtra.gov.in/SB_CITIZENAREA/citizenArea_CC_pdf.aspx">http://www.igrmaharashtra.gov.in/SB_CITIZENAREA/citizenArea_CC_pdf.aspx</a>	
Is there a specific and separate mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	No	0.0
Contact information:		
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	No	0.0
Number of property transfers in the largest business city in 2016:		
Who is able to consult maps of land plots in the largest business city?	Only intermediaries and interested parties	0.0
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, on public boards	0.5
Link for online access:		
Does the cadastral or mapping agency commit to delivering an updated map within a specific time frame—and if so, how does it communicate the service standard?	No	0.0
Link for online access:		

Is there a specific and separate mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	Yes	0.5
Contact information:		
<b>Geographic coverage index (0-8)</b>		<b>0.0</b>
Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the economy mapped?	No	0.0
Are all privately held land plots in the largest business city mapped?	No	0.0
<b>Land dispute resolution index (0-8)</b>		<b>3.5</b>
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Is the system of immovable property registration subject to a state or private guarantee?	No	0.0
Is there a specific compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	No	0.0
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Lawyer; Interested Parties.	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Registrar.	
Is there a national database to verify the accuracy of identity documents?	Yes	1.0
For a standard land dispute between two local businesses over tenure rights of a property worth 50 times gross national income (GNI) per capita and located in the largest business city, what court would be in charge of the case in the first instance?	City Civil Court	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	More than 3 years	0.0
Are there any statistics on the number of land disputes in the first instance?	No	0.0
Number of land disputes in the largest business city in 2016:		
<b>Equal access to property rights index (-2-0)</b>		<b>0.0</b>
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	0.0

Do married men and married women have equal ownership rights to property?

Yes

0.0

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## Registering Property - Delhi

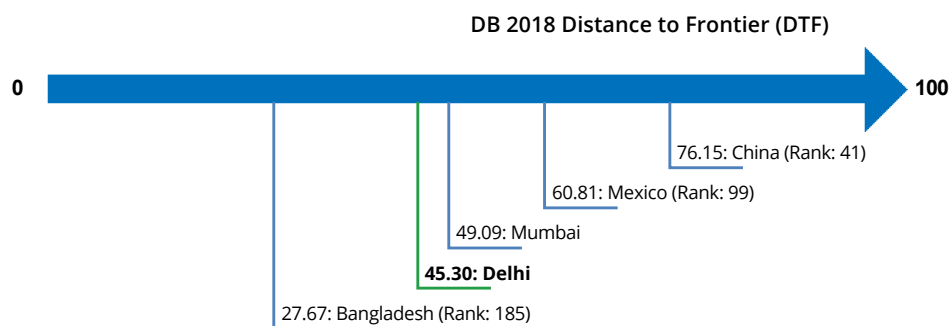
### Standard Property Transfer

Property value INR 5,673,337.20

City Covered Delhi

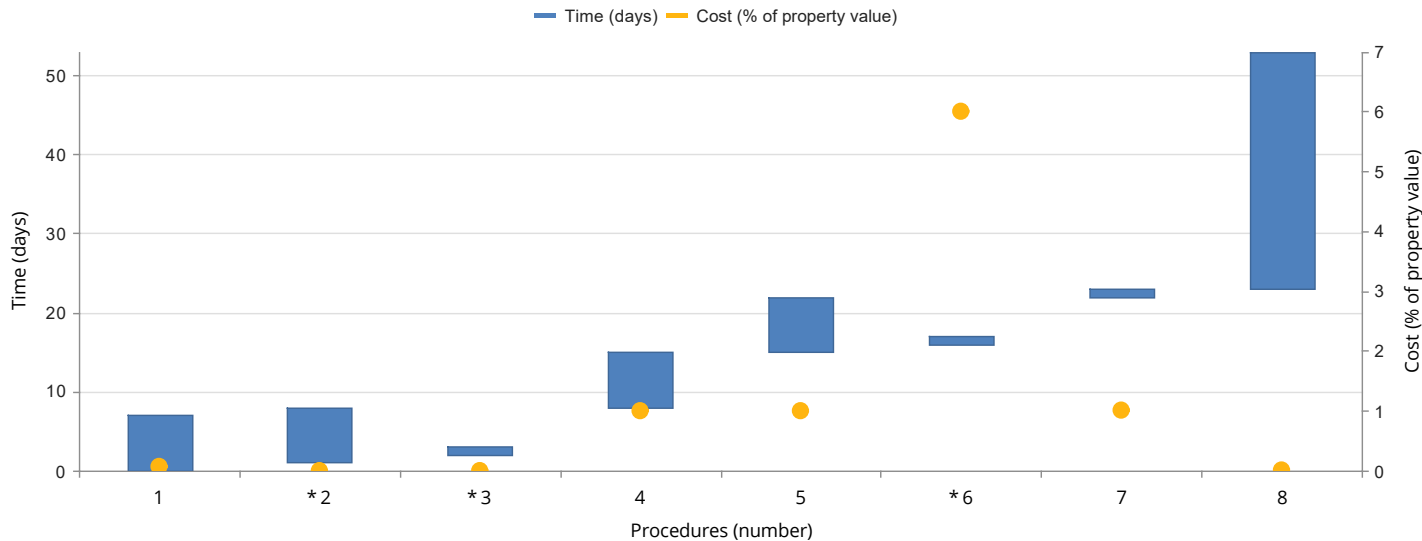
Indicator	Delhi	South Asia	OECD high income	Overall Best Performer
Procedures (number)	8	6.8	4.6	1.00 (4 Economies)
Time (days)	53	111.6	22.3	1.00 (3 Economies)
Cost (% of property value)	9.1	6.9	4.2	0.00 (5 Economies)
Quality of the land administration index (0-30)	7.5	8.0	22.7	29.00 (Singapore)

**Figure – Registering Property in India and comparator economies – Ranking and DTF**



Note: The ranking of economies on the ease of registering property is determined by sorting their distance to frontier scores for registering property. These scores are the simple average of the distance to frontier scores for each of the component indicators.

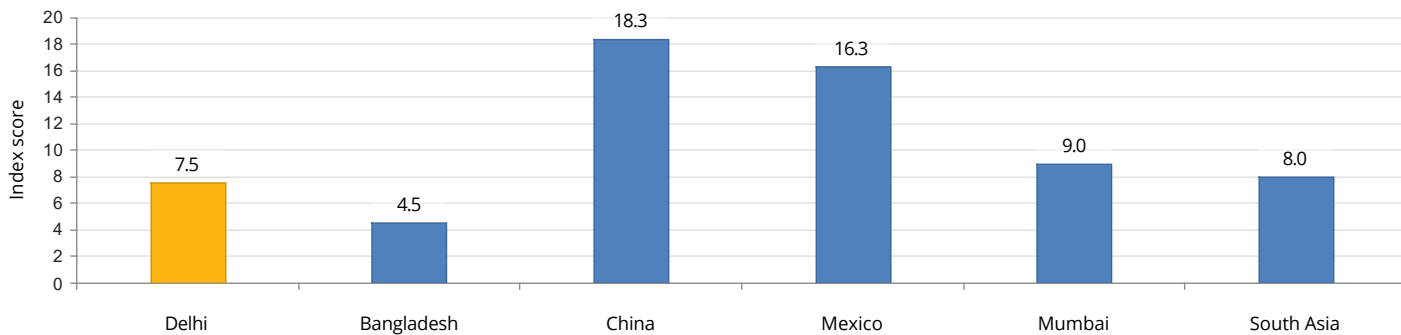
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Figure – Registering Property in Delhi and comparator economies – Measure of Quality



## Details – Registering Property in Delhi – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Conduct title search at the sub-registrar office</b></p> <p>Agency : Sub-Registrar Office</p> <p>The purchaser should conduct search of the property in the Registry Office. During investigation it should be verified that (1) the legal ownership document is in the name of the owner, issued by the Revenue Record Department under the seal of Tehsildar, (2) the title deeds, mutation entries for the preceding 40 years (preferably) must be checked to confirm no mortgage or other encumbrances exist on the date of purchase, (3) the property is transferable and heritable, (4) the transferor is competent and/or authorized to transfer the property, (5) the transferee is qualified to be a transferee, (6) the consideration is lawful, (7) the transfer has been made and completed in the manner prescribed by law.</p>	7 days (simultaneous with procedures 2 and 3)	INR 400 for each year searched. Usually, 40 years are searched as part of the due diligence process.
⇒ 2	<p><b>Ensure that property is clear of all local tax dues</b></p> <p>Agency : North Delhi Municipal Corporation, South Delhi Municipal Corporation, East Delhi Municipal Corporation (depending on the location of the property)</p> <p>Request all records regarding payment of local property taxes and any other possible municipal dues, for pick-up a week later, to ensure that the owner of the property is in good standing with municipal authorities</p>	7 days (simultaneous with procedures 1 and 3)	INR 200
⇒ 3	<p><b>Conduct charges search at the Registrar of Companies</b></p> <p>Agency : Registrar of Companies</p> <p>If the seller is a Company incorporated under the provisions of the Companies Act, 2013, the purchaser should conduct a search in the office of the Registrar of Companies to verify whether there is any charge (mortgage, encumbrance, etc.) on the property registered under Section 125 of the Companies Act, 2013. Note that if the Seller is not able to produce title deed, then Buyer must also check any potential creditors for mortgages by deposit of title deed, which are not recorded anywhere.</p>	1-2 days (simultaneous with procedures 1 and 2)	INR 100
4	<p><b>Prepare the final sale deed with the purchaser's lawyer</b></p> <p>Agency : Lawyer</p> <p>The lawyer prepares the final sale deed and then engrosses the document on green paper leaving the date and place blank. This document is then submitted for stamping. The fee for the lawyer varies from transaction to transaction.</p>	7 days	1% of the property value

**5 Obtain a certificate for the Tax Deductible at Source**

Agency : Income Tax Department (Federal level)

On June 1, 2013, Section 194IA of the Income Tax became effective. This section establishes that a Tax Deductible at Source (TDS) of 1% of the property value should be deducted at source from the amount paid to the seller/transferor of Immovable Property. This provision is only applicable to properties that have a value over INR 5,000,000.

Any sum deducted under section 194-IA shall be paid to the credit of the Central Government within a period of seven days from the end of the month in which the deduction is made and shall be accompanied by a challan-cum-statement in Form No. 26QB. The sum so deducted shall be deposited to the credit of the Central Government by remitting it electronically to the Reserve Bank of India or the State Bank of India or to any authorized bank.

Every person responsible for deduction of tax under section 194-IA shall furnish the certificate of deduction of tax at source in Form No. 16B to the payee within fifteen days from the due date for furnishing the Challan-cum-statement in Form No. 26QB under Rule 31A after generating and downloading the same from the web portal specified by the Director General of Income-tax (System) or the person authorized by him.

It is required to provide the certificate of the TDS to the Sub-Registrar office in order to proceed with the registration of the property transfer.

7 days  
(simultaneous with  
Procedure No. 6)

1% of the property  
value to be deducted

**⇒ 6 Pay Stamp Duty on the final Sale Deed through e-stamp paper at the designated bank.**

Agency : Bank

The amount of stamp duty is calculated based on the sale consideration or circle rate, whichever is higher, and deposited by the party purchasing the e-stamp paper, in the designated account of the Stock Holding Corporation of India at Corporation Bank by RTGS/NEFT. Thereafter, the UTR no. or other relevant details of the payment along with the details of the property, parties, nature of instruments, Permanent Account Number (PAN) card details of parties, authority letter to the representative of the party to collect the e-stamp paper and ID proof of the party in whose name stamp duty has been purchased, are required to be submitted at the bank and thereafter, the stamp paper is issued.

1 day  
(simultaneous with  
Procedure No. 5)

6% of property value

- |   |                |   |
|---|----------------|---|
| <p><b>7 Execute final sale deed and submit documents to the local office of the Sub-Registrar of Assurances</b></p> <p>Agency : Sub-Registrar of Assurances</p> <p>Initially an appointment is taken for registration, from the concerned Sub-Registrar's office or online, as the case may be. On date of the appointment, the documents are submitted to the designated official for screening. The designated official verifies the particulars of the purchaser(s), seller(s) and witnesses and also verifies the property details and title documents of the seller with respect to the property. Thereafter, the photographs of the seller, purchaser and witnesses are taken which are also printed on the back page of the registered sale deed. Further, the registration fees is paid in favour of the office of the Sub-Registrar and receipt for the same is issued. Thereafter, the sale deed is registered and a registration receipt is issued. The registered sale deed can be collected from the office of Sub-Registrar after approximately 1 week from the date of registration, upon production of the registration receipt.</p> <p>The following documents are required to be carried to the office of the Sub-Registrar for registration of a sale deed:</p> <ul style="list-style-type: none"> <li>(i) two photographs, each of the authorized representatives/directors of the seller and purchaser, alongwith their ID proof, in original;</li> <li>(ii) PAN cards of seller and purchaser;</li> <li>(iii) the board resolutions in favour of the authorized representative or director executing the sale deed on behalf of the companies;</li> <li>(iii) In case the sale consideration is more than INR 50,00,000/-, proof of payment of 1% deduction as TDS;</li> <li>(iv) ID proof of the witnesses, in original; and</li> <li>(v) previous title documents of the property.</li> </ul> <p>The authorized representatives/directors of both parties as well as witnesses are required to be present at the office of the Sub-Registrar, in person, for the registration of the sale deed.</p> | <p>1 day</p>   | <p>1% of market value of the property<br/>+ INR100 pasting charge has to be deposited at Sub-Registrar office at the time of registration<br/>+INR 20 per page of final sale deed for scanning charges (paid in cash)</p> |
| <p><b>8 Apply to the Land &amp; Survey Office for mutation of the tile of the property</b></p> <p>Agency : Land &amp; Survey Office</p> <p>An application for mutation of the title of the property will have to be made to the Sub-Registrar office office for seeking mutation of the title of the property in the name of the purchaser. The authorised signatory has to submit the duly signed application along with the affidavit, indemnity bond and a notarised copy of the registered Sale Deed. After the assessment of the request for mutation, the Sub-Registrar office decides the value of the tax on the property and issues a letter of mutation in favour of the purchaser. Cost included application fee of INR 100; stamp duty on the Indemnity Bond of INR 200, stamp duty of INR 100 on the Affidavit in the prescribed form and notary fees of INR 50.</p>   | <p>30 days</p> | <p>INR 450 (Application fee of INR 100; stamp duty on the Indemnity Bond of INR 200, stamp duty of INR 100 on the Affidavit in the prescribed form and notary fees of INR 50)</p>   |

⇒ Takes place simultaneously with previous procedure.



## Details – Registering Property in Delhi – Measure of Quality

	Answer	Score
<b>Quality of the land administration index (0-30)</b>		<b>7.5</b>
<b>Reliability of infrastructure index (0-8)</b>		<b>2.0</b>
What is the institution in charge of immovable property registration?	Office of Sub-Registrar	
In what format are the majority of title or deed records kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Scanned	1.0
Is there an electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	No	0.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Delhi Development Authority (DDA)	
In what format are the majority of maps of land plots kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Paper	0.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	No	0.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Separate databases	0.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	Yes	1.0
<b>Transparency of information index (0-6)</b>		<b>2.0</b>
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Anyone who pays the official fee	1.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="http://www.delhi.gov.in/wps/wcm/connect/DoIT_DC_NORTH/dcnorth/publicserviceslinks/registration+of+documents">http://www.delhi.gov.in/wps/wcm/connect/DoIT_DC_NORTH/dcnorth/publicserviceslinks/registration+of+documents</a>	
Is the applicable fee schedule for any property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5

Link for online access:

[http://www.delhi.gov.in/wps/wcm/connect/doit\\_revenue/Revenue/Home/Services/Property+Registration](http://www.delhi.gov.in/wps/wcm/connect/doit_revenue/Revenue/Home/Services/Property+Registration)

Does the agency in charge of immovable property registration commit to delivering a legally binding document that proves property ownership within a specific time frame—and if so, how does it communicate the service standard?

Yes, in person 0.0

Link for online access:

Is there a specific and separate mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?

No 0.0

Contact information:

Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?

No 0.0

Number of property transfers in the largest business city in 2016:

Who is able to consult maps of land plots in the largest business city?

Only intermediaries and interested parties 0.0

Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?

No 0.0

Link for online access:

Does the cadastral or mapping agency commit to delivering an updated map within a specific time frame—and if so, how does it communicate the service standard?

No 0.0

Link for online access:

Is there a specific and separate mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?

No 0.0

Contact information:

### Geographic coverage index (0–8)

0.0

Are all privately held land plots in the economy formally registered at the immovable property registry?

No 0.0

Are all privately held land plots in the largest business city formally registered at the immovable property registry?

No 0.0

Are all privately held land plots in the economy mapped?

No 0.0

Are all privately held land plots in the largest business city mapped?

No 0.0

### Land dispute resolution index (0–8)

3.5

Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Is the system of immovable property registration subject to a state or private guarantee?	No	0.0
Is there a specific compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	No	0.0
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Lawyer; Interested Parties.	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Registrar.	
Is there a national database to verify the accuracy of identity documents?	Yes	1.0
For a standard land dispute between two local businesses over tenure rights of a property worth 50 times gross national income (GNI) per capita and located in the largest business city, what court would be in charge of the case in the first instance?	Delhi District Court	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	More than 3 years	0.0
Are there any statistics on the number of land disputes in the first instance?	No	0.0
Number of land disputes in the largest business city in 2016:		
<b>Equal access to property rights index (-2-0)</b>		<b>0.0</b>
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	0.0
Do married men and married women have equal ownership rights to property?	Yes	0.0

## Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

### What the indicators measure

#### Strength of legal rights index (0–12)

- Rights of borrowers and lenders through collateral laws (0-10)
- Protection of secured creditors' rights through bankruptcy laws (0-2)

#### Depth of credit information index (0–8)

- Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8)

#### Credit bureau coverage (% of adults)

- Number of individuals and firms listed in largest credit bureau as a percentage of adult population

#### Credit registry coverage (% of adults)

- Number of individuals and firms listed in credit registry as a percentage of adult population

### Case study assumptions

Doing Business assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through a credit registry or a credit bureau. The strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. For each economy it is first determined whether a unitary secured transactions system exists. Then two case scenarios, case A and case B, are used to determine how a nonpossessory security interest is created, publicized and enforced according to the law. Special emphasis is given to how the collateral registry operates (if registration of security interests is possible). The case scenarios involve a secured borrower, company ABC, and a secured lender, BizBank.

In some economies the legal framework for secured transactions will allow only case A or case B (not both) to apply. Both cases examine the same set of legal provisions relating to the use of movable collateral.

#### Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:

- ABC is a domestic limited liability company (or its legal equivalent).
- ABC has up to 50 employees.
- ABC has its headquarters and only base of operations in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Both ABC and BizBank are 100% domestically owned.

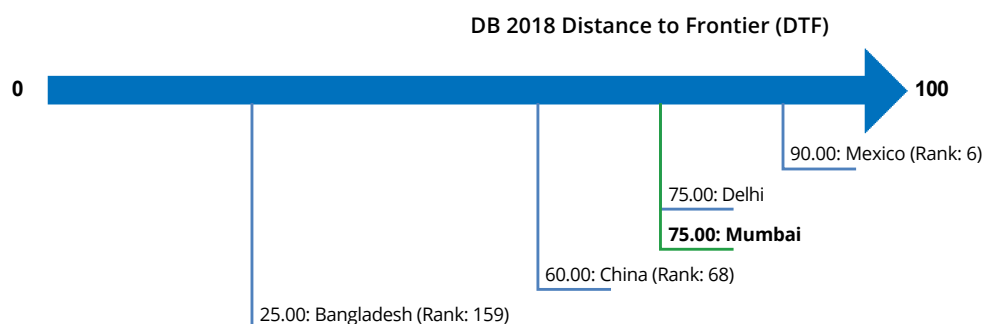
The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where the law does not allow nonpossessory security interests in movable property, ABC and BizBank use a fiduciary transfer-of-title arrangement (or a similar substitute for nonpossessory security interests).

In case B, ABC grants BizBank a business charge, enterprise charge, floating charge or any charge that gives BizBank a security interest over ABC's combined movable assets (or as much of ABC's movable assets as possible). ABC keeps ownership and possession of the assets.

## Getting Credit - Mumbai

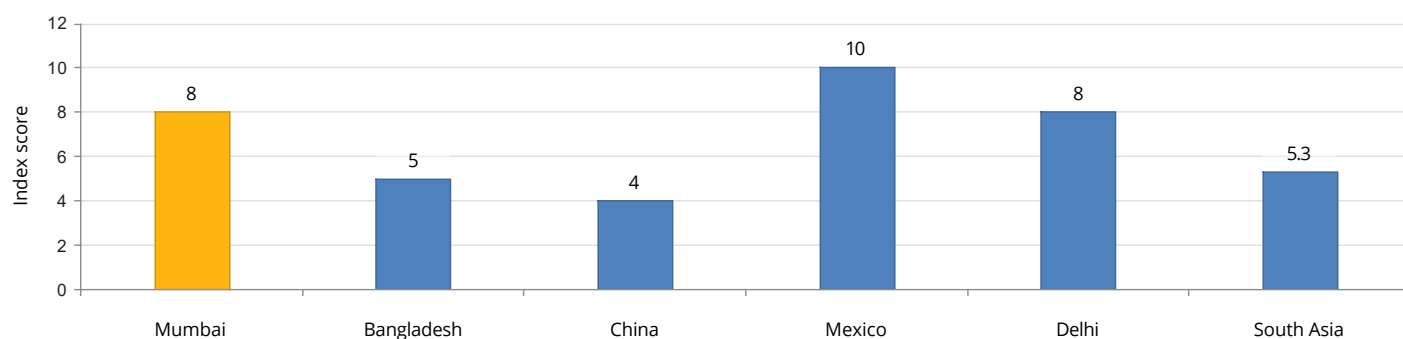
Indicator	Mumbai	South Asia	OECD high income	Overall Best Performer
Strength of legal rights index (0-12)	8	5.3	6.0	12.00 (4 Economies)
Depth of credit information index (0-8)	7	4.0	6.6	8.00 (34 Economies)
Credit registry coverage (% of adults)	0.0	3.8	18.3	100.00 (3 Economies)
Credit bureau coverage (% of adults)	43.5	14.1	63.7	100.00 (23 Economies)

Figure – Getting Credit in India and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of getting credit is determined by sorting their distance to frontier scores for getting credit. These scores are the distance to frontier score for the sum of the strength of legal rights index and the depth of credit information index.

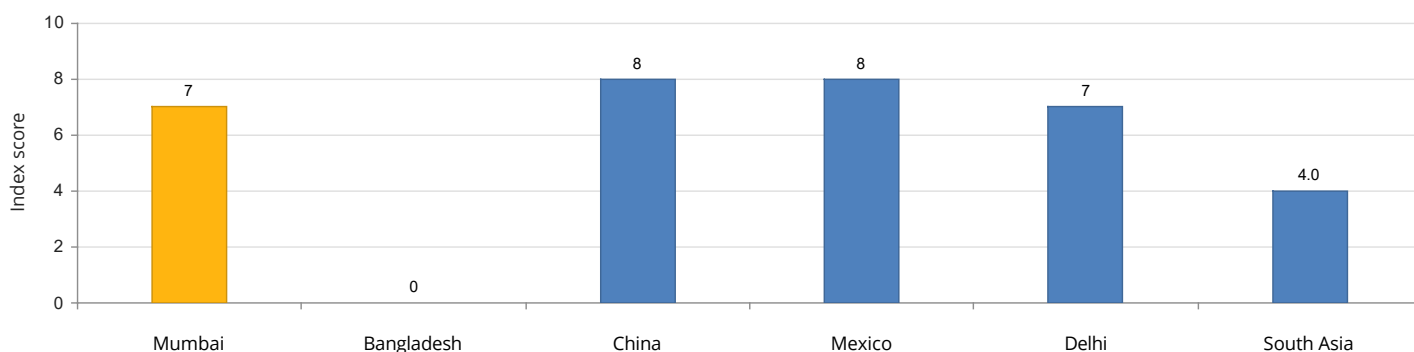
Figure – Legal Rights in Mumbai and comparator economies



**Details – Legal Rights in Mumbai**

<b>Strength of legal rights index (0-12)</b>	<b>8</b>
Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy?	No
Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral?	Yes
Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?	Yes
May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets?	Yes
Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered?	Yes
Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name?	No
Does a notice-based collateral registry exist in which all functional equivalents can be registered?	No
Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party?	Yes
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure?	Yes
Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated?	No
Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and sets a time limit for it?	Yes
Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt?	Yes

**Figure – Credit Information in Mumbai and comparator economies**



## Details – Credit Information in Mumbai

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	Yes	No	1
Are both positive and negative credit data distributed?	Yes	No	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	No	No	0
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	Yes	No	1
Are data on loan amounts below 1% of income per capita distributed?	Yes	No	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	Yes	No	1
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	Yes	No	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	Yes	No	1
<b>Score ("yes" to either public bureau or private registry)</b>			<b>7</b>

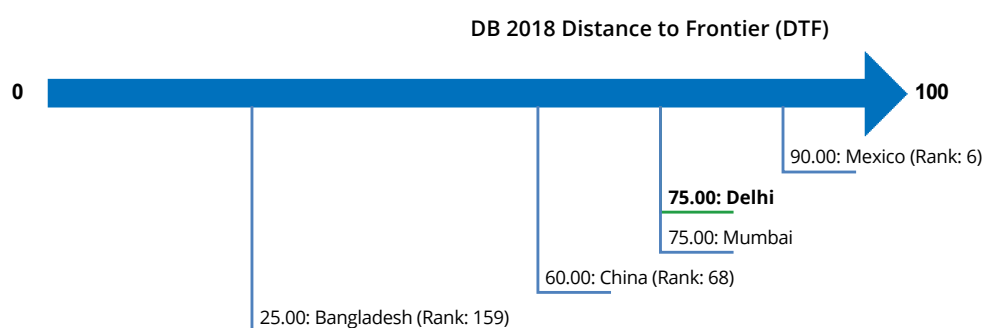
Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	366,121,346	0
Number of firms	13,539,401	0
Total	379,660,747	0
<b>Percentage of adult population</b>	<b>43.5</b>	<b>0.0</b>

### Getting Credit - Delhi

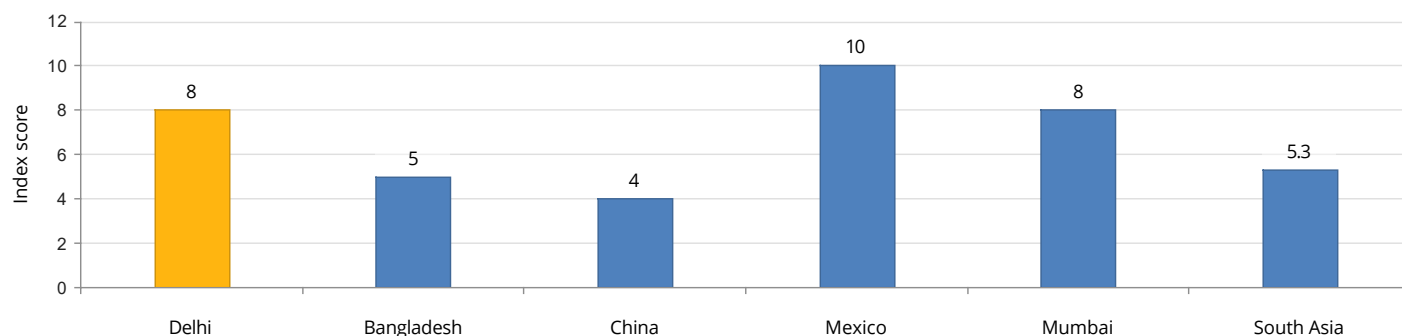
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**Figure – Legal Rights in Delhi and comparator economies**

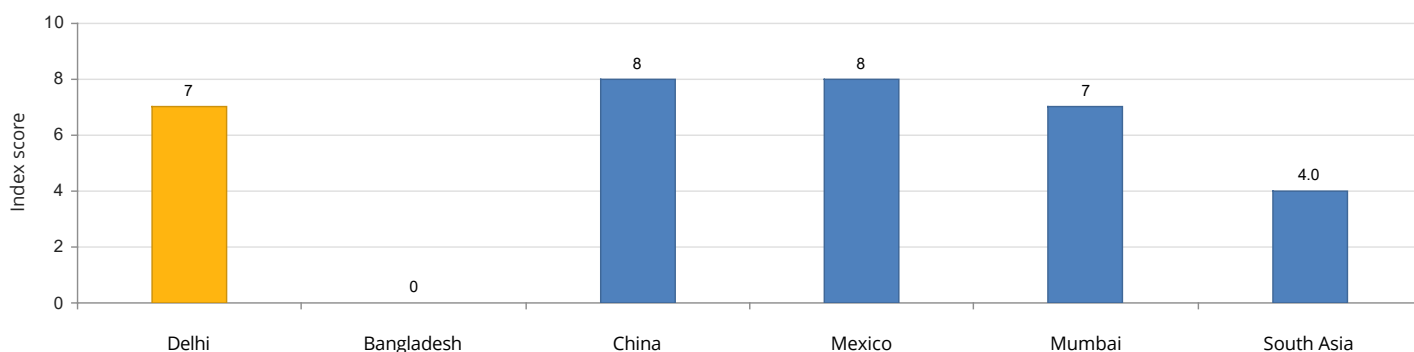




Details – Legal Rights in Delhi

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Figure – Credit Information in Delhi and comparator economies



## Details – Credit Information in Delhi

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Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	Yes	No	1
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## ↗ Protecting Minority Investors

This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

### What the indicators measure

- **Extent of disclosure index (0–10):** Review and approval requirements for related-party transactions; Disclosure requirements for related-party transactions
- **Extent of director liability index (0–10):** Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, fines, imprisonment, rescission of the transaction)
- **Ease of shareholder suits index (0–10):** Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses
- **Extent of conflict of interest regulation index (0–10):** Simple average of the extent of disclosure, extent of director liability and ease of shareholder indices
- **Extent of shareholder rights index (0–10):** Shareholders' rights and role in major corporate decisions
- **Extent of ownership and control index (0–10):** Governance safeguards protecting shareholders from undue board control and entrenchment
- **Extent of corporate transparency index (0–10):** Corporate transparency on ownership stakes, compensation, audits and financial prospects
- **Extent of shareholder governance index (0–10):** Simple average of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices
- **Strength of minority investor protection index (0–10):** Simple average of the extent of conflict of interest regulation and extent of shareholder governance indices

### Case study assumptions

To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.

#### The business (Buyer):

- Is a publicly traded corporation listed on the economy's most important stock exchange. If the number of publicly traded companies listed on that exchange is less than 10, or if there is no stock exchange in the economy, it is assumed that Buyer is a large private company with multiple shareholders.
- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.
- Has a supervisory board (applicable to economies with a two-tier board system) on which 60% of the shareholder-elected members have been appointed by Mr. James, who is Buyer's controlling shareholder and a member of Buyer's board of directors.
- Has not adopted any bylaws or articles of association that differ from default minimum standards and does not follow any nonmandatory codes, principles, recommendations or guidelines relating to corporate governance.
- Is a manufacturing company with its own distribution network.

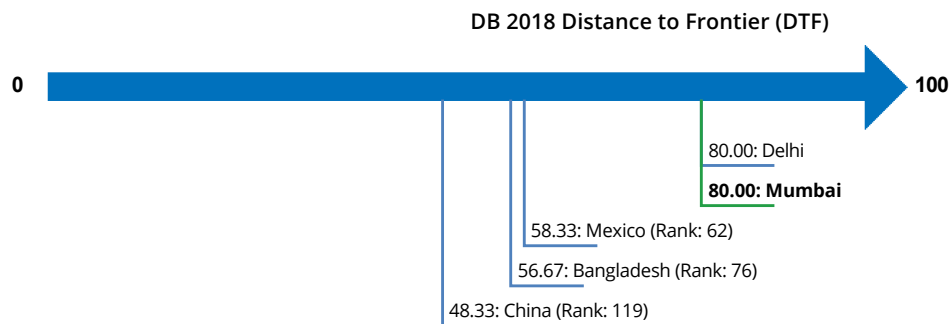
#### The transaction involves the following details:

- Mr. James owns 60% of Buyer and elected two directors to Buyer's five-member board.
- Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores.
- Mr. James proposes that Buyer purchase Seller's unused fleet of trucks to expand Buyer's distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer's assets and is higher than the market value.
- The proposed transaction is part of the company's ordinary course of business and is not outside the authority of the company.
- Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made (that is, the transaction is not fraudulent).
- The transaction causes damages to Buyer. Shareholders sue Mr. James and the other parties that approved the transaction.

Protecting Minority Investors - Mumbai

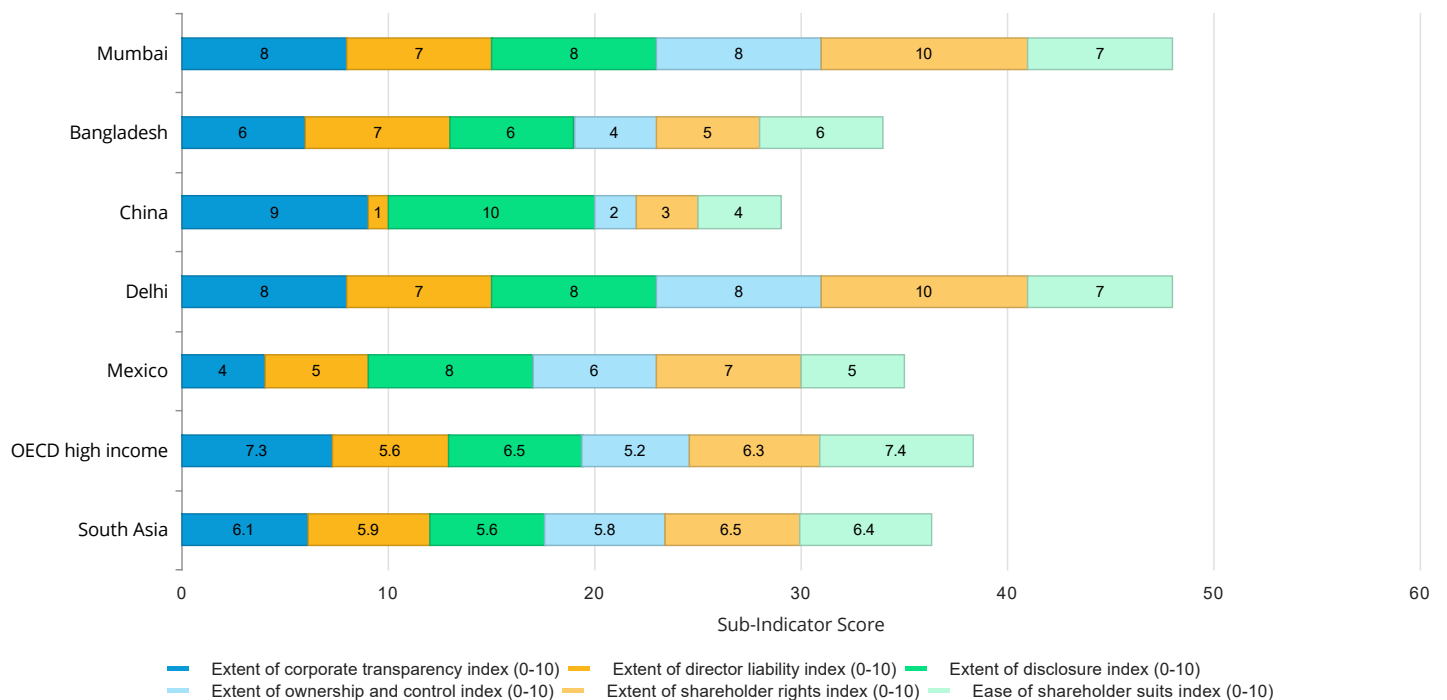
Indicator	Mumbai	South Asia	OECD high income	Overall Best Performer
Extent of conflict of interest regulation index (0-10)	7.3	5.5	6.4	9.3 (New Zealand)
Extent of shareholder governance index (0-10)	8.7	5.3	6.4	9.00 (Kazakhstan)

Figure – Protecting Minority Investors in India and comparator economies – Ranking and DTF



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their distance to frontier scores for protecting minority investors. These scores are the simple average of the distance to frontier scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.

Figure – Protecting Minority Investors in Mumbai and comparator economies – Measure of Quality



## Details – Protecting Minority Investors in Mumbai – Measure of Quality

	Answer	Score
<b>Extent of conflict of interest regulation index (0-10)</b>		<b>7.3</b>
<b>Extent of disclosure index (0-10)</b>		<b>8</b>
Which corporate body is legally sufficient to approve the Buyer-Seller transaction? (0-3)	Shareholders excluding interested parties	3.0
Must an external body review the terms of the transaction before it takes place? (0-1)	Yes	1.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Full disclosure of all material facts	2.0
Must Buyer disclose the transaction in published periodic filings (annual reports)? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Must Buyer immediately disclose the transaction to the public and/or shareholders? (0-2)	No disclosure obligation	0.0
<b>Extent of director liability index (0-10)</b>		<b>7</b>
Can shareholders representing 10% of Buyer's share capital sue directly or derivatively for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold the interested director liable for the damage the transaction caused to Buyer? (0-2)	Not liable	0.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer (0-2)	Liable if unfair or prejudicial	2.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	Yes	1.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	Yes	1.0
Is Mr. James disqualified or fined and imprisoned upon a successful claim by shareholders? (0-1)	Yes	1.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Voidable if negligently concluded	1.0
<b>Ease of shareholder suits index (0-10)</b>		<b>7</b>
Before suing can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0

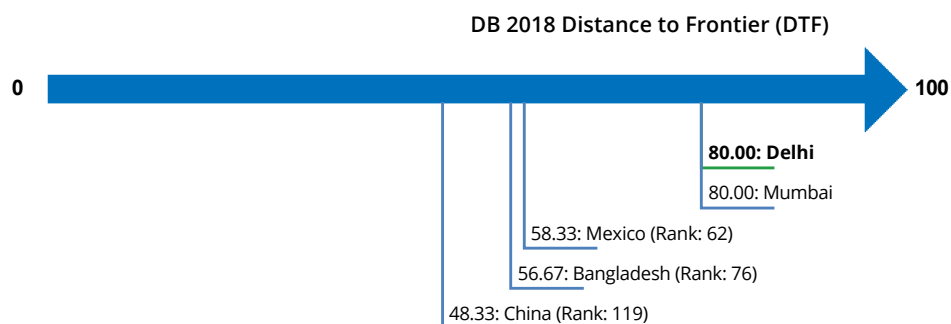
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	Any relevant document	3.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	No	0.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Yes	2.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	Yes	1.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	At the discretion of the court	0.0
<b>Extent of shareholder governance index (0-10)</b>		<b>8.7</b>
<b>Extent of shareholder rights index (0-10)</b>		<b>10</b>
Does the sale of 51% of Buyer's assets require shareholder approval?	Yes	1.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	Yes	1.0
Must shareholders approve the election and dismissal of the external auditor?	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
Assuming that Buyer is a limited company, does the sale of 51% of its assets require member approval?	Yes	1.0
Assuming that Buyer is a limited company, can members representing 10% call for a meeting of members?	Yes	1.0
Assuming that Buyer is a limited company, must all members consent to add a new member?	Yes	1.0
Assuming that Buyer is a limited company, must a member first offer to sell their interest to the existing members before they can sell to non-members?	Yes	1.0
<b>Extent of ownership and control index (0-10)</b>		<b>8</b>
Is it forbidden to appoint the same individual as CEO and chair of the board of directors?	No	0.0
Must the board of directors include independent and nonexecutive board members?	Yes	1.0
Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	Yes	1.0

Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
Must Buyer pay declared dividends within a maximum period set by law?	Yes	1.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	Yes	1.0
Assuming that Buyer is a limited company, must Buyer have a mechanism to resolve disagreements among members?	Yes	1.0
Assuming that Buyer is a limited company, must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	No	0.0
Assuming that Buyer is a limited company, must Buyer distribute profits within a maximum period set by law?	Yes	1.0
<b>Extent of corporate transparency index (0-10)</b>		<b>8</b>
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	Yes	1.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	Yes	1.0
Must Buyer disclose the compensation of individual managers?	Yes	1.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	Yes	1.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	No	0.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	Yes	1.0
Assuming that Buyer is a limited company, must members meet at least once a year?	Yes	1.0
Assuming that Buyer is a limited company, can members representing 5% put items on the meeting agenda?	No	0.0
Assuming that Buyer is a limited company, must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0

## Protecting Minority Investors - Delhi

Indicator	Delhi	South Asia	OECD high income	Overall Best Performer
Extent of conflict of interest regulation index (0-10)	7.3	5.5	6.4	9.3 (New Zealand)
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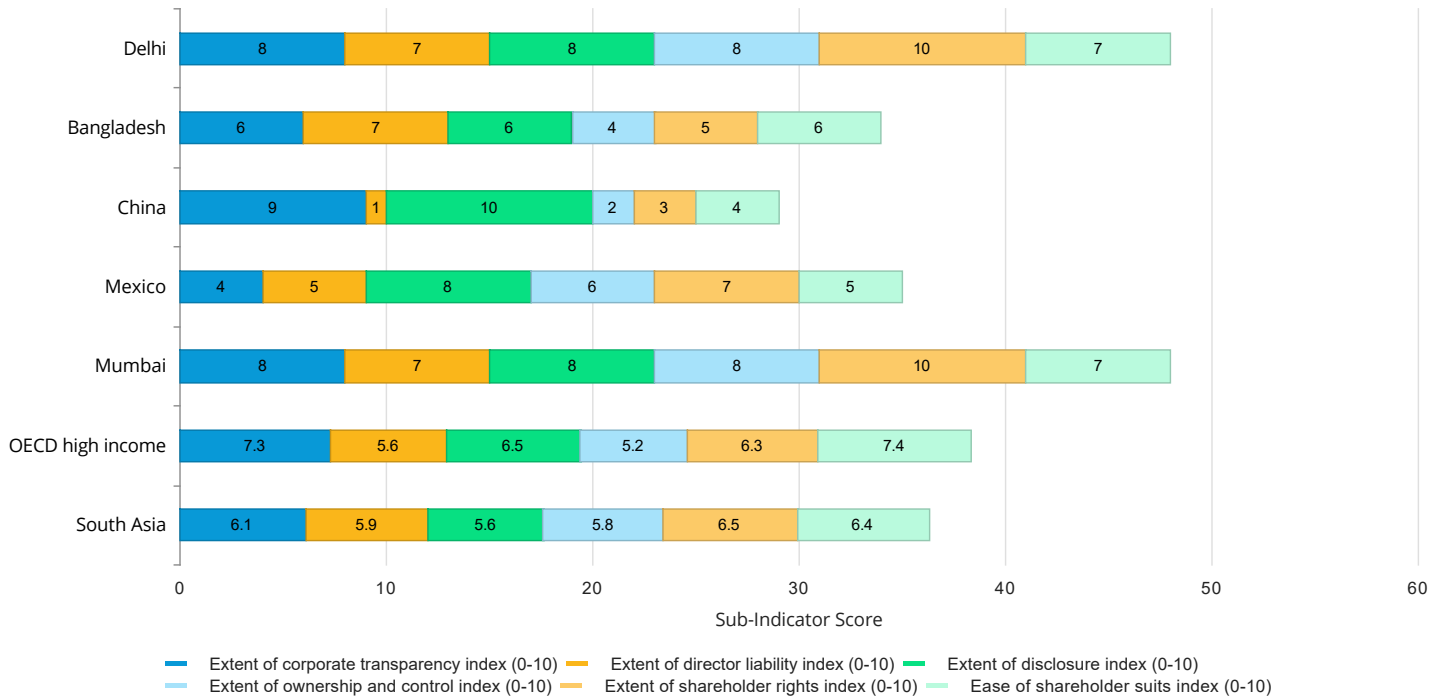
**Figure – Protecting Minority Investors in India and comparator economies – Ranking and DTF**



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their distance to frontier scores for protecting minority investors. These scores are the simple average of the distance to frontier scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.



Figure – Protecting Minority Investors in Delhi and comparator economies – Measure of Quality



## Details – Protecting Minority Investors in Delhi – Measure of Quality

	Answer	Score
<b>Extent of conflict of interest regulation index (0-10)</b>		<b>7.3</b>
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Assuming that Buyer is a limited company, must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0

## Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as measures the administrative burden in paying taxes and contributions. The most recent round of data collection for the project was completed on June 30, 2017 covering for the Paying Taxes indicator calendar year 2016 (January 1, 2016 – December 31, 2016).

Last year (Doing Business 2017) the scope of data collection was expanded to better understand the overall tax environment in an economy. The questionnaire was expanded to include new questions on post-filing processes: VAT refund and tax audit. The data shows where postfiling processes and practices work efficiently and what drives the differences in the overall tax compliance cost across economies.

The new section covers both the legal framework and the administrative burden on businesses to comply with postfiling processes.

[See the methodology for more information.](#)

### What the indicators measure

#### Tax payments for a manufacturing company in 2016 (number per year adjusted for electronic and joint filing and payment)

- Total number of taxes and contributions paid, including consumption taxes (value added tax, sales tax or goods and service tax)
- Method and frequency of filing and payment

#### Time required to comply with 3 major taxes (hours per year)

- Collecting information, computing tax payable
- Completing tax return, filing with agencies
- Arranging payment or withholding
- Preparing separate tax accounting books, if required

#### Total tax and contribution rate (% of profit before all taxes)

- Profit or corporate income tax
- Social contributions, labor taxes paid by employer
- Property and property transfer taxes
- Dividend, capital gains, financial transactions taxes
- Waste collection, vehicle, road and other taxes

#### Postfiling Index

- Time to comply with a VAT refund
- Time to receive a VAT refund
- Time to comply with a corporate income tax audit
- Time to complete a corporate income tax audit

### Case study assumptions

Using a case scenario, Doing Business records taxes and mandatory contributions a medium size company must pay in a year, and measures the administrative burden of paying taxes, contributions and dealing with postfiling processes. Information is also compiled on frequency of filing and payments, time taken to comply with tax laws, time taken to comply with the requirements of postfiling processes and time waiting.

To make data comparable across economies, several assumptions are used:

- TaxpayerCo is a medium-size business that started operations on January 1, 2015. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2016). Taxes and mandatory contributions are measured at all levels of government.

#### The VAT refund process:

- In June 2016, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2016.

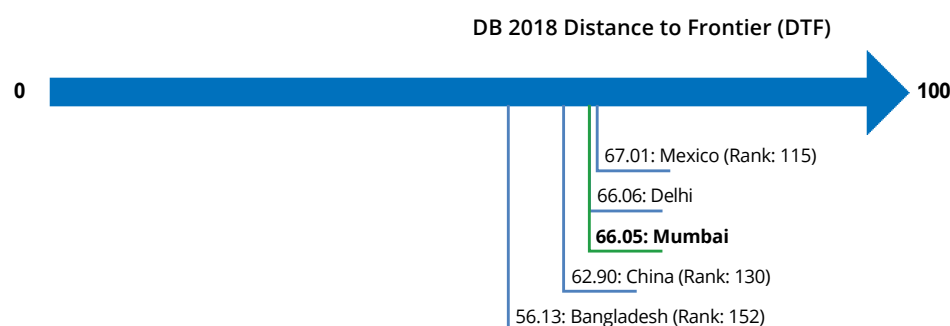
#### The corporate income tax audit process:

- An error in calculation of income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and a corporate income tax underpayment. TaxpayerCo. discovered the error and voluntarily notified the tax authority. The value of the underpaid income tax liability is 5% of the corporate income tax liability due. TaxpayerCo. submits corrected information after the deadline for submitting the annual tax return, but within the tax assessment period.

## Paying Taxes - Mumbai

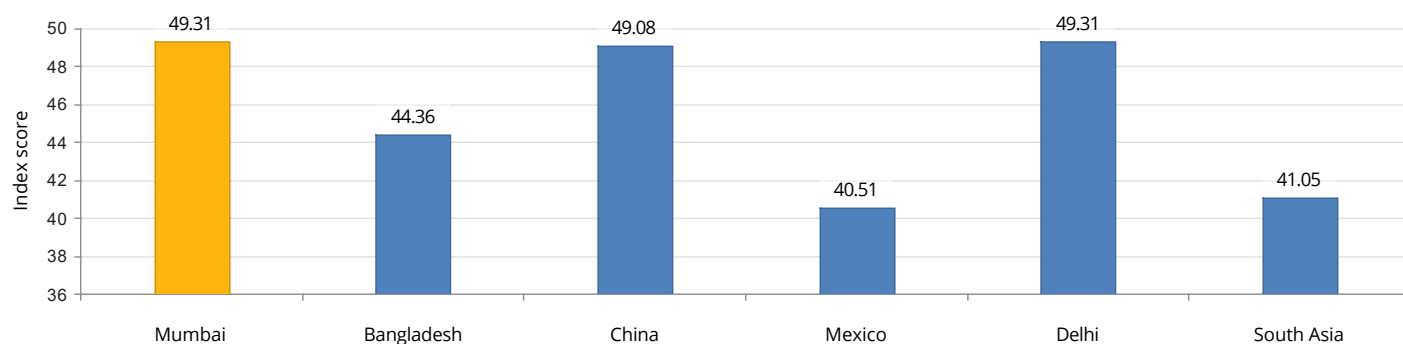
Indicator	Mumbai	South Asia	OECD high income	Overall Best Performer
Payments (number per year)	13	28.5	10.9	3 (Hong Kong SAR, China)
Time (hours per year)	214	277.3	160.7	50 (Estonia)
Total tax and contribution rate (% of profit)	55.3	43.0	40.1	18.47 (32 Economies)
Postfiling index (0-100)	49.31	41.05	83.45	99.38 (Estonia)

Figure – Paying Taxes in India and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of paying taxes is determined by sorting their distance to frontier scores on the ease of paying taxes. These scores are the simple average of the distance to frontier scores for each of the four component indicators – number of tax payments, time, total tax rate and postfiling index – with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax rate. The nonlinear distance to frontier for the total tax rate is equal to the distance to frontier for the total tax rate to the power of 0.8. The threshold is defined as the total tax rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax rate below this threshold receive the same score as the economy at the threshold.

Figure – Paying Taxes in Mumbai and comparator economies – Measure of Quality



## Details – Paying Taxes in Mumbai

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTR
Corporate income tax	1.0	online	25.0	30%	taxable profit	23.54	
Social security contributions	1.0		84.0	13.36%	gross salaries	15.07	
Employee's state insurance contribution	1.0	online		4.75%	gross salaries	5.36	
Central Sales Tax	1.0	online	105.0	2%	purchase price	5.30	
Dividend tax	1.0			16.995%	dividend distributions	4.47	
Property tax	1.0			10%	assessed value	1.32	
Service Tax	1.0			14% + (0.5% Swachh Bharat Cess + 0.5% Krishi Kalyan Cess)	insurance premium	0.17	
Labor welfare fund	2.0			36 RPN	fixed fee per employee	0.05	
Vehicle tax (pollution tax)	1.0			INR 200	fixed fee per vehicle	0.01	
Secondary & Higher education cess	0.0	jointly		1%	all federal taxes including the surcharge		included in other taxes
State VAT	1.0	online		13.5%	value added		not included

Tax on interest	0.0	withheld	10%	interest income	included in other taxes
Education cess	0.0	jointly	2%	all federal taxes including the surcharge	included in other taxes
Employee paid - Social security contributions	0.0	jointly	12% + 1.75%	gross salaries	withheld
CENVAT (Excise Duty)	1.0	online	12.5%	value added	not included
Fuel tax	1.0			fuel consumption	small amount
Income surcharge	0.0	jointly	10%	on applicable federal taxes	included in other taxes
<b>Totals</b>	<b>13</b>		<b>214</b>		<b>55.3</b>

#### Details – Paying Taxes in Mumbai – Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	23.5
Labor tax and contributions (% of profit)	20.5
Other taxes (% of profit)	11.3

#### Details – Paying Taxes in Mumbai – Measure of Quality

	Answer	Score
<b>Postfiling index (0-100)</b>		<b>49.31</b>
<b>VAT refunds</b>		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	No	



Restrictions on VAT refund process	CENVAT: restricted to international traders and others VAT: carry forward until the end of the fiscal year (March)	
Percentage of cases exposed to a VAT audit (%)	Not applicable	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	No VAT refund per case study scenario	0
Time to obtain a VAT refund (weeks)	No VAT refund per case study scenario	0
<b>Corporate income tax audits</b>		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	0% - 24%	
Time to comply with a corporate income tax audit (hours)	3.0	97.25
Time to complete a corporate income tax audit (weeks)	No tax audit per case study scenario	100

**Notes:** Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

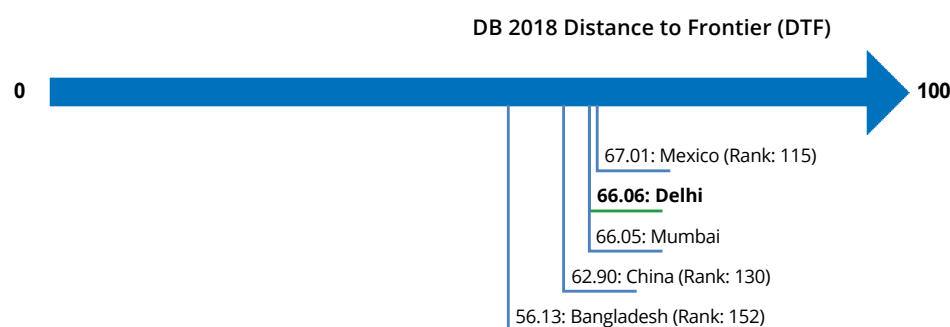
The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax audit and time to complete a corporate income tax audit.

N/A = Not applicable.

## Paying Taxes - Delhi

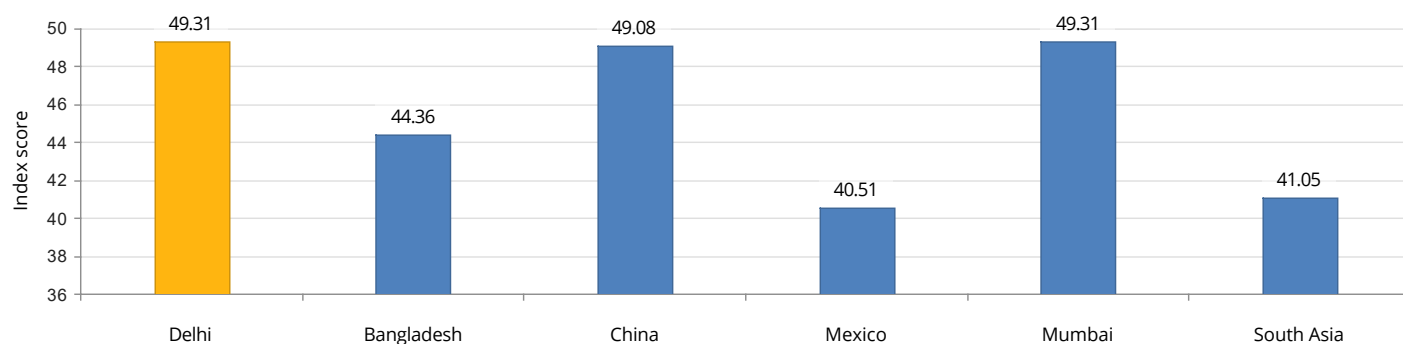
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Figure – Paying Taxes in Delhi and comparator economies – Measure of Quality



## Details – Paying Taxes in Delhi

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTR
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Employee's state insurance contribution	1.0	online		4.75%	gross salaries	5.36	
Central Sales Tax	1.0	online	105.0	2%	purchase price	5.30	
Dividend tax	1.0			16.995%	dividend distributions	4.48	
Property tax	1.0			10%	assessed value	1.32	
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Vehicle tax (pollution tax)	1.0			INR 200	fixed fee per vehicle	0.01	
Labor welfare fund	2.0			2.25 RPN	fixed fee per employee	0.00	
Secondary & Higher education cess	0.0	jointly		1%	all federal taxes including the surcharge		included in other taxes
State VAT	1.0	online		12.5%	value added		not included

Tax on interest	0.0	withheld	10%	interest income	included in other taxes
Education cess	0.0	jointly	2%	all federal taxes including the surcharge	included in other taxes
Employee paid - Social security contributions	0.0	jointly	12% + 1.75%	gross salaries	withheld
CENVAT (Excise Duty)	1.0	online	12.5%	value added	not included
Fuel tax	1.0			fuel consumption	small amount
Income surcharge	0.0	jointly	10%	on applicable federal taxes	included in other taxes
<b>Totals</b>	<b>13</b>		<b>214</b>		<b>55.3</b>

#### Details – Paying Taxes in Delhi – Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	23.6
Labor tax and contributions (% of profit)	20.4
Other taxes (% of profit)	11.3

#### Details – Paying Taxes in Delhi – Measure of Quality

	Answer	Score
<b>Postfiling index (0-100)</b>		<b>49.31</b>
<b>VAT refunds</b>		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	No	

Restrictions on VAT refund process	CENVAT: restricted to international traders and others VAT: carry forward until the end of the fiscal year (March)	
Percentage of cases exposed to a VAT audit (%)	Not applicable	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	No VAT refund per case study scenario	0
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Time to comply with a corporate income tax audit (hours)	3.0	97.25
Time to complete a corporate income tax audit (weeks)	No tax audit per case study scenario	100

**Notes:** Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

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The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax audit and time to complete a corporate income tax audit.

N/A = Not applicable.

## Trading across Borders

Doing Business records the time and cost associated with the logistical process of exporting and importing goods. Doing Business measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

Given the importance of trade digitalization, in Doing Business 2018, the Trading across Borders questionnaire included research questions on the availability and status of implementation of Electronic Data Interchange (EDI) and Single Window (SW) systems. With this information, Doing Business built a comprehensive dataset on the adoption and level of sophistication of electronic platforms in 190 economies. These data are not used to compute the distance to frontier score or ranking of the ease of doing business. The new dataset on EDI and SW systems is available [here](#).

### What the indicators measure

#### Documentary compliance

- Obtaining, preparing and submitting documents during transport, clearance, inspections and port or border handling in origin economy
- Obtaining, preparing and submitting documents required by destination economy and any transit economies
- Covers all documents required by law and in practice, including electronic submissions of information

#### Border compliance

- Customs clearance and inspections
- Inspections by other agencies (if applied to more than 20% of shipments)
- Handling and inspections that take place at the economy's port or border

#### Domestic transport

- Loading or unloading of the shipment at the warehouse or port/border
- Transport between warehouse and port/border
- Traffic delays and road police checks while shipment is en route

### Case study assumptions

To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:

**Time:** Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as  $22 \times 24 = 528$  hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose documents are submitted to a customs agency at 8:00a.m., are processed overnight and can be picked up at 8:00a.m. the next day. The time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.

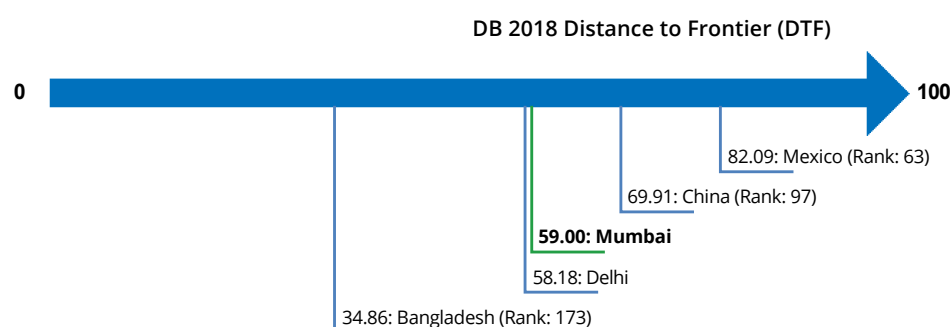
**Cost:** Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire. Contributors are private sector experts in international trade logistics and are informed about exchange rates.

**Assumptions of the case study:** - For all 190 economies covered by Doing Business, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy. - It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be \$50,000. - The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport, or land border crossing. - All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process. - A port or border is a place (seaport, airport or land border crossing) where merchandise can enter or leave an economy. - Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.

## Trading across Borders - Mumbai

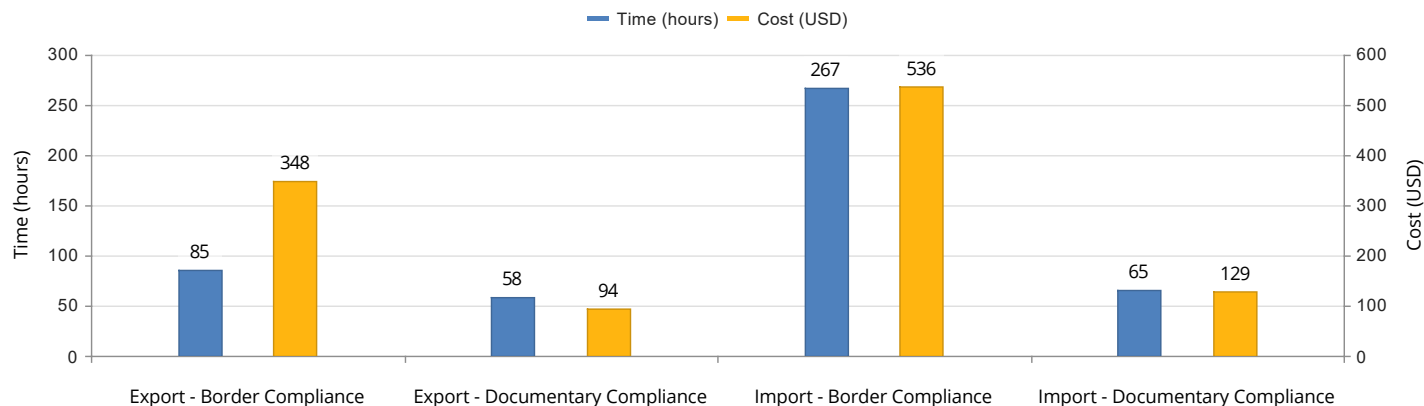
Indicator	Mumbai	South Asia	OECD high income	Overall Best Performer
Time to export: Border compliance (hours)	85	59.4	12.7	0 (17 Economies)
Cost to export: Border compliance (USD)	348	369.8	149.9	0.00 (19 Economies)
Time to export: Documentary compliance (hours)	58	77.0	2.4	1.0 (25 Economies)
Cost to export: Documentary compliance (USD)	94	179.5	35.4	0.00 (19 Economies)
Time to import: Border compliance (hours)	267	113.8	8.7	0.00 (21 Economies)
Cost to import: Border compliance (USD)	536	638.0	111.6	0.00 (27 Economies)
Time to import: Documentary compliance (hours)	65	104.7	3.5	1.0 (30 Economies)
Cost to import: Documentary compliance (USD)	129	341.6	25.6	0.00 (30 Economies)

Figure – Trading across Borders in India and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of trading across borders is determined by sorting their distance to frontier scores for trading across borders. These scores are the simple average of the distance to frontier scores for the time and cost for documentary compliance and border compliance to export and import (domestic transport is not used for calculating the ranking).

Figure – Trading across Borders in Mumbai – Time and Cost



Details – Trading across Borders in Mumbai

Characteristics	Export	Import
Product	HS 85 : Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	HS 8708: Parts and accessories of motor vehicles
Trade partner	United States	Korea, Rep.
Border	Nhava Sheva port	Nhava Sheva port
Distance (km)	46	46
Domestic transport time (hours)	7	9
Domestic transport cost (USD)	158	165



**Details – Trading across Borders in Mumbai – Components of Border Compliance**

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	34.0	150.0
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	50.8	197.9
Import: Clearance and inspections required by customs authorities	71.0	193.5
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	196.2	342.1

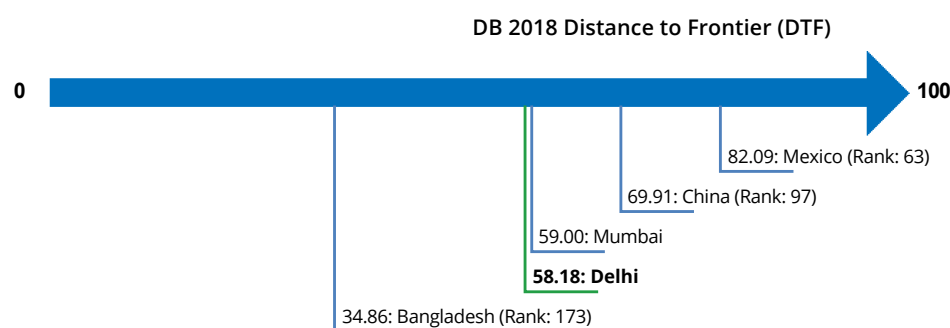
**Details – Trading across Borders in Mumbai – Trade Documents**

Export	Import
Bill of lading	Invoice
Commercial invoice	Packing List
Packing list	Import General Manifest
Customs export declaration	Bill of Entry
Terminal handling receipts	Certificate of Origin
SOLAS certificate	Bill of lading
	Cargo Release Order
	SOLAS certificate

## Trading across Borders - Delhi

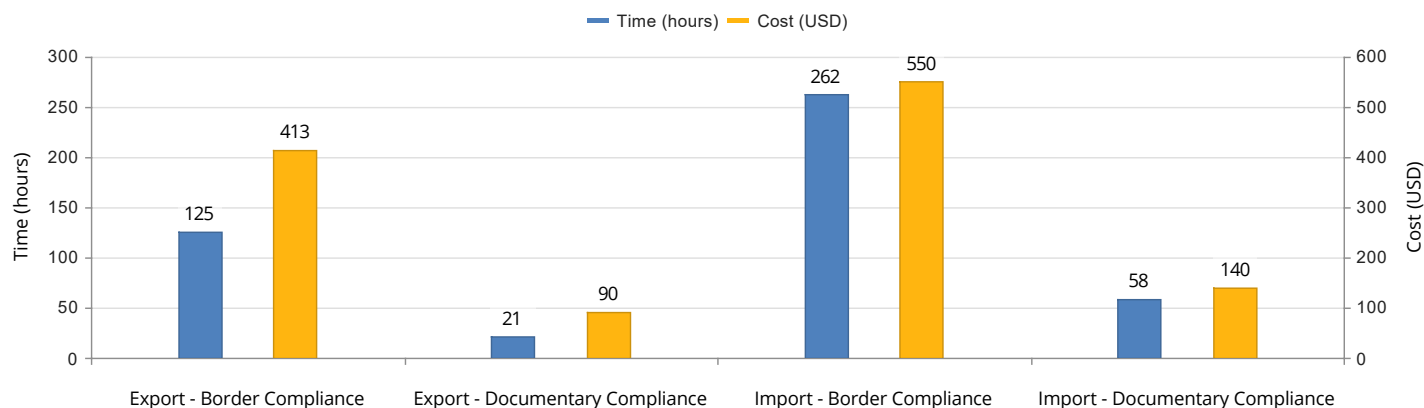
Indicator	Delhi	South Asia	OECD high income	Overall Best Performer
Time to export: Border compliance (hours)	125	59.4	12.7	0 (17 Economies)
Cost to export: Border compliance (USD)	413	369.8	149.9	0.00 (19 Economies)
Time to export: Documentary compliance (hours)	21	77.0	2.4	1.0 (25 Economies)
Cost to export: Documentary compliance (USD)	90	179.5	35.4	0.00 (19 Economies)
Time to import: Border compliance (hours)	262	113.8	8.7	0.00 (21 Economies)
Cost to import: Border compliance (USD)	550	638.0	111.6	0.00 (27 Economies)
Time to import: Documentary compliance (hours)	58	104.7	3.5	1.0 (30 Economies)
Cost to import: Documentary compliance (USD)	140	341.6	25.6	0.00 (30 Economies)

**Figure – Trading across Borders in India and comparator economies – Ranking and DTF**



Note: The ranking of economies on the ease of trading across borders is determined by sorting their distance to frontier scores for trading across borders. These scores are the simple average of the distance to frontier scores for the time and cost for documentary compliance and border compliance to export and import (domestic transport is not used for calculating the ranking).

Figure – Trading across Borders in Delhi – Time and Cost



Details – Trading across Borders in Delhi

Characteristics	Export	Import
Product	HS 85 : Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	HS 8708: Parts and accessories of motor vehicles
Trade partner	United States	Korea, Rep.
Border	Mundra port	Mundra port
Distance (km)	1241	1241
Domestic transport time (hours)	46	97
Domestic transport cost (USD)	681	864

**Details – Trading across Borders in Delhi – Components of Border Compliance**

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	38.0	157.0
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	87.0	256.0
Import: Clearance and inspections required by customs authorities	70.0	211.0
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	192.2	339.0

**Details – Trading across Borders in Delhi – Trade Documents**

Export	Import
Bill of lading	Invoice
Commercial invoice	Packing list
Packing list	Import general manifest
Customs export declaration	Bill of entry
Terminal handling Receipts	Certificate of origin
SOLAS certificate	Bill of lading
	Cargo release order
	SOLAS certificate

## Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in June 2017. [See the methodology for more information.](#)

### What the indicators measure

#### Time required to enforce a contract through the courts (calendar days)

- Time to file and serve the case
- Time for trial and to obtain the judgment
- Time to enforce the judgment

#### Cost required to enforce a contract through the courts (% of claim)

- Attorney fees
- Court fees
- Enforcement fees

#### Quality of judicial processes index (0-18)

- Court structure and proceedings (-1-5)
- Case management (0-6)
- Court automation (0-4)
- Alternative dispute resolution (0-3)

### Case study assumptions

The dispute in the case study involves the breach of a sales contract between 2 domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.

To make the data comparable across economies, Doing Business uses several assumptions about the case:

- The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- The buyer orders custom-made goods, then fails to pay.
- The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.
- The seller sues the buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000.
- The seller requests a pretrial attachment to secure the claim.
- The dispute on the quality of the goods requires an expert opinion.
- The judge decides in favor of the seller; there is no appeal.
- The seller enforces the judgment through a public sale of the buyer's movable assets.

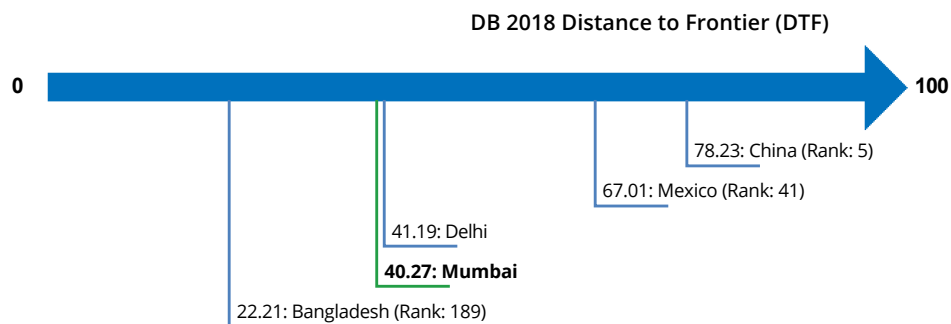
## Enforcing Contracts - Mumbai

### Standardized Case

Claim value	INR 321,665.00
Court name	Bombay City Civil Court
City Covered	Mumbai

Indicator	Mumbai	South Asia	OECD high income	Overall Best Performer
Time (days)	1445	1101.6	577.8	164.00 (Singapore)
Cost (% of claim value)	31.0	29.6	21.5	9.00 (Iceland)
Quality of judicial processes index (0-18)	10.0	7.0	11.0	15.50 (Australia)

Figure – Enforcing Contracts in India and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their distance to frontier scores for enforcing contracts. These scores are the simple average of the distance to frontier scores for each of the component indicators.

Figure – Enforcing Contracts in Mumbai – Time and Cost

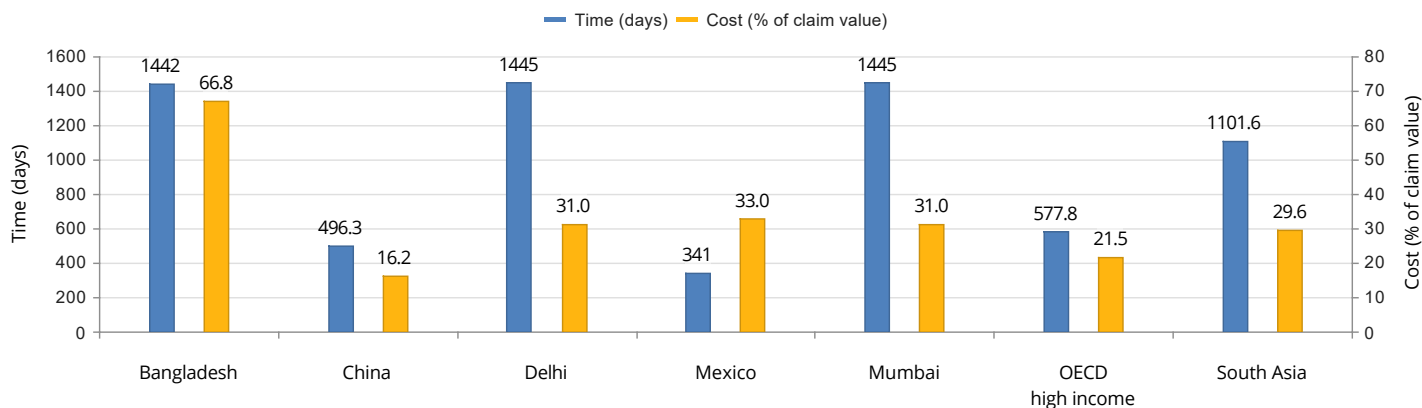
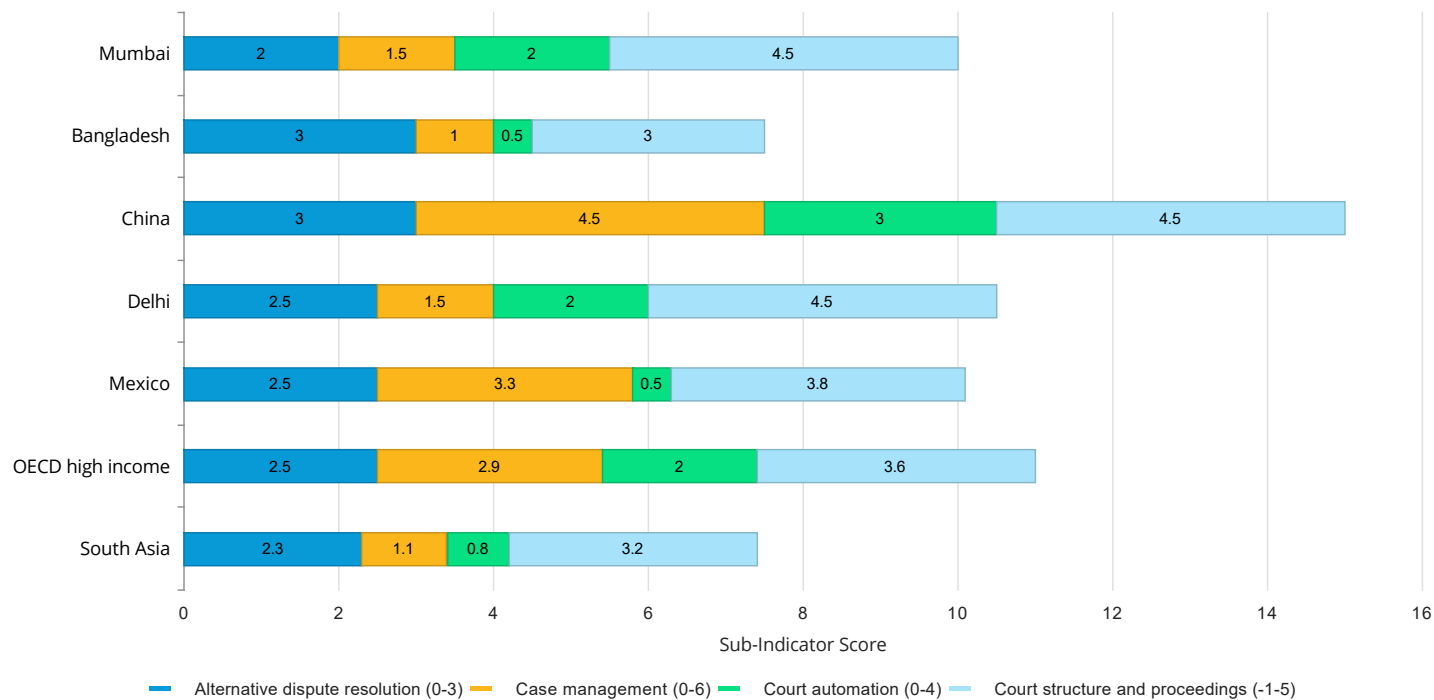


Figure – Enforcing Contracts in Mumbai and comparator economies – Measure of Quality



Details – Enforcing Contracts in Mumbai

	Indicator
<b>Time (days)</b>	<b>1445</b>
Filing and service	45
Trial and judgment	1095
Enforcement of judgment	305
<b>Cost (% of claim value)</b>	<b>31.0</b>
Attorney fees	22
Court fees	8.5
Enforcement fees	0.5
<b>Quality of judicial processes index (0-18)</b>	<b>10.0</b>
Court structure and proceedings (-1-5)	4.5
Case management (0-6)	1.5
Court automation (0-4)	2.0
Alternative dispute resolution (0-3)	2.0

## Details – Enforcing Contracts in Mumbai – Measure of Quality

	Answer	Score
<b>Quality of judicial processes index (0-18)</b>		<b>10.0</b>
<b>Court structure and proceedings (-1-5)</b>		<b>4.5</b>
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	Yes	1.5
2. Small claims court		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, but manual	0.5
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
<b>Case management (0-6)</b>		<b>1.5</b>
1. Time standards		0.5
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	Yes	
1.c. Are these time standards respected in more than 50% of cases?	No	
2. Adjournments		0.0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	Yes	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	No	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	Yes	1.0
4. Is a pretrial conference among the case management techniques used before the competent court?	No	0.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	No	0.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	No	0.0
<b>Court automation (0-4)</b>		<b>2.0</b>
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	No	0.0



2. Is it possible to carry out service of process electronically for claims filed before the competent court?	No	0.0
3. Can court fees be paid electronically within the competent court?	Yes	1.0
4. Publication of judgments		1.0
4.a Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
<b>Alternative dispute resolution (0-3)</b>		<b>2.0</b>
1. Arbitration		1.0
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	Yes	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	
2. Mediation/Conciliation		1.0
2.a. Is voluntary mediation or conciliation available?	Yes	
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects?	Yes	
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	No	

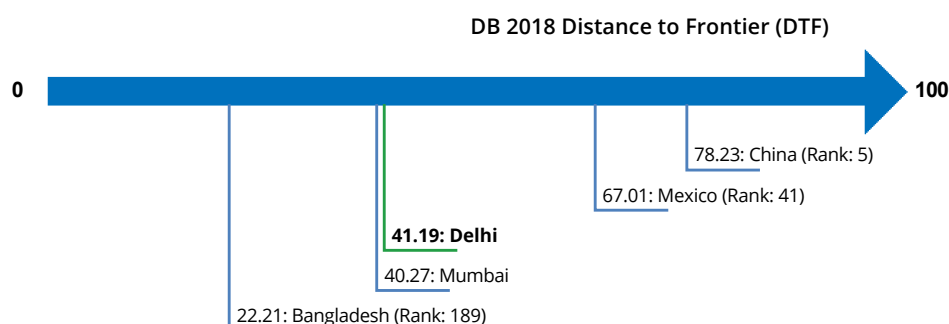
## Enforcing Contracts - Delhi

### Standardized Case

Claim value	INR 321,665.00
Court name	Delhi District Court
City Covered	Delhi

Indicator	Delhi	South Asia	OECD high income	Overall Best Performer
Time (days)	1445	1101.6	577.8	164.00 (Singapore)
Cost (% of claim value)	31.0	29.6	21.5	9.00 (Iceland)
Quality of judicial processes index (0-18)	10.5	7.0	11.0	15.50 (Australia)

**Figure – Enforcing Contracts in India and comparator economies – Ranking and DTF**



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their distance to frontier scores for enforcing contracts. These scores are the simple average of the distance to frontier scores for each of the component indicators.

**Figure – Enforcing Contracts in Delhi – Time and Cost**

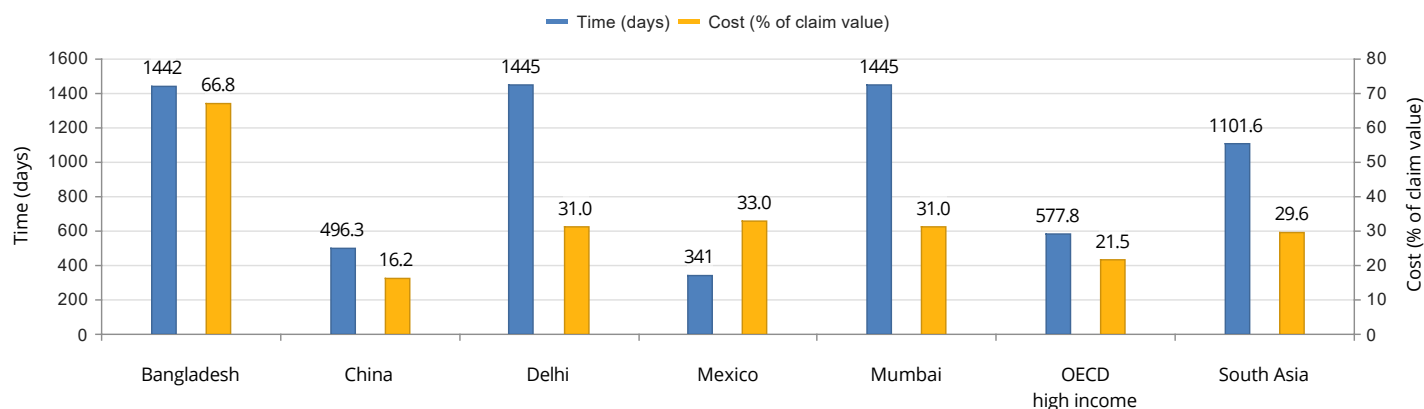
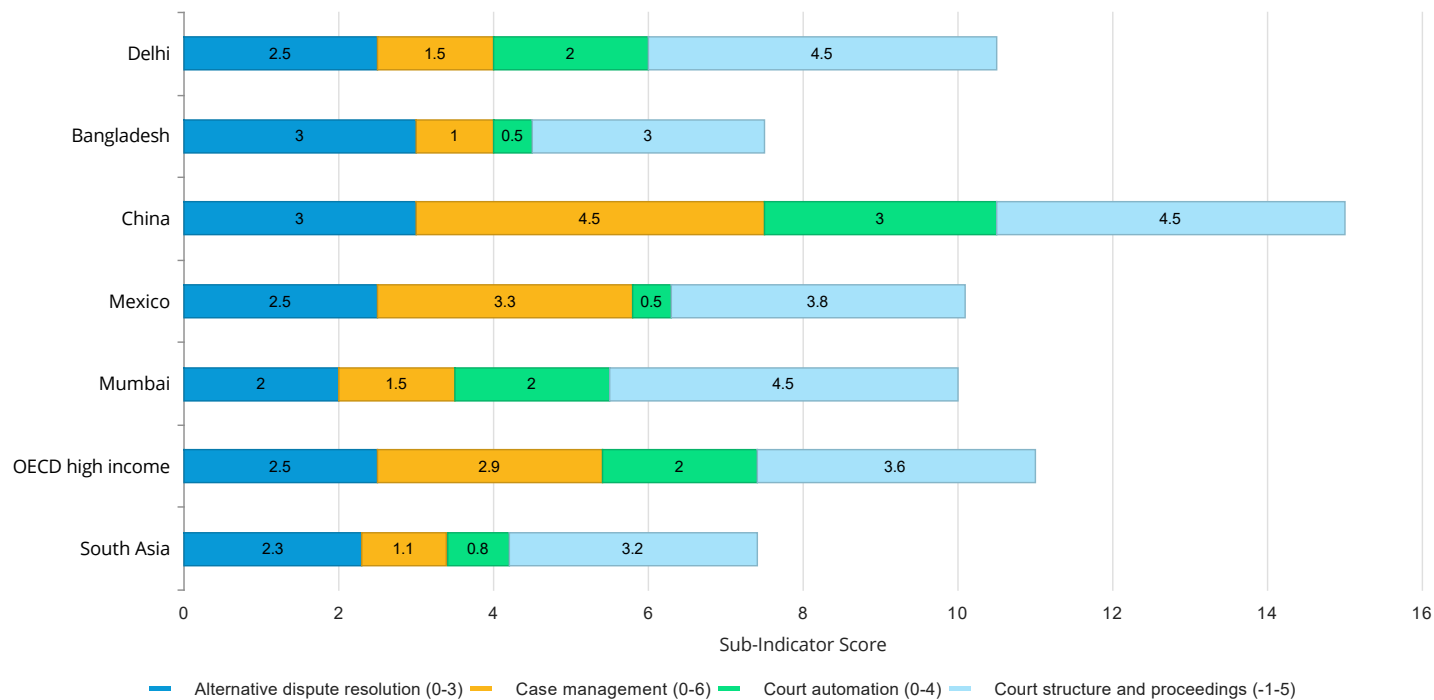


Figure – Enforcing Contracts in Delhi and comparator economies – Measure of Quality



Details – Enforcing Contracts in Delhi

	Indicator
<b>Time (days)</b>	<b>1445</b>
Filing and service	45
Trial and judgment	1095
Enforcement of judgment	305
<b>Cost (% of claim value)</b>	<b>31.0</b>
Attorney fees	22
Court fees	8.5
Enforcement fees	0.5
<b>Quality of judicial processes index (0-18)</b>	<b>10.5</b>
Court structure and proceedings (-1-5)	4.5
Case management (0-6)	1.5
Court automation (0-4)	2.0
Alternative dispute resolution (0-3)	2.5

## Details – Enforcing Contracts in Delhi – Measure of Quality

	Answer	Score
<b>Quality of judicial processes index (0-18)</b>		<b>10.5</b>
<b>Court structure and proceedings (-1-5)</b>		<b>4.5</b>
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	Yes	1.5
2. Small claims court		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, but manual	0.5
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
<b>Case management (0-6)</b>		<b>1.5</b>
1. Time standards		0.5
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	Yes	
1.c. Are these time standards respected in more than 50% of cases?	No	
2. Adjournments		0.0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	Yes	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	No	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	Yes	1.0
4. Is a pretrial conference among the case management techniques used before the competent court?	No	0.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	No	0.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	No	0.0
<b>Court automation (0-4)</b>		<b>2.0</b>
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	No	0.0

2. Is it possible to carry out service of process electronically for claims filed before the competent court?	No	0.0
3. Can court fees be paid electronically within the competent court?	Yes	1.0
4. Publication of judgments		1.0
4.a Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
<b>Alternative dispute resolution (0-3)</b>		<b>2.5</b>
1. Arbitration		1.0
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	Yes	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	
2. Mediation/Conciliation		1.5
2.a. Is voluntary mediation or conciliation available?	Yes	
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects?	Yes	
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	Yes	

## Resolving Insolvency

Doing Business studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, Doing Business uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit.

The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

### What the indicators measure

#### Time required to recover debt (years)

- Measured in calendar years
- Appeals and requests for extension are included

#### Cost required to recover debt (% of debtor's estate)

- Measured as percentage of estate value
- Court fees
- Fees of insolvency administrators
- Lawyers' fees
- Assessors' and auctioneers' fees
- Other related fees

#### Outcome

- Whether business continues operating as a going concern or business assets are sold piecemeal

#### Recovery rate for creditors

- Measures the cents on the dollar recovered by secured creditors
- Outcome for the business (survival or not) determines the maximum value that can be recovered
- Official costs of the insolvency proceedings are deducted
- Depreciation of furniture is taken into account
- Present value of debt recovered

#### Strength of insolvency framework index (0- 16)

- Sum of the scores of four component indices:
- Commencement of proceedings index (0-3)
- Management of debtor's assets index (0-6)
- Reorganization proceedings index (0-3)
- Creditor participation index (0-4)

### Case study assumptions

To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:

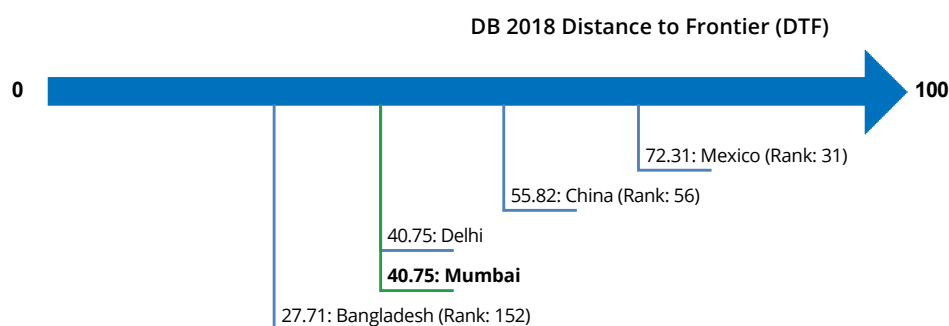
- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.
- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.
- The hotel has a loan from a domestic bank, secured by a mortgage over the hotel's real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.

In addition, Doing Business evaluates the adequacy and integrity of the existing legal framework applicable to liquidation and reorganization proceedings through the strength of insolvency framework index. The index tests whether economies adopted internationally accepted good practices in four areas: commencement of proceedings, management of debtor's assets, reorganization proceedings and creditor participation.

### Resolving Insolvency - Mumbai

Indicator	Mumbai	South Asia	OECD high income	Overall Best Performer
Recovery rate (cents on the dollar)	26.4	32.7	71.2	93.1 (Norway)
Time (years)	4.3	2.6	1.7	0.4 (Ireland)
Cost (% of estate)	9.0	9.9	9.1	1.00 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0	..	..	..
Strength of insolvency framework index (0-16)	8.5	4.9	12.1	15.00 (6 Economies)

**Figure – Resolving Insolvency in India and comparator economies – Ranking and DTF**



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their distance to frontier scores for resolving insolvency. These scores are the simple average of the distance to frontier scores for the recovery rate and the strength of insolvency framework index.

**Figure – Resolving Insolvency in Mumbai – Time and Cost**

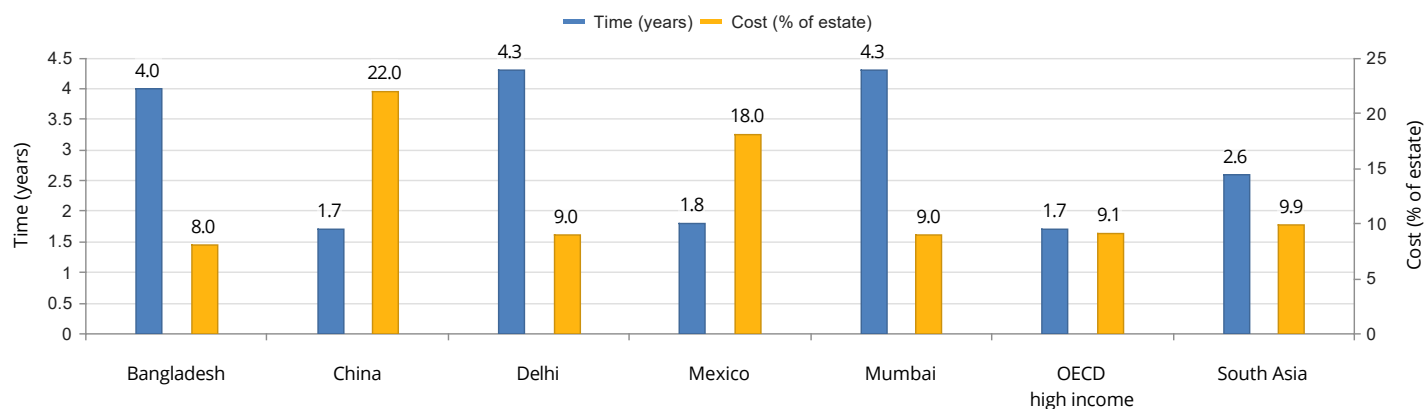


Figure – Resolving Insolvency in Mumbai and comparator economies – Measure of Quality

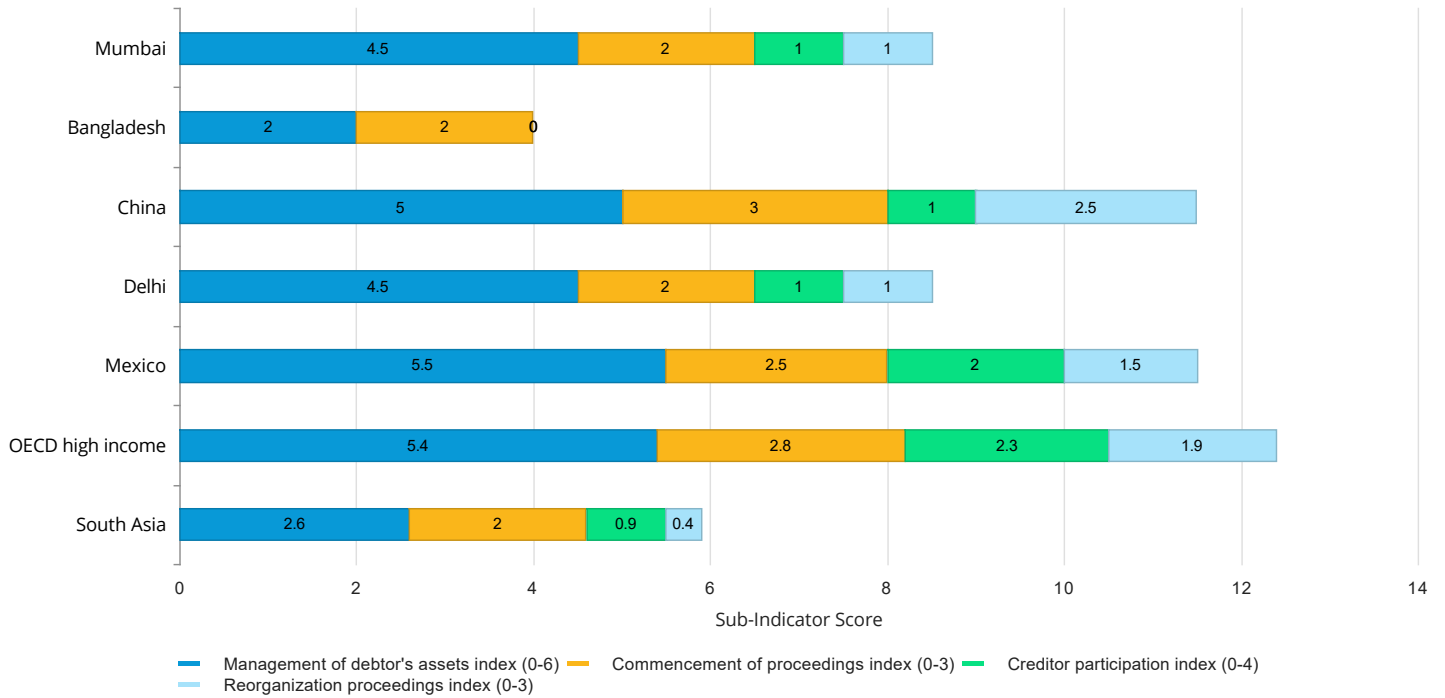
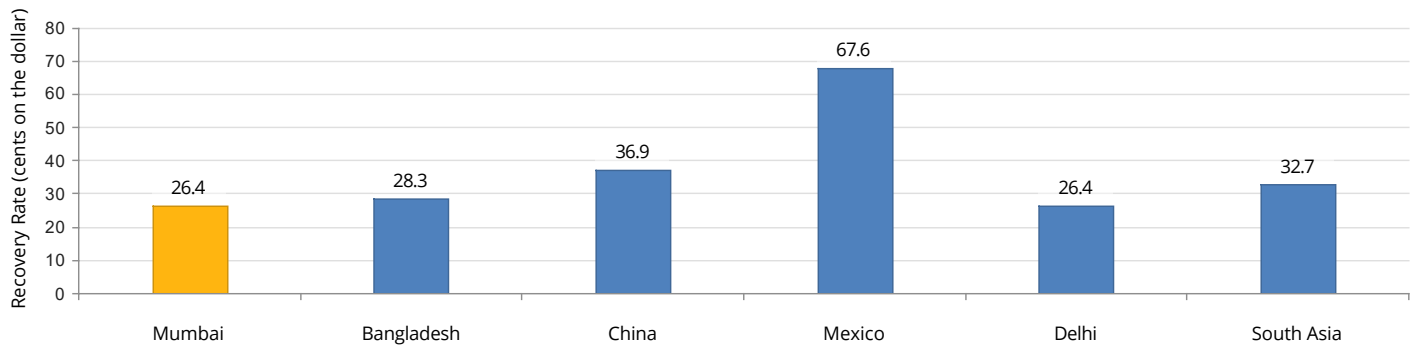


Figure – Resolving Insolvency in Mumbai and comparator economies – Recovery Rate





## Details – Resolving Insolvency in Mumbai

Indicator	Answer	Explanation
Proceeding	foreclosure	Bizbank is a secured creditor and upon a default by Mirage, it is most likely to seek to foreclose the loan and execute its security by selling the hotel. To enforce its security interest, Bizbank would file a petition to the Debt Recovery Tribunal, governed by The Recovery of Debts Due to Banks and Financial Institutions Act, 1993. The debtor or other creditors will object before the High Court. Given that the Insolvency and Bankruptcy Code has only been in force since 1 December 2016, a foreclosure is still the most likely procedure in practice.
Outcome	piecemeal sale	The reason why BizBank initiates the foreclosure process is that the hotel is unable to pay its debts and the hotel expects operating losses in 2017 as well as 2018. Hence, in order to pay the debts, the hotel assets will be sold piecemeal and the hotel will stop operating.
Time (in years)	4.3	Bizbank will apply to the Debt Recovery Tribunal to enforce its security. This will take a couple of months. But other creditors (including tax authorities) and Mirage itself will file objections in front of the High Court, which will delay the proceedings substantially. Given the high backlog of cases in India's High Courts, the foreclosure procedure until BizBank is repaid some or all of the money owed to it takes about 4.3 years.
Cost (% of estate)	9.0	The costs associated with the case would amount to approximately 9% of the value of the debtor's estate. Costs incurred during the entire foreclosure process mainly include court or government agency fees (INR 300,000, according to Mumbai Court fees Act, 1959), attorney fees (INR 100,000), costs of notification and publication (INR 25,000), fees of accountants, assessors, inspectors and other professionals (INR 100,000), fees of auctioneers (INR 50,000), fees of service providers and/or government levies (INR 100,000-200,000), and other fees (INR 100,000).
<b>Recovery rate (cents on the dollar)</b>	<b>26.4</b>	

## Details – Resolving Insolvency in Mumbai – Measure of Quality

	Answer	Score
<b>Strength of insolvency framework index (0-16)</b>		<b>8.5</b>
<b>Commencement of proceedings index (0-3)</b>		<b>2.0</b>
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(c) Debtor may file for reorganization only	0.5
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	N/A	0.5
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework?	(a) Debtor is generally unable to pay its debts as they mature	1.0
<b>Management of debtor's assets index (0-6)</b>		<b>4.5</b>
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	No	0.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	Yes	1.0
Does the insolvency framework assign priority to post-commencement credit?	(a) Yes over all pre-commencement creditors, secured or unsecured	0.5
<b>Reorganization proceedings index (0-3)</b>		<b>1.0</b>
Which creditors vote on the proposed reorganization plan?	(c) Other	0.0
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	Yes	1.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	No	0.0
<b>Creditor participation index (0-4)</b>		<b>1.0</b>
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	No	0.0

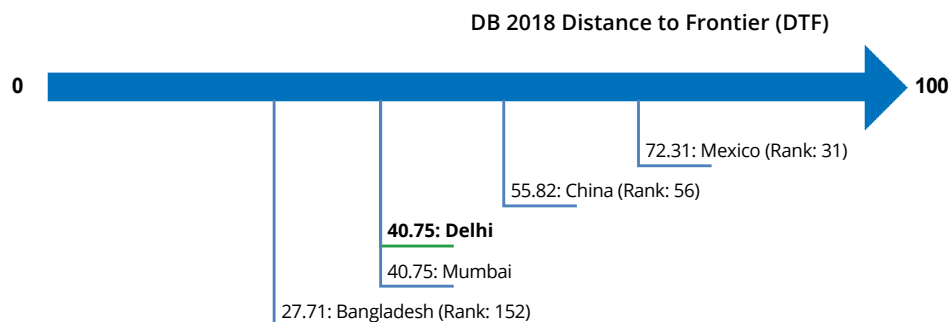
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	Yes	1.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	No	0.0

**Note:** Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice".

## Resolving Insolvency - Delhi

Indicator	Delhi	South Asia	OECD high income	Overall Best Performer
Recovery rate (cents on the dollar)	26.4	32.7	71.2	93.1 (Norway)
Time (years)	4.3	2.6	1.7	0.4 (Ireland)
Cost (% of estate)	9.0	9.9	9.1	1.00 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0	..	..	..
Strength of insolvency framework index (0-16)	8.5	4.9	12.1	15.00 (6 Economies)

**Figure – Resolving Insolvency in India and comparator economies – Ranking and DTF**



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their distance to frontier scores for resolving insolvency. These scores are the simple average of the distance to frontier scores for the recovery rate and the strength of insolvency framework index.

**Figure – Resolving Insolvency in Delhi – Time and Cost**

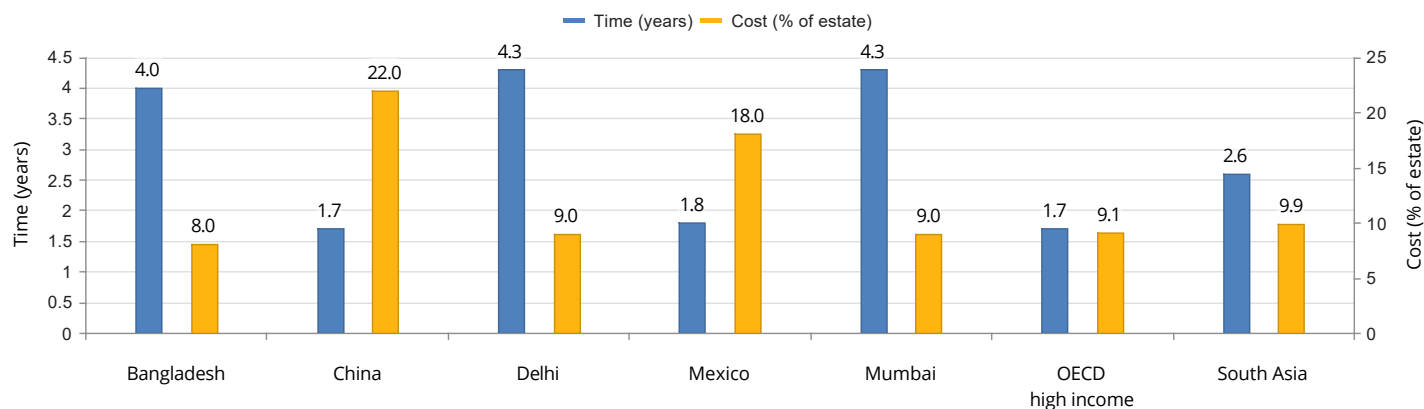


Figure – Resolving Insolvency in Delhi and comparator economies – Measure of Quality

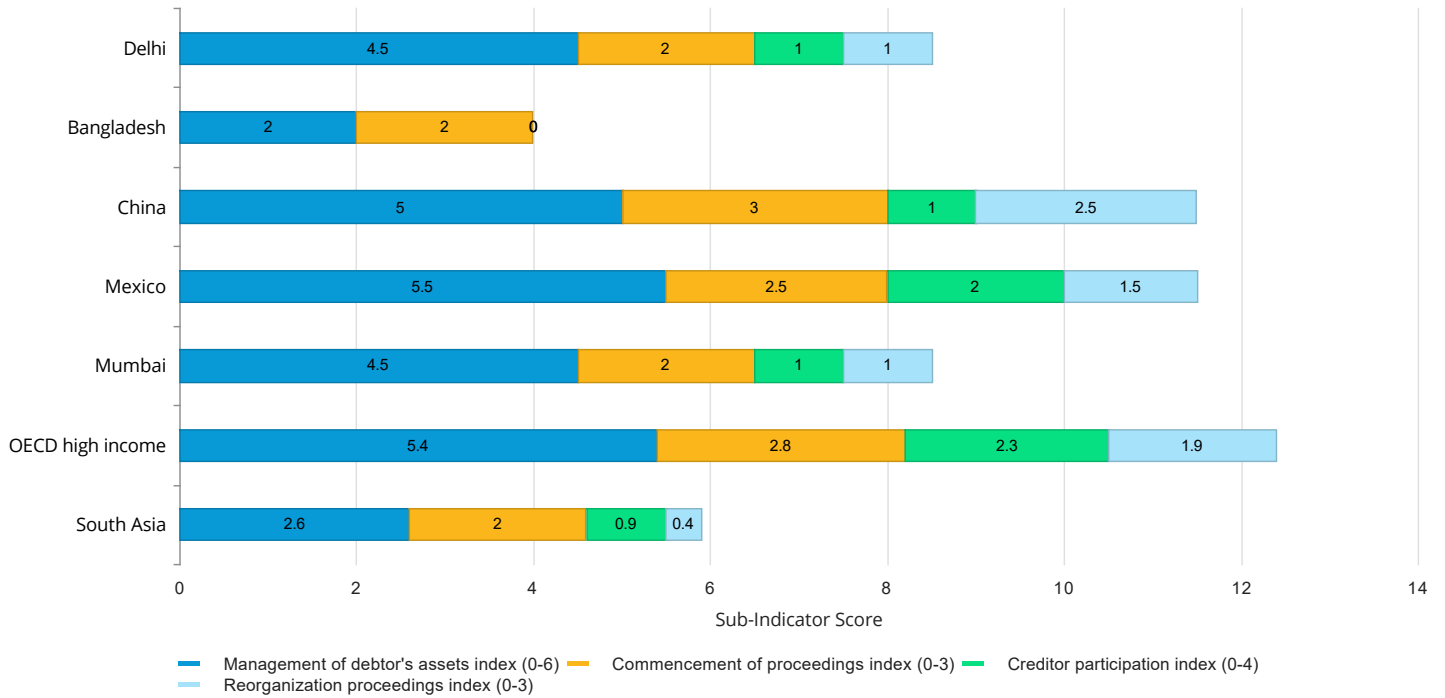
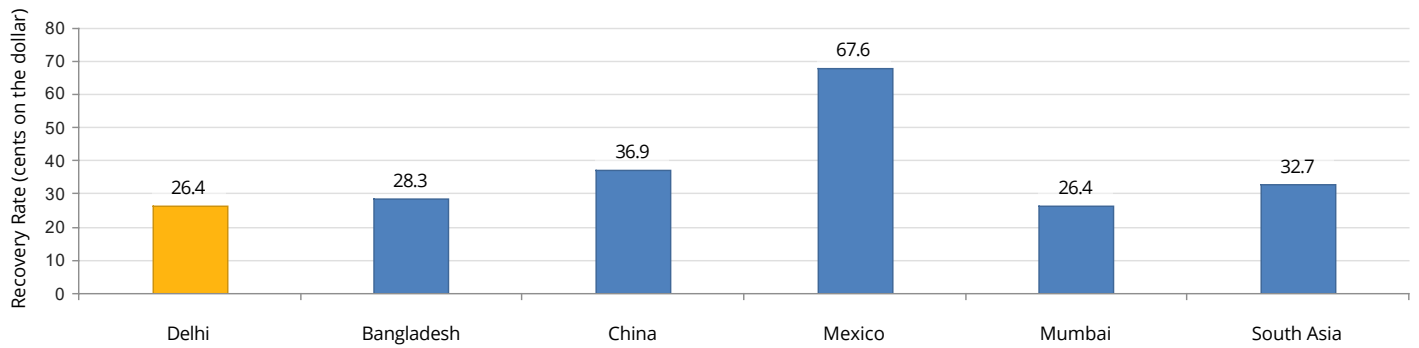


Figure – Resolving Insolvency in Delhi and comparator economies – Recovery Rate



## Details – Resolving Insolvency in Delhi

Indicator	Answer	Explanation
Proceeding	foreclosure	Bizbank is a secured creditor and upon a default by Mirage, it is most likely to seek to foreclose the loan and execute its security by selling the hotel. To enforce its security interest, Bizbank would file a petition to the Debt Recovery Tribunal, governed by The Recovery of Debts Due to Banks and Financial Institutions Act, 1993. The debtor or other creditors will object before the High Court. Given that the Insolvency and Bankruptcy Code has only been in force since 1 December 2016, a foreclosure is still the most likely procedure in practice.
Outcome	piecemeal sale	The reason why BizBank initiates the foreclosure process is that the hotel is unable to pay its debts and the hotel expects operating losses in 2017 as well as 2018. Hence, in order to pay the debts, the hotel assets will be sold piecemeal and the hotel will stop operating.
Time (in years)	4.3	Bizbank will apply to the Debt Recovery Tribunal to enforce its security. This will take a couple of months. But other creditors (including tax authorities) and Mirage itself will file objections in front of the High Court, which will delay the proceedings substantially. Given the high backlog of cases in India's High Courts, the foreclosure procedure until BizBank is repaid some or all of the money owed to it takes about 4.3 years.
Cost (% of estate)	9.0	The costs associated with the case would amount to approximately 9% of the value of the debtor's estate. Costs incurred during the entire insolvency process mainly include court or government agency fees (INR 300,000), attorney fees (INR 100,000), costs of notification and publication (INR 25,000), fees of accountants, assessors, inspectors and other professionals (INR 100,000), fees of auctioneers (INR 50,000), fees of service providers and/or government levies (INR 100,000-200,000), and other fees (INR 100,000).
<b>Recovery rate (cents on the dollar)</b>	<b>26.4</b>	

## Details – Resolving Insolvency in Delhi – Measure of Quality

	Answer	Score
<b>Strength of insolvency framework index (0-16)</b>		<b>8.5</b>
<b>Commencement of proceedings index (0-3)</b>		<b>2.0</b>
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(c) Debtor may file for reorganization only	0.5
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	N/A	0.5
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework?	(a) Debtor is generally unable to pay its debts as they mature	1.0
<b>Management of debtor's assets index (0-6)</b>		<b>4.5</b>
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	No	0.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	Yes	1.0
Does the insolvency framework assign priority to post-commencement credit?	(a) Yes over all pre-commencement creditors, secured or unsecured	0.5
<b>Reorganization proceedings index (0-3)</b>		<b>1.0</b>
Which creditors vote on the proposed reorganization plan?	(c) Other	0.0
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	Yes	1.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	No	0.0
<b>Creditor participation index (0-4)</b>		<b>1.0</b>
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	No	0.0

Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	Yes	1.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	No	0.0

**Note:** Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice".



## Labor Market Regulation

Doing Business presents the data for the labor market regulation indicators in an annex. The report does not present rankings of economies on these indicators or include the topic in the aggregate distance to frontier score or ranking on the ease of doing business. Detailed data collected on labor market regulation are available on the Doing Business website (<http://www.doingbusiness.org/data/exploretopics/labor-market-regulation>).

The most recent round of data collection was completed in June 2017. [See the methodology for more information.](#)

### What the indicators measure

#### Hiring

(i) whether fixed-term contracts are prohibited for permanent tasks; (ii) maximum cumulative duration of fixed-term contracts; (iii) length of the probationary period; (iv) minimum wage.

#### Working hours

(i) maximum number of working days allowed per week; (ii) premiums for work: at night, on a weekly rest day and overtime; (iii) whether there are restrictions on work at night, work on a weekly rest day and for overtime work; (iv) whether nonpregnant and nonnursing women can work same night hours as men; (v) length of paid annual leave.

#### Redundancy rules

(i) whether redundancy can be basis for terminating workers; (ii) whether employer needs to notify and/or get approval from third party to terminate 1 redundant worker and a group of 9 redundant workers; (iii) whether law requires employer to reassign or retrain a worker before making worker redundant; (iv) whether priority rules apply for redundancies and reemployment.

#### Redundancy cost

(i) notice period for redundancy dismissal; (ii) severance payments due when terminating a redundant worker.

#### Job quality

(i) whether law mandates equal remuneration for work of equal value and nondiscrimination based on gender in hiring; (ii) whether law mandates paid or unpaid maternity leave; (iii) length of paid maternity leave; (iv) whether employees on maternity leave receive 100% of wages; (v) availability of five fully paid days of sick leave a year; (vi) eligibility requirements for unemployment protection.

### Case study assumptions

To make the data comparable across economies, several assumptions about the worker and the business are used.

#### The worker:

- Is a cashier in a supermarket or grocery store, age 19, with one year of work experience.
- Is a full-time employee.
- Is not a member of the labor union, unless membership is mandatory.

#### The business:

- Is a limited liability company (or the equivalent in the economy).
- Operates a supermarket or grocery store in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Has 60 employees.
- Is subject to collective bargaining agreements if such agreements cover more than 50% of the food retail sector and they apply even to firms that are not party to them.
- Abides by every law and regulation but does not grant workers more benefits than those mandated by law, regulation or (if applicable) collective bargaining agreements.

## Labor Market Regulation - Mumbai

## Details – Labor Market Regulation in Mumbai

	Answer
<b>Hiring</b>	
Fixed-term contracts prohibited for permanent tasks?	No
Maximum length of a single fixed-term contract (months)	No limit
Maximum length of fixed-term contracts, including renewals (months)	No limit
Minimum wage applicable to the worker assumed in the case study (US\$/month)	134.1
Ratio of minimum wage to value added per worker	0.6
Maximum length of probationary period (months)	3.0
<b>Working hours</b>	
Standard workday	9.0
Maximum number of working days per week	6.0
Premium for night work (% of hourly pay)	0.0
Premium for work on weekly rest day (% of hourly pay)	0.0
Premium for overtime work (% of hourly pay)	100.0
Restrictions on night work?	Yes
Whether nonpregnant and nonnursing women can work the same night hours as men	No
Restrictions on weekly holiday?	Yes
Restrictions on overtime work?	Yes
Paid annual leave for a worker with 1 year of tenure (working days)	21.0
Paid annual leave for a worker with 5 years of tenure (working days)	21.0
Paid annual leave for a worker with 10 years of tenure (working days)	21.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	21.0
<b>Redundancy rules</b>	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	Yes
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	Yes

Third-party approval if nine workers are dismissed?	No
Retraining or reassignment obligation before redundancy?	No
Priority rules for redundancies?	Yes
Priority rules for reemployment?	Yes
<b>Redundancy cost</b>	
Notice period for redundancy dismissal for a worker with 1 year of tenure	4.3
Notice period for redundancy dismissal for a worker with 5 years of tenure	4.3
Notice period for redundancy dismissal for a worker with 10 years of tenure	4.3
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	4.3
Severance pay for redundancy dismissal for a worker with 1 year of tenure	2.1
Severance pay for redundancy dismissal for a worker with 5 years of tenure	10.7
Severance pay for redundancy dismissal for a worker with 10 years of tenure	21.4
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	11.4
<b>Job quality</b>	
Equal remuneration for work of equal value?	No
Gender nondiscrimination in hiring?	Yes
Paid or unpaid maternity leave mandated by law?	Yes
Minimum length of maternity leave (calendar days)?	182.0
Receive 100% of wages on maternity leave?	Yes
Five fully paid days of sick leave a year?	No
Unemployment protection after one year of employment?	No
Minimum contribution period for unemployment protection (months)?	n.a.

## Labor Market Regulation - Delhi

## Details – Labor Market Regulation in Delhi

	Answer
<b>Hiring</b>	
Fixed-term contracts prohibited for permanent tasks?	No
Maximum length of a single fixed-term contract (months)	No limit
Maximum length of fixed-term contracts, including renewals (months)	No limit
Minimum wage applicable to the worker assumed in the case study (US\$/month)	217.6
Ratio of minimum wage to value added per worker	1.0
Maximum length of probationary period (months)	3.0
<b>Working hours</b>	
Standard workday	9.0
Maximum number of working days per week	6.0
Premium for night work (% of hourly pay)	0.0
Premium for work on weekly rest day (% of hourly pay)	0.0
Premium for overtime work (% of hourly pay)	100.0
Restrictions on night work?	Yes
Whether nonpregnant and nonnursing women can work the same night hours as men	No
Restrictions on weekly holiday?	Yes
Restrictions on overtime work?	Yes
Paid annual leave for a worker with 1 year of tenure (working days)	15.0
Paid annual leave for a worker with 5 years of tenure (working days)	15.0
Paid annual leave for a worker with 10 years of tenure (working days)	15.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	15.0
<b>Redundancy rules</b>	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	Yes
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	Yes

Third-party approval if nine workers are dismissed?	No
Retraining or reassignment obligation before redundancy?	No
Priority rules for redundancies?	Yes
Priority rules for reemployment?	Yes
<b>Redundancy cost</b>	
Notice period for redundancy dismissal for a worker with 1 year of tenure	4.3
Notice period for redundancy dismissal for a worker with 5 years of tenure	4.3
Notice period for redundancy dismissal for a worker with 10 years of tenure	4.3
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	4.3
Severance pay for redundancy dismissal for a worker with 1 year of tenure	2.1
Severance pay for redundancy dismissal for a worker with 5 years of tenure	10.7
Severance pay for redundancy dismissal for a worker with 10 years of tenure	21.4
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Receive 100% of wages on maternity leave?	Yes
Five fully paid days of sick leave a year?	No
Unemployment protection after one year of employment?	No
Minimum contribution period for unemployment protection (months)?	n.a.

## Business Reforms in India

In the year ending June 1, 2017, 119 economies implemented 264 total reforms across the different areas measured by Doing Business. Doing Business has recorded more than 2,900 regulatory reforms making it easier to do business since 2004. Reforms inspired by Doing Business have been implemented by economies in all regions. The following are the reforms for India implemented since Doing Business 2008.

✓ = Doing Business reform making it easier to do business. ✗ = Change making it more difficult to do business.

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### DB2018

- ✓ **Starting a Business:** India made starting a business faster by merging the applications for the Permanent Account Number (PAN) and the Tax Account Number (TAN), and by improving the online application system. This reform applies to both Delhi and Mumbai. Mumbai also made starting a business faster by merging the applications for the value-added tax and the profession tax.
  - ✓ **Dealing with Construction Permits:** India made dealing with construction permits less cumbersome by implementing an online system that has streamlined the process at the Municipality of New Delhi and Municipality of Greater Mumbai. The online system has streamlined the process of obtaining a building permit, thereby reducing the number of procedures and time required to obtain a building permit in India.
  - ✓ **Getting Credit:** India strengthened access to credit by amending the rules on priority of secured creditors outside reorganization proceedings and by adopting a new law on insolvency that provides a time limit and clear grounds for relief to the automatic stay for secured creditors during reorganization proceedings. This reform applies to both Delhi and Mumbai.
  - ✓ **Protecting Minority Investors:** India strengthened minority investor protections by increasing the remedies available in cases of prejudicial transactions between interested parties. This reform applies to both Delhi and Mumbai.
  - ✓ **Paying Taxes:** India made paying taxes easier by making payment of EPF mandatory electronically and introducing a set of administrative measures easing compliance with corporate income tax. This reform applies to both Delhi and Mumbai.
  - ✓ **Trading across Borders:** India reduced import border compliance time in Mumbai by improving infrastructure at the Nhava Sheva Port. Export and import border compliance cost were also reduced in both Delhi and Mumbai by eliminating merchant overtime fees and through the increased use of electronic and mobile platforms.
  - ✓ **Enforcing Contracts:** India made enforcing contracts easier by introducing the National Judicial Data Grid, which makes it possible to generate case measurement reports on local courts. This reform applies to both Delhi and Mumbai.
  - ✓ **Resolving Insolvency:** India made resolving insolvency easier by adopting a new insolvency and bankruptcy code that introduced a reorganization procedure for corporate debtors and facilitated continuation of the debtor's business during insolvency proceedings. This reform applies to both Delhi and Mumbai.
- Labor Market Regulation:** India increased the mandatory length of paid maternity. This reform applies to both New Delhi and Mumbai.

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### DB2017

- ✓ **Getting Electricity:** India made getting electricity faster and cheaper by streamlining the process of getting a new commercial electricity connection. This reform impacts Delhi.
- ✓ **Paying Taxes:** India made paying taxes easier by introducing an electronic system for paying employee state insurance contributions. This reform applies to both Mumbai and Delhi.
- ✓ **Trading across Borders:** India made exporting and importing easier by launching Customs Electronic Commerce Interchange Gateway portal and simplifying border and documentary compliance procedures. This reform applies to both New Delhi and Mumbai.
- ✓ **Enforcing Contracts:** India made enforcing contracts easier by creating dedicated divisions to resolve commercial cases. This reform applies to both Mumbai and Delhi.

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### DB2016

- ✓ **Starting a Business:** India made starting a business easier by eliminating the minimum capital requirement and the need to obtain a certificate to commence business operations. This reform applies to both Delhi and Mumbai.

✓ **Getting Electricity:** The utility in Delhi made the process for getting an electricity connection simpler and faster by eliminating the internal wiring inspection by the Electrical Inspectorate. The utility in Mumbai reduced the procedures and time required to connect to electricity by improving internal work processes and coordination.

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DB2015

✓ **Starting a Business:** India made starting a business easier by considerably reducing the registration fees, but also made it more difficult by introducing a requirement to file a declaration before the commencement of business operations. These changes apply to both Delhi and Mumbai.

✓ **Getting Electricity:** In India the utility in Mumbai made getting electricity less costly by reducing the security deposit for a new connection.

✓ **Protecting Minority Investors:** India strengthened minority investor protections by requiring greater disclosure of conflicts of interest by board members, increasing the remedies available in case of prejudicial related-party transactions and introducing additional safeguards for shareholders of privately held companies. This reform applies to both Delhi and Mumbai.

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DB2013

✓ **Dealing with Construction Permits:** India reduced the time required to obtain a building permit by establishing strict time limits for preconstruction approvals.

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DB2012

✓ **Paying Taxes:** India eased the administrative burden of paying taxes for firms by introducing mandatory electronic filing and payment for value added tax.

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DB2011

✓ **Starting a Business:** India eased business start-up by establishing an online VAT registration system and replacing the physical stamp previously required with an online version.

✓ **Paying Taxes:** India reduced the administrative burden of paying taxes by abolishing the fringe benefit tax and improving electronic payment.

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DB2010

✓ **Resolving Insolvency:** India made resolving insolvency easier by increasing the effectiveness of processes and thereby reducing the time required.

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DB2009

✓ **Trading across Borders:** India reduced the time for exporting by implementing an electronic data interchange system.

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DB2008

✓ **Getting Credit:** India strengthened its secured transactions system by launching a unified and geographically centralized collateral registry and started to provide credit information on firms at the private credit bureau.

✓ **Trading across Borders:** India made trading across borders easier by introducing ICEGATE—an electronic data interchange system making it possible to lodge customs declarations through the internet and facilitating the operation of a risk management system, an electronic payment system and an electronic manifest system that allows shipping lines to submit their cargo manifest in advance.

*Doing Business 2018* is the 15th in a series of annual reports investigating the regulations that enhance business activity and those that constrain it. The report provides quantitative indicators covering 11 areas of the business environment in 190 economies. The goal of the *Doing Business* series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.



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