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**DOING BUSINESS
IN
WEST BENGAL
2017**

DOSHI CHATTERJEE BAGRI & Co LLP

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DOING BUSINESS IN WEST BENGAL

DOING BUSINESS IN WEST BENGAL

West Bengal is situated in eastern India and shares its borders with Jharkhand, Bihar, Odisha, Sikkim and Assam. The state also shares international borders with Bangladesh, Bhutan and Nepal. The Bay of Bengal is in the south of the state.

FACTFILE

- Capital : Kolkata
- Geographical Area (sq km) : 88,752
- State Language : Bengali, English, Hindi and Nepali
- Literacy Rate : 77.1%
- Key Industries : Tea, Petroleum and Petrochemicals, Leather, Iron & Steel, Information Technology, Mineral resources, Automobile and Auto components, Biotechnology, Fisheries, Jute products and Textiles

STATE'S ECONOMY

West Bengal is India's sixth largest economy and recorded a gross state domestic product (GSDP) of US\$ 140.56 billion in 2015-16. The state's GSDP expanded at a compound annual growth rate (CAGR) of 10.57 per cent from 2004-05 to 2015-16.

Agriculture is the chief occupation in the state and contributed 18.8 per cent to the GSDP in 2014-15. West Bengal is the largest producer of rice in India. Rice production for the state totalled 16.1 million tonnes in FY 2015-16. The state is also the largest fish producing state in India. During 2015-16, the state produced a total of 1.63 million tonnes of fish in comparison with a produce of 1.61 million tonnes during 2014-15. As of June 2016, West Bengal had a total installed power generation capacity of 9,988.4 megawatts (MW).

The State is the second largest tea-producing state in India. During 2014-15, it produced 329.3 million kg of tea, accounting for 27.8 per cent of India's total tea production and is home to the globally acclaimed Darjeeling tea variety. Total tea production in West Bengal from April-September 2015 stood at 211.1 million kilograms.

Kolkata is the prime centre for India's jute industry. The state stands first in the country in terms of jute production. In 2015-16, the state produced around 2.38 million tonnes of sugarcane and 3.1 million tonnes of fruits.

DOING BUSINESS IN WEST BENGAL

West Bengal is also a leading exporter of leather and has about 666 manufacturing units producing leather and leather goods. About 22-25 per cent of India's tanning activity is undertaken in Kolkata. Its location advantage makes the state a traditional market for eastern India, the Northeast, Nepal and Bhutan. It is also a strategic entry point for markets in Southeast Asia. The cost of operating a business is lower in Kolkata than in other metropolitan cities.

West Bengal has abundant natural resources of minerals and suitable agro-climatic conditions for agriculture, horticulture and fisheries. It is in the vicinity to mineral rich states like Jharkhand, Bihar and Odisha. It offers excellent connectivity to the rest of India in terms of railways, roadways, ports and airports.

The state (including Sikkim and Andaman & Nicobar Islands) has attracted Foreign Direct Investment (FDI) equity inflows worth US\$ 3.93 billion during the period April 2000 to March 2016, according to data released by Department of Industrial Policy and Promotion (DIPP).

West Bengal is also an attractive destination for the information technology (IT) sector. Several IT parks have been established in order to cater to this sector and several more IT parks are on the anvil to start operations in the state over the next five years.

West Bengal stands 11th among Indian states in rankings based on ease of doing business and reforms implementation, according to a study by the World Bank and KPMG.

KEY SECTORS

- MSME industries are considered to create maximum employment opportunities for the youth in the state as the sector has the maximum elasticity of labour output. Over last five years, there has been an increase in bank credit across the MSME sector, which has led to an increase in the investments as well as employment opportunities. The government of West Bengal proposed an allocation of US\$ 118.82 million for Micro, Small & Medium Enterprises & Textiles Department, during 2016-17.
- The natural resources, policy incentives and infrastructure in the state support investments in major sectors such as iron and steel, biotechnology, coal, leather, jute products, tea, IT, gems and jewellery. The state has 3,000 acres of land at its disposal to set up industries.
- Climatic conditions suitable for cultivation of tea and jute have made West Bengal a major centre for these products and related industries.

INITIATIVES TAKEN BY THE STATE GOVERNMENT FOR LARGE INDUSTRIES

SHILPA SATHI – Single Window Services for Large Industries:-

- (1) Shilpa Sathi, comprising representatives of various Departments/Directorates of Government at West Bengal Industrial Development Corporation (WBIDC)'s office, provides single window application services to the entrepreneur for doing business with minimal hassle and transaction costs. Representatives from the departments of Labour, Fire and Emergency Service, Power, Irrigation and Waterways, Pollution Control Board and Kolkata Municipal Corporation attend the Single Window Cell office. The Cell facilitates expeditious disposal of matters relating to clearances of various Government Departments/Directorate for setting up industrial units in the state.

(2) Online application for clearances under Shilpa Sathi

The Shilpa Sathi web portal for online application for clearances under the Single Window Services is being built.

(3) Time bound clearances under the Shilpa Sathi Single Window Services

Clearances	Timeline
Mutation of Land	21 days
Conversion of land	30 days
Consent to establish from West Bengal Pollution Control Board	Red: 60 days Orange: 30 days Green: 21 days
Registration, Licence and its renewal under the Factories Act 1948	21 days
Permit for ground water	DLA: 30 days SLA: 21 days HLIDC : 15 days
Permit for surface water	SLA: 21 days HLIDC : 21 days
Bulk Power Supply	11 KV : 30 days 33 KV : 45 days 132 KV : 60 days
Fire Licence	60 days

(4) Task Force to follow up with departments concerned

A Task Force under Shilpa Sathi closely monitors the progress of applications with participation from the departments concerned. It meets every week to expedite project clearances and address specific problems received from industry.

(5) Relationship Managers and Business Synergy Centre for proposal facilitation

Relationship Managers at a senior level are provided for all major projects. They are responsible for day-to-day monitoring of the progress and also to address bottlenecks in government departments.

(6) Pricing policy of land goes online

Details of pricing of all industrial parks are available on the official website of WBIDC (www.wbidc.com) to ensure transparency. The price of land and modules in various Industrial Parks is broadly based on factors like amount paid to the collector, infrastructure cost, the cost of capital, etc.

(7) Online terms and conditions for allotment of land/module in Industrial Parks

Detailed terms and condition of allotment of land/module in various industrial parks of WBIDC has been uploaded to the official website of WBIDC (www.wbidc.com) to ensure transparency.

(8) Online Appraisal of Proposal for Allotment of Land/Module in Industrial Parks

Detailed appraisal criteria have been provided on the official website of WBIDC to ensure transparency.

(9) Online monitoring of applications for land allotment

WBIDC's official website has an online monitoring system to check the status of applications for land ceiling clearances and applications for the allotments of land/modules in industrial parks. Applicants can know the status of their applications through WBIDC's e-service.

MSME FACILITATION CENTRE (MFC) at all District Industries Centre (DICs) in West Bengal for Micro, Small & Medium Enterprises:-

Every district now has an MSME Facilitation Centre (MFC) located in their respective DIC and Kolkata. The MFCs are dedicated service providers on statutory compliances for an MSME entrepreneur. The MFC is tagged to the online Single Application Gateway (SAG) through <http://myenterprise.wb.gov.in> and acts as a single point to receive all applications made by an entrepreneur to various government entities for compliances and to avail government incentives. The hands-on facilitation services provided by an MFC to MSME entrepreneurs include:

- (1) All information on statutory compliances needed to set up an enterprise or to avail government incentives.
- (2) Application forms
- (3) A checklist of the documents to be attached with the application
- (4) Hand-holding support to fill out the forms
- (5) Through checking the forms ensure they are correct in all respects
- (6) Submitting the application to the government office by the MFC
- (7) Answering any queries that a government office may have
- (8) Collecting the certificate/license on behalf of the applicant either in person or through authorised representative
- (9) Delivering it to the applicant

These services are available online at <http://myenterprise.wb.gov.in>

INDUSTRIAL LAND ACQUISITION

- (1) GoWB assists entrepreneurs by providing land in industrial growth centres/industrial estates and other areas through its various corporations and development authorities.
- (2) WBIDC is the nodal agency for facilitating the acquisition process
- (3) Land Acquisition Act, 1894 and other notifications contain the legal provisions regarding acquisition of land.
- (4) GoWB has recently revised the guidelines to expedite the acquisition process. Now land acquisition is expected to be completed in a period of six to seven months.

Activities	Whom to Apply	When to Apply	Documents to be attached	Remarks
(a) Land in industrial growth centres /industrial estates etc.	WBIDC/WBIIDC/ WBSIDC /Development Authorities	After site selection		Land allotment on lease only
(b) Govt. Vested Land	District Collector /DLLRO	After site selection	Detailed Project Report	(1) To be approached through WBIDC (2) Land given on lease only.
(c) Private Land	BLLRO/DLLRO	After site selection		Selection should primarily be of non agricultural land

Notes:

GoWB : *Government of West Bengal*
WBIDC: *West Bengal Industrial Development Corporation*
WBIIDC: *West Bengal Industrial Infrastructure Development Corporation*
WBSIDC: *West Bengal Small Scale Industries Development Corporation*
DLLRO: *District Land Reform & Land Reform Officer*
BLLRO: *Block Land & Land Reforms Officer*

RECENT ORDERS/ NOTIFICATIONS ISSUED TO ENHANCE THE EASE OF DOING BUSINESS IN THE STATE

- (1) Under the Business Reforms Action Plan, 2017 the Registering Authority under the West Bengal Shops & Establishments Act 1963 and Rules made there under, shall register the Shops and Establishment within **one** day from the date of receipt of applications complete in all respects including payment of prescribed fees in Schedule-1 of the said Act. This time limit will also apply for renewals of registrations issued under the said Act and Rules. (Order No.319/GL/LC dated 31st July 2017 issued by the Office of the Labour Commissioner, Government of West Bengal)

- (2) LIST OF SERVICES TO BE DELIVERED EXCLUSIVELY ON LINE
(With effect from 30th May 2017 vide Gazette Notification dated June 21, 2017)

Sl. No.	Name of Services
1	Issuance of new License for contractors under The Contract Labour (Regulation and Abolition) Act, 1970 and rules framed there under.
2	New registration under The West Bengal Shops and Establishment Act, 1963 and rules framed there under.
3	New registration of Principal Employer and amendment there under The Contract Labour (Regulation and Abolition) Act, 1970 and rules framed there-under.
4	New registration under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and rules framed there-under.
5	Renewal of license for Contractors under The Contract Labour (Regulation and Abolition) Act, 1970 and rules framed thereunder.
6	Registration & Grant of Licence under Factories Act, 1948 and rules framed thereunder.
7	Renewal of Licence under Factories Act, 1948 and rules framed thereunder.
8	Registration of Boiler and Economiser under The Indian Boilers Act, 1923 and rules framed thereunder.
9	Renewal of Boiler and Economiser under The Indian Boilers Act, 1923 and rules framed thereunder.

This implies the elimination in the entirety of the process of physically submitting an application and/or processing and/or payments related to those services.

- (3) In certain cases, where a taxpayer sets up an undertaking or enterprise for the manufacture or production of any article or thing, on or before 1st April 2015 in a notified backward area in the state of Andhra Pradesh, Bihar, Telengana or West Bengal, then additional depreciation will be allowed at 35% instead of 20%. However such setting up, etc. should take place before 1st April 2020.

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