

**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I),
MADHYA PRADESH, AUDIT BHAWAN, GWALIOR**

Office order

No. SMU/F-14 /O.O. No.- 75

Date 20/08/25

**Sub - Instructions to be followed in Audit Planning, Process and reporting in respect of
“Ease of Doing Business”.**

In 2014, the Government of India launched an ambitious program of regulatory reforms aimed at making it easier to do business in India. The program represents a great deal of effort to create a more business friendly environment.

Several initiatives have been taken by the Central/State Government on “Ease of Doing Business”. Our action plan is to focus on status of achievement on key initiatives as indicators for risk analysis and issues causing hinderances that can be highlighted in our Audit products-

Sl. No.	Aspect	Action Plan (To see whether the following is adhered to/ensured by the auditee)
1.0	Starting a business	<ol style="list-style-type: none">1. Permanent Account Number (PAN), Tax Deduction & Collection Account Number (TAN), Director Identification Number (DIN) have been merged into a single form (SPICe) for company incorporation.<ol style="list-style-type: none">1.1 SPICe, which stands for Simplified Proforma for Incorporating Company Electronically, is a form used for company registration in India. It streamlines the process by allowing users to apply for company name reservation and incorporation in a single application, along with other registrations like DIN, PAN, and TAN. It was introduced by the Ministry of Corporate Affairs and later upgraded to SPICe+.2. Five-page form and other attachments for reserving the name of the Company with the Ministry of Corporate Affairs has been simplified into a simple web service i.e. Reserve Unique Name (RUN). Its purpose is to reserve a name for a new company or to facilitate a change in the name of an existing company. RUN web service remains active and accessible through the MCA portal. Users can log in to their registered accounts to utilize this service.3. Registration under Employee State Insurance Corporation (ESIC) and Employee Provident Fund Organisation (EPFO) are

		<p>available at Shram Suvidha portal as a common online service (single online window) with no physical touch point.</p> <ol style="list-style-type: none"> 4. No requirement of inspection for/before registration under Shops & Establishment Act. Many states have streamlined the registration process, moving away from mandatory pre-registration inspections. Final registration is often granted within a specified timeframe (e.g., one day) after application submission. While pre-inspection may not be mandatory, inspections can still occur post-registration for compliance checks or in response to complaints. 5. Companies Act was amended to eliminate the requirement of a common company seal. As per the Companies (Amendment) Act, 2015, companies can choose whether or not to have a common seal. If a company opts out of using a common seal, documents requiring a seal can be signed by two directors or one director and the company secretary, if applicable. <p>In Audit scrutiny of documents may be done to verify whether measures were taken in MP.</p>
2.0	Dealing with construction permits	<ol style="list-style-type: none"> 1. Municipal Corporations to introduce a fast-track approval system for issuing building permits with features such as Common Application Form (CAF), provision of using digital signature and online scrutiny of building plans. 2. Uniform building by-laws which allow for risk-based classification regimes for different building types and provision of deemed approval of sanctioning building plans within 30 days. 3. Reduction in time in permitting constructions. 4. Reduction in number of procedures. 5. Reduction in cost of obtaining construction permits as percentage of the economy's per capita income. 6. Measures taken in Municipal Corporations of Delhi and Greater Mumbai. 7. Implemented e-Grihanaksha SWS-OBPAS portal for building plan approvals across various ULBs in West Bengal (excluding Kolkata). Howrah MC has also implemented the system. <p>It may be seen in Audit what are the bottlenecks in taking such implementable measures in Madhya Pradesh.</p> <p>In Audit scrutiny of documents may be done to verify whether measures were taken in MP.</p>

3.0	Trading across borders	<ol style="list-style-type: none"> 1. Importers and exporters can electronically lodge their Customs clearance documents at a single point 'Indian Customs Single Window Project'. 2. Reduction in number of mandatory documents required for customs purposes, for both import and export of goods. 3. Electronic filing of documents by traders through e-Sanchit, an online application system. 4. Electronic self-sealing of the container at the factory has reduced time and cost for exporting firms. 5. Computerized risk management system to bring transparency and reduced frequency of custom inspections significantly. 6. Provision of a facility for Advance Bill of Entry (Advance Import Declaration). 7. The Single Window Interface for Facilitation of Trade (SWIFT) is the system through which India has implemented the "single window". <p>In Audit scrutiny of documents may be done to verify whether measures were taken in MP.</p>
4.0	Enforcing contracts	<ol style="list-style-type: none"> 1. Establishment of Commercial Courts and Appellate Division of High Courts. 2. Provision of case data including case registration, cause list, case status and orders/ judgements of courts district-wise across the country through National Judicial Data Grid (NJDG) which is open for public since 2015. 3. Random assignment of new cases to Judges in district courts are through automated system. 4. Introduction of e-filing of cases in district courts. 5. Development of case management tool with functionality of sending notification to lawyers, viewing court orders/ judgements, tracking the status of cases, to semi-automatically generate court orders etc. 6. The <u>Madhya Pradesh High Court</u> has constituted a <u>Commercial Division</u> and a <u>Commercial Appellate Division</u> to handle these matters. <p>In Audit, we may check such numbers and notice the causes/impact of shortfall, if any.</p>
5.0	Getting credit	<ol style="list-style-type: none"> 1. Provision of registration by asset type through Central Registry of Securitization Asset Reconstruction and Security Interest

		<p>(CERSAI) which is a geographically unified electronic registry. Since 2017, CERSAI provides search through debtor's name.</p> <ol style="list-style-type: none"> 2. Amendment in Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) (Central Registry) Rules, 2011 to include additional types of charges, including a security interest in - immovable property by the mortgage, hypothecation of plant and machinery, stocks, debt including book debt or receivables, intangible assets, patent, copyright, trademark, under-construction building. 3. Definition of property now includes immovable as well as intangible, allows CERSAI to register these additional charges.
6.0	Getting electricity	<ol style="list-style-type: none"> 1. Electricity connection within 7 days if no Right of Way (RoW) is required and within 15 days where RoW is required. 2. Capping of Service line cum Development charges. 3. Reduction in number of documents required for getting electricity connection and non-acceptance of physical documents. 4. Reduction in total number of procedures 5. Measures taken in Madhya Pradesh. The <u>Madhya Pradesh Electricity Regulatory Commission</u> (MPERC) oversees the timelines and ensures compliance by electricity distribution companies. <p>Its assessment may be done in Audit.</p>
7.0	Registering property	<ol style="list-style-type: none"> 1. Digitisation of all sub-registrar offices have been done and integration of its records with the Land Records Department. 2. Digitisation of all property tax records. 3. Automatic mutation of property after registration. 4. The digitization of property records ensures transparency and allows citizens to ascertain the history of transactions in digital mode. 5. Significant reduction in procedural time due to Online service for charges search at Registrar of Companies. 6. Online availability of Statistics regarding the number of land disputes at Revenue Courts. 7. Efforts as per above measures taken in MP. These efforts are part of the larger Digital India Land Records Modernization Programme (DILRMP). <p>In Audit, we may check and analyse.</p>

8.0	Resolving insolvency	<ol style="list-style-type: none"> 1. Introduction to new dimensions in resolving insolvency through India's first comprehensive legislation on corporate insolvency i.e. The Insolvency and Bankruptcy Code of 2016. 2. Completion of insolvency process within 90 days with a maximum grace period of another 45 days under Fast-track Corporate Insolvency Resolution Process (CIRP) for mid-sized companies. <p>Status of how far such measures have been taken/implemented in MP may be seen in Audit.</p>
9.0	Paying taxes	<ol style="list-style-type: none"> 1. Reduction of corporate tax for mid-sized companies. 2. Domestic companies can opt for concessional tax regime. Such a company cannot claim any income tax incentive or exemption. Such companies are not liable to pay the Minimum Alternate Tax (MAT). 3. Reduction of tax rate for new domestic manufacturing companies which cannot avail of any other income tax exemption/incentive under the Income-tax Act. 4. A company that does not opt for the above concessional tax regime and avails any tax exemption/incentive, shall continue to pay tax at pre-amended rates. However, the option of availing of the lower tax regime can be opted for after the expiry of the holiday/exemption period. Once the same has been opted it cannot be subsequently withdrawn by the taxpayer. Reduction in MAT rate for companies availing exemptions/ incentives. 5. Robust IT infrastructure of online return filing for Indian taxpayers. 6. Subsumption of eight taxes at the Central and nine taxes at the State level into GST. 7. Development of fully online module by ESIC for electronic return filing with online payment and substantial reduction of time to prepare and file returns. 8. Introduction of the e-verification system with no physical touch point for document submission to income tax authorities. <p>Status of whether such measures have been implemented in MP as outlined may be seen in Audit.</p>

Most of the issues are related to Audit jurisdiction of this office and should be relevant to identification of topics for PA/SSCA as well as Top-Down Department-centric activity-based Compliance Audits (TDDCA) and should be used. Selection of additional topics for PA/SSCA

for Annual Audit Plan 2026-27 to be conducted in 2025-26 (in addition to those already identified) to be considered by respective AMG's and APDAC.

This issues with the approval of the Principal Accountant General.


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Sr. Audit Officer/SMU

No. SMU/F-14/O.O. No.- 75/STR-1499 to 1513

Date 20/08/25

Copy for information and necessary action: -

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6. Assistant Director/Raj Bhasha for Hindi Translation
7. Shri Naresh Ahuja, AAO for intranet/internet related work
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Sr. Audit Officer/SMU