

Standing Committee Report Summary

Doing Business in India: The Way Forward

- The Standing Committee on Commerce (Chair: Ms Dola Sen) presented its report on “Doing Business in India: The Way Forward” on August 7, 2026. Key observations and recommendations include:
- **Reducing compliance burden:** The Committee observed that under the Reducing Compliance Burden initiative, DPIIT has coordinated with central ministries and states to: (i) simplify 16,108 compliances, (ii) remove redundancy in 4,270 compliances, (iii) digitise 22,287 compliances, and (iv) decriminalise 4,458 compliances. The Committee noted a stakeholder submission that a typical firm has to navigate around 1,500 Acts which collectively impose 69,233 separate compliances and 6,618 independent filings. The Committee recommended: (i) periodic third-party evaluations of reforms to assess on-ground impact on businesses, (ii) a shift from discretionary inspections to an automated joint site inspection framework for manufacturing facilities, (iii) rationalising and grouping tax deducted at source parameters into simplified and uniform bands, and (iv) integration of real-time grievance redressal into the Regulatory Compliance Portal.
- **Delays in approvals:** The Committee observed that fragmented regulations and multiple approvals at the central and state levels cause delays and increase the cost of doing business. It noted that rollout of the National Single Window System (NSWS) is still incomplete. On timelines, it recommended: (i) mandatory, time-bound onboarding of all remaining states onto NSWS as an exclusive platform for approvals, (ii) automatic renewal for businesses with a clean record, and (iii) compensation for delayed government refunds and subsidies. On construction and sector-specific approvals, it recommended: (i) a single no-objection certificate for construction permits, (ii) self-certification for fire safety in smaller renewable energy projects, (iii) uniform adoption of the National Building Code, (iv) mutual recognition agreements between states for inspection certificates, and (v) relaxed building-height caps for facilities such as semiconductor fabs.
- **Business Reform Action Plan (BRAP):** BRAP aims to promote transparency, simplify regulatory procedures, and enhance service delivery. The Committee recommended: (i) a mandatory third-party ground reality verification audit rather than reliance on state-submitted paperwork, (ii) a single PAN-based id across state clearances, and (iii) measures to close the efficiency gap between industrial hubs and rural areas.
- **Logistics and infrastructure:** The Committee noted that transportation and logistics sector continues to face regulatory, procedural, and infrastructure-related constraints. These increase logistics costs and adversely affect the ease of doing business. The Committee recommended: (i) simplifying customs and other tax compliance, (ii) integrating logistics operators with the Unified Logistics Interface Platform, (iii) a uniform national warehousing policy, and (iv) expansion of air-cargo, storage and perishable handling facilities, especially in Tier-II/III cities.
- **Access to credit and public procurement for MSMEs:** The Committee noted that MSMEs continue to face procedural complexity and high documentation requirements in accessing both credit and government procurement. It recommended: (i) expanding Udyam platforms to expand access to institutional finance, (ii) expanding credit guarantee and collateral-free lending mechanisms, (iii) using RBI's account aggregator network for instant verified financial footprints, and (iv) an RBI-mandated ban on foreclosure/pre-payment charges on micro and small enterprise loans.
- **E-commerce and quick commerce:** On working conditions in e-commerce dark stores, the Committee recommended: (i) strict enforcement of the Occupational Safety, Health and Working Conditions Code, 2020, and the Code on Social Security, 2020, (ii) randomised inspection audits, and (iii) registration of all dark stores and delivery personnel for a portable Aadhaar-linked insurance framework. To ensure consumer protection, it recommended stricter checks on misleading advertising and dynamic pricing, and automated online dispute resolution for routine e-commerce disputes.
- **Business Ready (B-READY):** B-READY is a global benchmarking project by the World Bank that assesses the business and investment climate across economies. The Committee noted that India's third-cycle B-READY assessment is due around September 2026, and recommended: (i) sustained, monitored reform efforts, (ii) an online B-READY reform dashboard for tracking regulatory compliances across Ministries, and (iii) a 'support cell' for first-generation entrepreneurs.

DISCLAIMER: This document is being furnished to you for your information. You may choose to reproduce or redistribute this report for non-commercial purposes in part or in full to any other person with due acknowledgement of PRS Legislative Research (“PRS”). The opinions expressed herein are entirely those of the author(s). PRS makes every effort to use reliable and comprehensive information, but PRS does not represent that the contents of the report are accurate or complete. PRS is an independent, not-for-profit group. This document has been prepared without regard to the objectives or opinions of those who may receive it.