

Sub: - Best Practices to 'Improve the Business Environment' across states/UTs in India

According to reports by the World Bank and World Economic Forum, India ranks poorly in terms of Business Environment. Problems and restrictions plague the business throughout its lifecycle, making it difficult, expensive and cumbersome to start, grow or exit from a business. There is a clear need to make it easier to do business in India. Improving the business environment is likely to spur growth and generate employment for millions across the country.

The Department of Industrial Policy and Promotion has engaged M/s Accenture to conduct a study on 'Improving the Business Environment' in India. They have conducted an exhaustive study of the reports and interactions with various stakeholders and helped identify the various parameters for measuring the state of doing business in India, the methodology to measure and collect information and the best practices being followed by states/UTs. The following reports formed the foundation for Accenture's study of the Business Environment in India, World Bank's Doing Business report, World Economic Forum's Global Competitiveness report, Bain-FICCI's Empowering India report, CII-KPMG's Ease of Doing Business in India and Planning Commission-Deloitte's Survey on Business Regulatory Environment for Manufacturing – State Level Assessment.

The six select best practices that resulted from the aforementioned study are the Integrated and Comprehensive system for managing indirect taxes in Karnataka, Labor Management Solution (LMS) by Maharashtra, Single Window Clearance (SWC) for Industries - MAITRI by Maharashtra, Land related interventions in Gujarat, Implementation of e-Governance in Pollution in Gujarat and Single Window Clearance mechanism in Rajasthan and Punjab. A brief note on each of these select Best Practices and the process, discussed in detail are enclosed herewith. In all these cases, technology has been the key driver of change and a critical State Official has been the change agent. The contact details of the concerned driving official, and the implementing agency are also provided for each best practice.

In this regard, if there is **any practice followed in any other state through which it is possible to serve the industry in a more efficient manner** do share it with us along with the name of the person in-charge who could provide more details on the same.

Kindly feel free to connect Director, Department of Industrial Policy and Promotion, Mr. Ravinder (Email: ravinder.73@nic.in, Phone: +91-11-23063212, Mobile: +91 8130145591) for any assistances or clarifications required on these select best practices.

Your response may kindly be provided by 23rd May 2014.

Best Practices to Improve the Business Environment across India

1st May 2014

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Parameter	Sub Areas	Planning Commission & Deloitte Report		CII & KPMG report		FICCI & Bain report		Combined	
		Practice	State	Practice	State	Practice	State	Practice	State
Finance & Tax Related Compliances	Tax Registration	<ul style="list-style-type: none"> Single point Information dissemination Ready reckoners on the process and documentation requirements for availing incentives e-Vardan - Online tax registration 	<ul style="list-style-type: none"> West Bengal Chhattisgarh Karnataka 	<ul style="list-style-type: none"> Registration, Filing and Payment of VAT Aasthi - GIS based property tax system VAT simplification and improvement 	<ul style="list-style-type: none"> Andhra Pradesh Karnataka Rajasthan 	<ul style="list-style-type: none"> Registration, Filing and Payment of VAT Aasthi - GIS based property tax system 	<ul style="list-style-type: none"> Andhra Pradesh Karnataka 	Integrated and comprehensive system for VAT	Karnataka
	Tax Payment		<ul style="list-style-type: none"> Tamil Nadu AndhraPradesh Gujarat 						
	Incentives	<ul style="list-style-type: none"> Tracking of status of incentive related applications 							
Labour Law Related Compliances	Factories Act & other labour law compliances	<ul style="list-style-type: none"> Simplified information and FAQs for labour laws online Online services like registration/ renewal under factories act Single window mechanism for registration under Factories Act Third party service providers for conducting onsite inspections for awarding/ renewing boiler licenses 	<ul style="list-style-type: none"> West Bengal Haryana Rajasthan Uttar Pradesh Punjab 	<ul style="list-style-type: none"> Labour Compliance, SEZ Act Mahashramm Labour Management System Skill Development 	<ul style="list-style-type: none"> Gujarat Maharashtra Gujarat 	<ul style="list-style-type: none"> Mahashramm - Labour Management System 	<ul style="list-style-type: none"> Maharashtra 	Online services for Compliance to Labour laws	Maharashtra
			<ul style="list-style-type: none"> Single window mechanism for registration under Factories Act 						
Infrastructure & Utilities Related Approvals	Power Connection	<ul style="list-style-type: none"> Single window portal for a variety of MIDC services Reservation of water for industries Local authority made responsible for providing and maintaining services 	<ul style="list-style-type: none"> Maharashtra Andhra Pradesh 	<ul style="list-style-type: none"> Water & Sewage Connection Critical Infrastructure Project Scheme 	<ul style="list-style-type: none"> Uttar Pradesh Gujarat 			Setting up MAITRI	Maharashtra
	Water Connection							Local authority for providing and maintaining services	Andhra Pradesh
Land & Building Related Approvals	Fire NOC								
	Conversion of Land	<ul style="list-style-type: none"> GIS based software to show mapping of land plots Land Pooling Scheme - Creating Land Banks Aao Bihar- Creating Land Banks Mandatory allocation of land for MSMEs Deemed Permission for use of Agricultural land for Non-Agricultural usage 	<ul style="list-style-type: none"> Gujarat Haryana Bihar Odisha Chhattisgarh Andhra Pradesh 	<ul style="list-style-type: none"> Computer Aided Registration of Deeds e-Dhara Bhulekh Online and Anywhere registration (KAVERI) Online building-plan approval SIR Ordinance Gujarat Industrial Development Corporation Industrial Cluster, Ahmendabad Pharma Rehabilitation & Resettlement of Land Owners Karnataka Industrial Areas Development Board Formation of Automotive Cluster 	<ul style="list-style-type: none"> Andhra Pradesh Gujarat Karnataka Gujarat Haryana Karnataka Tamil Nadu 	<ul style="list-style-type: none"> Smooth procedures for land allotment Online submission of building plans Computerized land records to accelerate registration time Computerized procedures & anywhere registration 	<ul style="list-style-type: none"> Andhra Pradesh Tamil Nadu Gujarat Karnataka 	Land related interventions	Gujarat
	Industrial Estates								
Building Plan Approvals									
Environment Clearances	Consent to Establish	<ul style="list-style-type: none"> Special camps to educate the entrepreneurs Environment Compliance Assistance Centre Relaxation in clearance requirement in certain cases Fast tracking the process of environmental clearances 	<ul style="list-style-type: none"> Uttar Pradesh West Bengal Andhra Pradesh Rajasthan 			<ul style="list-style-type: none"> Online mechanism for getting clearances 	<ul style="list-style-type: none"> Gujarat 	Online mechanism for clearances	Gujarat
	Consent to Operate		Fast tracking of environmental clearances					Rajasthan	
Other Business Regulatory Compliances	EM/ IEM Registration	<ul style="list-style-type: none"> Website with simplified & summarized versions of all applicable Acts & Laws Doing business brochure for investors Kiosks at 26 district industries centres for Micro Enterprises Jigyasha- call centre that enables getting information on various services provided by the government One stop clearance for new investment proposals Single Window Mechanism divided into two parts Right to Public Services Act - services within a stipulated timeframe Lok Seva Guarantee Adhinyam - provision for imposing penalty for delay Entrepreneur Application Status website iNDEXTb helps monitoring by generating MIS report Online single window portal - facility to see any comments/issues raised during application scrutiny Reminder for Trade License renewal 	<ul style="list-style-type: none"> Bihar Punjab Uttarakhand Bihar Madhya Pradesh Kerala Rajasthan Gujarat Maharashtra West Bengal 	<ul style="list-style-type: none"> Single Window Clearance Registering a Business – e-stamping 	<ul style="list-style-type: none"> Andhra Pradesh Punjab Orissa Rajasthan Delhi 	<ul style="list-style-type: none"> Single Window Act with deemed & time-bound clearances 	<ul style="list-style-type: none"> Andhra Pradesh Rajasthan 	Single Window Clearance	Rajasthan and Punjab
	Single Window Clearance		Jigyasha-call centre		Bihar				

Name of the Agency	National Informatics Centre
Name of Officer	Shefali Sushil Dash, Director General

Parameter: Finance & Tax Related Compliances

Integrated and Comprehensive system for managing indirect taxes in Karnataka

- The online management of VAT system was introduced by the Commercial Tax Department to curb delays by **decreasing the physical interface** and bringing in **delivery of electronic services anytime anywhere**

	e-registration	e-way bill	e-payment	e>Returns
INITIATIVE	<ul style="list-style-type: none"> Allows businesses to apply for registration online 24X7 Online/ Offline data verification from external system (PAN, Aadhar, IGR) 	<ul style="list-style-type: none"> Before dispatch from origin details uploaded online to generate of a Unique No. At check-post, this unique number is converted to a transit pass instantaneously 	<ul style="list-style-type: none"> Enterprise can log-in and check applicable tax Payment using online gateway of some Nationalized and private banks as well as RTGS/NEFT from any bank 	<ul style="list-style-type: none"> Returns can be filed online instead of visiting the CTO Provision to file e-return at a registered center and with assistance of STPs Sales & Purchase annexure with return
BENEFITS	<ul style="list-style-type: none"> Registration Certificate is delivered at door-step Reduction in time taken for issue of registration certificate to 24 hours for all low risk dealers 	<ul style="list-style-type: none"> About 20,000 visits of dealers saved per day Time spent by the vehicle at a check-post reduced from 5-10 mins to less than 1 min 	<ul style="list-style-type: none"> Tax realization & reconciliation time down from T + 6 days to T+1 day 	<ul style="list-style-type: none"> Introduction of initiative saved 20 Lakh person kms per month

Special features of the initiatives taken by other states

Rajasthan

- 50% of the claim of the dealer returned at the time of filing of returns based on Bank Guarantees
- Simplification in filing of quarterly returns as number of attachments reduced from 9 to 3

Tamil Nadu

- Registration of dealers including cancellation of registration, issuance of Duplicate RC being made available online anytime anywhere
- Dealer ledger providing a comprehensive view of transaction history of the dealer with the Tax Admin made available
- 100% electronic filing of returns as on date
- Bar coding of e-way bills generated by dealers online to allow faster clearance at Check posts thus reducing long waiting times

Maharashtra

- e- filling has increased the Return filling compliance from 65 % to almost 90 % .
- Maharashtra is taking Dealer wise data Sales and Purchase details for better reconciliation of ITC system
- Third party verification of data reduces the fraudulent practices in Registration

Andhra Pradesh

- Help desk service providing clarification and IT related support over phone and e-mail
- Allowing online status tracking of various applications
- Information regarding rules, policies, notifications and circulars available on the portal

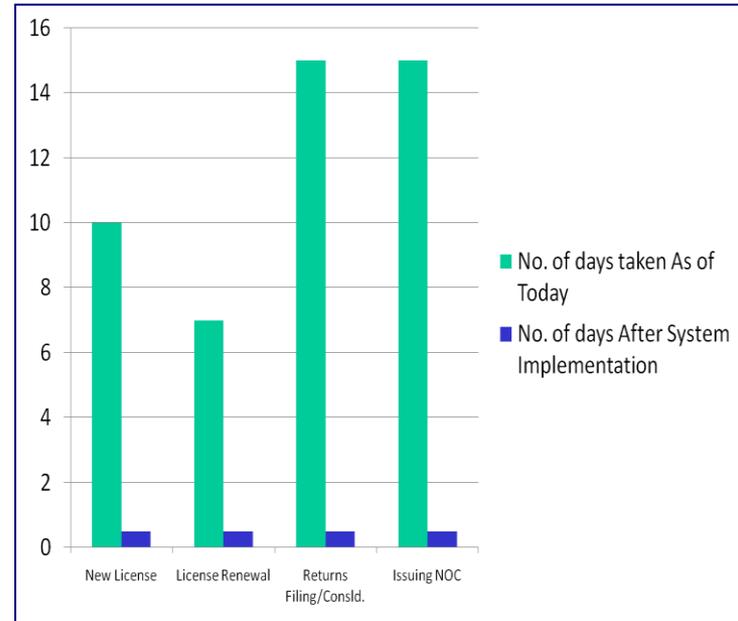
Name of the Agency	Glodyne Techoserve Limited
Name of Officer	Annand Sarneck, CEO and MD

Parameter: Labour Law Related Compliances

Labour Management Solution (LMS) by Maharashtra

Simplification of labor laws and licensing	<ul style="list-style-type: none"> Creates a One-Stop Shop for implementation and integration of 46 labour laws Online application and renewal of labour licenses, permits & clearances, etc.
E-services to business	<ul style="list-style-type: none"> Interactions with industries and trade unions made online Online services – registration, returns, NOCs etc... Electronic records & creation of labour database
Departmental Automation & Computerization	<ul style="list-style-type: none"> Back end departmental computerization and workflow automation to align with external e-Services
Monitoring Dashboard	<ul style="list-style-type: none"> Dashboard for Department officers to monitor applications, returns and receive automatic updates Ensuring Service level defined in the citizen charter are adhered to
Complaint Window/Grievance Mechanism	<ul style="list-style-type: none"> Dedicated online Complaint Window for Business as well as the Labourers to voice and share grievances

Benefits Achieved	<ul style="list-style-type: none"> Ease of Compliance to multiple and cumbersome labor laws Drastic reduction in time for getting the approvals, licenses etc. Reduction in physical interaction with department due to eServices Physical inspection of premises significantly cut down for compliant business Enhanced Industrial safety and efficient inspection due to readily available online checklists for both Labor department staff and businesses
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Procedure/System	Before LMS	After LMS
New License (days)	10	0.5
License Renewal (days)	7	0.5
Returns Filing (days)	15	0.5
Issuing NOC (days)	15	0.5
Actual Wages paid to workers (Rs 4000 is minimum wage)	Rs. 2000	Rs. 4000

Awards: eINDIA 2011 award for best ICT in Financial Inclusion Initiative of the Year, Showcased as a good practice in 100th session of International labor conf 2011 at ILO, Geneva

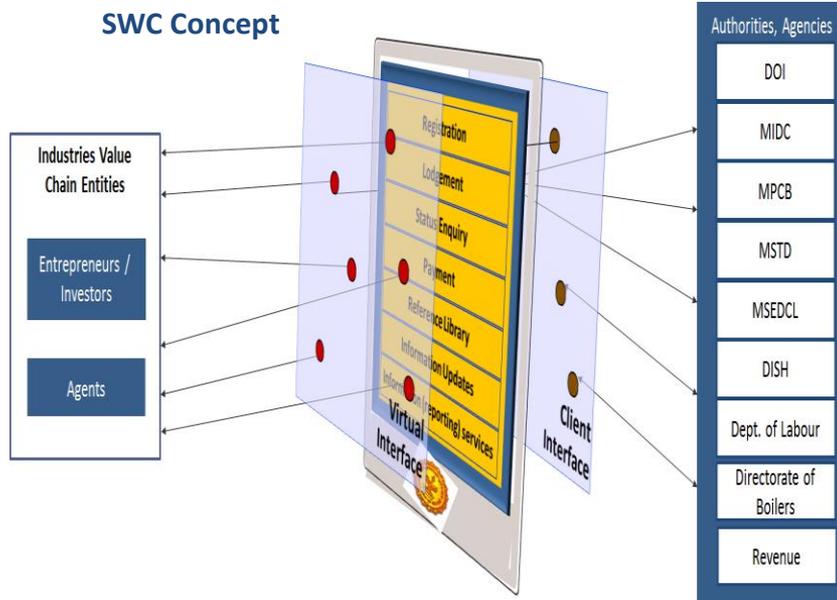
Name of the Agency	SoftTech
Name of the Officer	Ravi Agarwal, Director

Parameter: Infrastructure & Utilities related Approvals

Single Window Clearance (SWC) for Industries - MAITRI by Maharashtra

Key Features

- MAITRI serves as a single point of contact to **reduce the average time** and efforts required for establishment of industrial units and **issue 31 clearances and approvals** required for setting up of industries in the State



Ease of Service

- Electronic system for online tracking of application
- Updates entrepreneurs on govt. rules, regulations & policies
- Common Application Form for applicants

Process Optimization

- Reduction in number of supporting documents
- Links 15 Departments on a single platform
- District level processing and approving authority for all departments mapped in system and workflow

Interaction

- Provision for SMS and email alerts & notifications
- Provision for digital signature certificates

User Friendly

- Single sign on facility (proposed)
- Query Module – department to raise query to users for clarification/additional supporting's
- Alerts Module - system automatically creates alerts for processing departments and Nodal officers
- Escalation Module - system generated escalation raised if application is not completed in time
- Grievance Module – routes grievance to concerned dept.

Enablers

- Dedicated professionals (5-6)** for operating the Investor Facilitation Cell in Mumbai, reporting to Jt. CEO MIDC
- Government Resolution (GR)** for directing and co-ordinating activities between various departments, including appointment of nodal officers for speedy clearance
- Online Availability** of all forms and supporting documents and workflow based alerts and escalations, in case of delay in time as per citizen charter
- Information** regarding investment policies, government co-ordinates upto district level, citizen charter and circulars **available on the portal**

Benefits

- Facilitates investors with expeditious and time-bound clearances and approvals
- Serves as a single point interface between investors and various Government Departments
- Online, IVR and mobile - 24X7 access to information and services
- Enables management dashboard for key government functionaries that is real time and accurate

Parameter: Land & Building Related Approvals

Name of the Agency	BISAG - Bhaskaracharya Institute For Space Applications and Geo-Informatics for development of GIS based software
Name of Officer	Dr. Varesh Sinha, Chief Secretary to the Government of Gujarat

Land related interventions by Gujarat

- GIDC and Investor Facilitation Portal(IFP) have hugely simplified land acquisition in the state with minimum direct government participation

Identification & Aggregation of land

- GIDC is allowed the flexibility to negotiate, offering developed land as part of the compensation.
- Price determination based on market prices determined by a scientific method carried out by institute like Centre for Environmental Planning and Technology University (CEPT).
- 10% of the differential amount of acquisition price and land price recovered by GIDC paid to owners over and above
- Eliminates chances of future litigations as guarantees good returns to farmers

Development of Land

- Sector specific estate development by GIDC on PPP model where land is acquired by Industrial Associations
- GIDC assists Industry association by making debt and equity investment but recovers it in a given timeframe
- CIP scheme for up-gradation of infrastructure facilities is done by contribution from Government (60%), GIDC (20%) & private promoters (20%)
- Provides decentralized decision making system taking inputs from stakeholders

Allotment of Land

- Information on land made available on online portal with highlights on availability of land, power, gas, distance of port, airport, SEZ among 65 parameters for Industries based on the critical parameter specific requirements chosen by the entrepreneur
- Demands are currently met on a first-come first-served basis
- Land inventory is updated on live basis and GIS based application used for better land management
- Investors can make a large part of their research without even visiting the land.

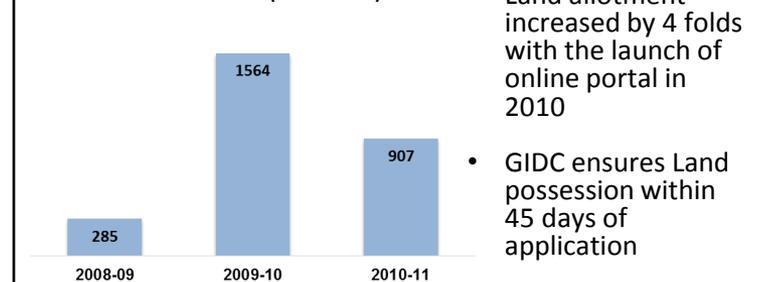
Special Features

- GIDC MITRA – Online Grievance Redressal and monitoring system
- Timelines for approval are incorporated in the backend online system
- 50 Skill Up-gradation centres constructed for imparting training in various GIDC estates, 50 more planned
- Provision for employment of one member of each family whose land is acquired

- Nodal Agency for Implementation: Gujarat Industrial Development Corporation

Benefits

Land Allotment (in hectares)



- Land allotment increased by 4 folds with the launch of online portal in 2010
- GIDC ensures Land possession within 45 days of application

Name of the Agency	Gujarat Informatics Limited
Name of Officer	Neeta Shah, Director (e Governance)

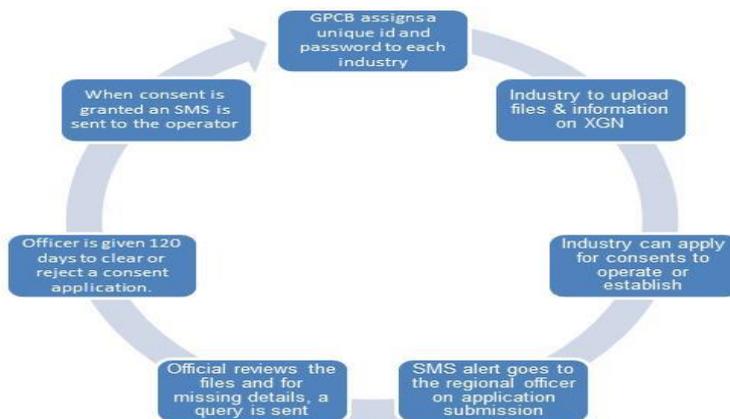
Parameter: Environmental Clearances

Online mechanism for clearances: Implementation of e-Governance by Gujarat Pollution Control Board

XGN (Extended Green Node) has been the nodal feature for the Gujarat PCB system which allows online receipt of permissions and renewal, processing, decision making of all applications, except filing.

Consolidated Consent and Authorization (CCA)	Application tracking	Computerized Process Management	Time-bound processes and provisional approvals	Online Certificate Publication
<ul style="list-style-type: none"> All consents under water, air, hazardous material merged into a single form online GPCB's XGN model has 15 in-built modules XGN is introduced in all GPCB offices 	<ul style="list-style-type: none"> SMS sent to the applicant at 7-8 stages for transparency and agility Alert the next stage, wherever urgent action is required Online tracking of status of government collection of data, samples etc. related to disposal of hazardous waste and other aspects 	<ul style="list-style-type: none"> Management of permits, bills, application and data for GPCB has been made free of exhaustive paperwork Reduce interference / influences from the stakeholders Helpdesks at 22 GPCB centers to help create online applications by all applicants using XGN. 	<ul style="list-style-type: none"> "Provisional certificates" awarded within 45 days of applications and 72 hours of approval Pre-Planning of work on weekly & monthly basis by the Regional Officer Timely acceptance & processing of Industries & Hospitals Applications 	<ul style="list-style-type: none"> Certificates are published online, the business need not wait for the physical document to reach.

How It Works



- A **Special Recognition Award** in Environment under the Best e-Governance Department Category by Computer Society of India at the CSI-Nihilent e-Governance Awards Ceremony 2010
- Silver Medal** in the 13th National e-Governance Conference

Aspects of Work at the Board	Before XGN	After XGN
Processing of applications/year	1,500	9,823
Number of Inspections/year	11,000	24,000
Number of Samples/year	12,500	28,000
Lab Result Dispatched to Industries/month	400	100%
Lab Charges Defaulters	45%, Rs. 2.3 crores	3%, Rs. 5 lakhs
E>Returns/year (Approx.)	3,000	12,000
Water Cess Return Defaulters	35%	7%

Nodal Agency for Implementation: Gujarat Pollution Control Board (GPCB)

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Parameter: Other Compliances

Name of the Agency	Bureau of Investment Promotion – Rajasthan ; Punjab Infotech – Punjab
Name of Officer	Mr.Siddharth Mahajan, Commissioner (Inv & NRIs) – Rajasthan ; Mr. Manjit Singh Rai, Chairman - Punjab

Single Window Clearance System in Rajasthan and Punjab

- All the information related to starting a business in the state is made available on the website and all communication, including comments and requests for corrections in applications, are channeled through a **single nodal authority**
- Each task has been provided a turnaround time and approving authorities **can be penalized** for not complying with the timelines

Rajasthan

- Unlike other peer states, makes it mandatory for investors to apply through SW for industrial investments more than 1 crore
- Concise Status Tracking -Concerned department can raise objection only once against any SW application ; enhances investor facilitation process
- Clear cut demarcation of stages of investor application process starting from “registration” -> “e-submit” -> “in process” -> “query/objection”-> “rejected” -> “granted”
- Self Certification is taken on a simple A4 size paper vis-à-vis others using non judicial stamp papers
- Investor has the ‘Right to Appeal’ before the State Empowered Committee against the decision of rejection

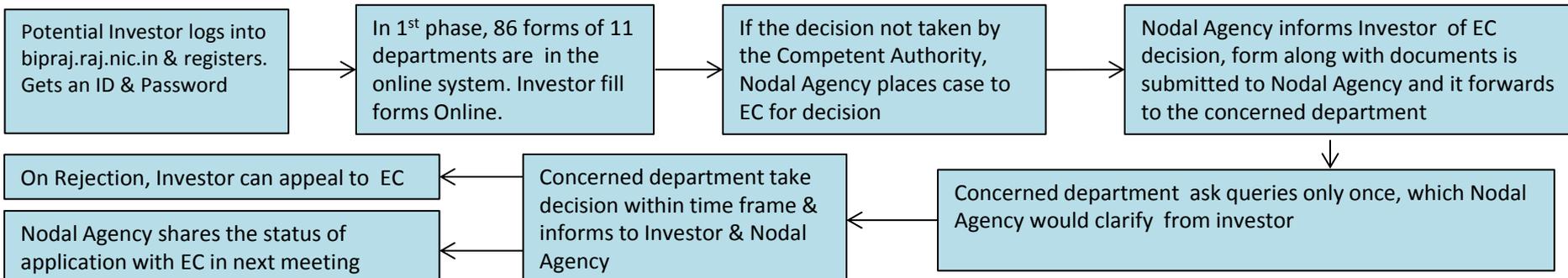
Punjab

- CEO sanctions all proposals that come to the Bureau within three to four weeks.
- Bureau comprises of a Board of governors chaired by the CM and the deputy CM and an executive committee chaired by the CS to guide, monitor and review the functioning of the Board
- Board of governors act as apex body; EC and the CEO look after the day-to-day functioning of the Bureau
- Punjab BIP will have the power to grant 27 approvals for a new project to begin operations

- Applicant is allowed to register with a user id and password; ensures dummy user profiles are not created
- Inactive IDs are auto deleted after being dormant for a certain period-reduces load on system
- User friendly portal results in ease of navigation
- Email alerts for each step of application is provided to investors

KEY FEATURES

- Less polluting units are encouraged to come up, can obtain easy NOC from the Punjab Pollution and Control Board (under yellow category)
- Deemed approval is given to investors if the concerned departments don't give the requisite approval in specified timeframe



- Nodal Agency for Implementation: BIP, Industries Department



Improving the Business Environment in India

“Best practices across Indian States”



Department of Industrial Policy & Promotion
Government of India
Ministry of Commerce & Industry

Integrated and comprehensive system for VAT

Background

Registration of a business with the Tax Administration and payment of taxes are a crucial aspect of doing business in India. The ease of compliance with the mandates of the Tax Administration can be significant factor in establishing the ease of doing business in a territory.

For long, procedures of registration of businesses, amendments and cancellations to registration, filing of returns and payment of taxes have been managed manually. Manual processes have cost taxpayers time and money besides making compliance tougher. Tax officials too have been overloaded with routine tasks of maintaining physical documents and in the absence of adequate time and tools to process the large volumes of data have not been able to focus on core value-adding work within the Tax Administration.

Need

State of Karnataka, has been amongst the first States to take up computerization of core processes to improve service delivery to citizens across Government Departments.

After the introduction of VAT, the number of registered dealers increased substantially - instead of assessment of annual returns under Sales Tax, VAT prescribed monthly or quarterly submission of returns; thus the quantum of work in the assessment units increased many-fold under VAT. The State realized that an integrated automation was the bedrock on which the success of VAT rests as tax evasion cannot be checked without cross-verification. At the same time, the pressing need to enhance revenue and control tax evasion required that compliance be made easier for Taxpayers. A need to provide taxpayers a better experience of interacting with Tax Administrations was felt and the Tax Administration undertook a massive automation drive to reengineer its manual processes and provide for **Electronic delivery of services anytime anywhere across the lifecycle of the taxpayer**. Some such initiatives are detailed below.

Registration of Taxpayer

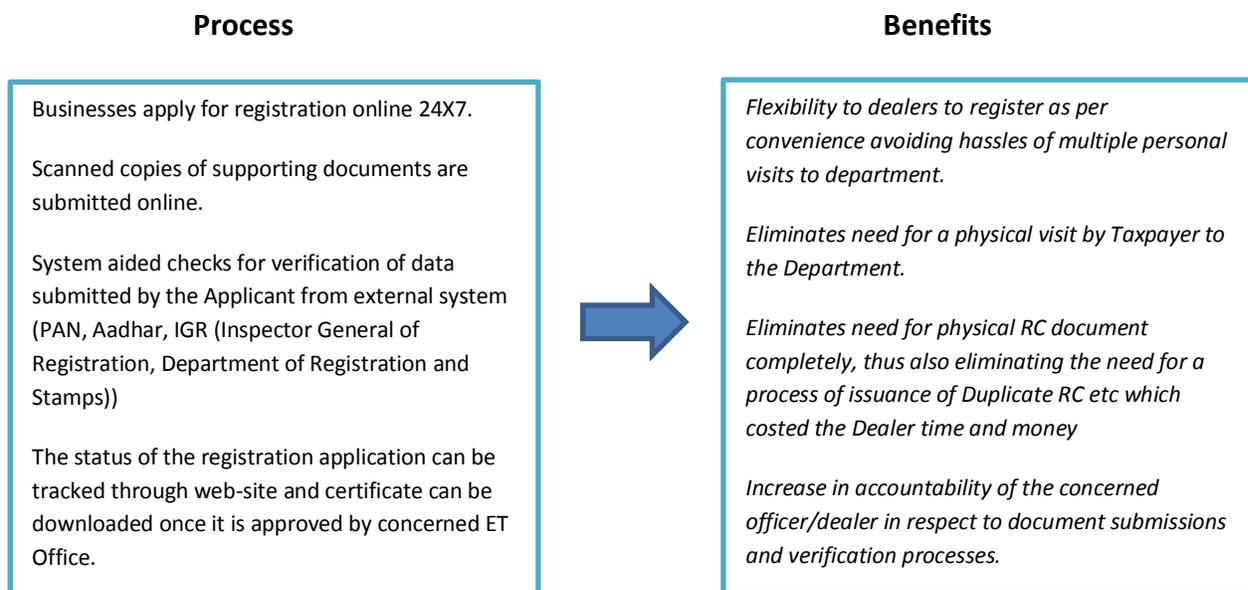
Background

Earlier process of registration with the Tax Administration required Dealers to submit an application along with supporting documents and registration fee at the Tax Administration Office. Documents submitted by the Applicant were verified manually, and post a physical verification of the site of business, and reconciliation of proof of payment of registration fee with the Treasury, Registration Certificate was generated and dispatched to the dealer. Given

the sanctity of the physical Registration Certificate, Tax Administrations also had procedures defined for issuance of duplicate RC in case the Taxpayer lost the original one.

Overall Registration process could take anywhere between 7 days to a month depending upon the completeness of the documents submitted and the availability of the tax administration officials to manually verify documents and conduct site visits. The process was cumbersome and required multiple visits on part of taxpayer to the Department, besides adding to the workload of the Tax officials.

Best Practice and accompanying benefits



Once registered, Taxpayer can also amend or cancel his registration online.

States like Maharashtra have implemented an Application Rating System for dealers which provide a risk rating to the new registrant based on his demographic and business profile. All applicants identified as “Low risk” are provided the Registration Certificate within 24 hours of the application time; without requiring any site visits from the Tax Administration or personal visits by the Taxpayer. The Risk profiling is done based multiple criteria such as demographics, business risk, age and background profiling etc.

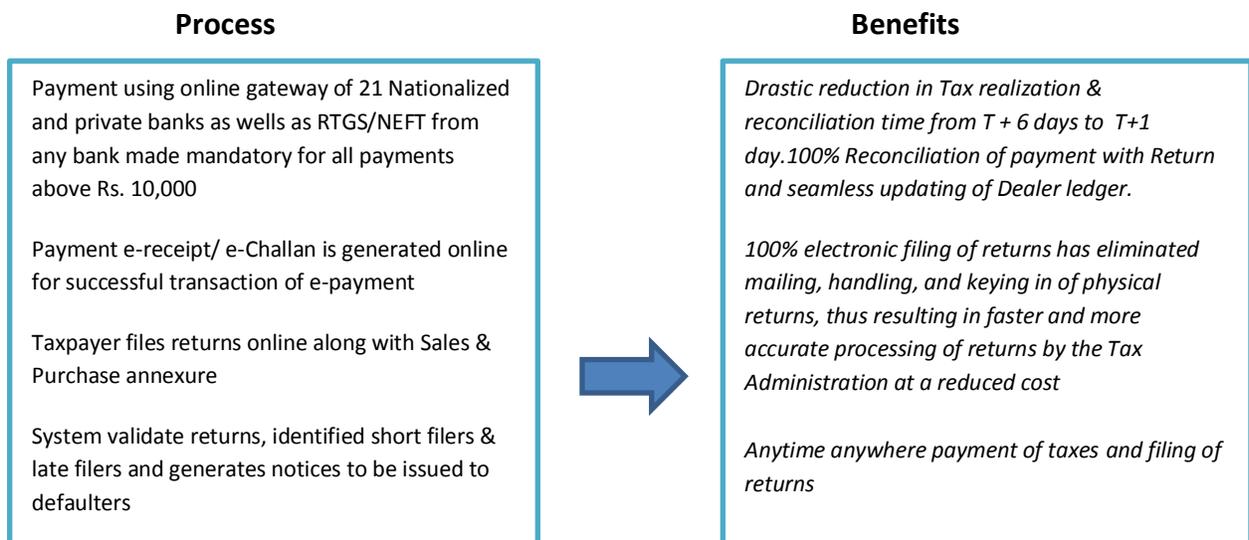
Filing of Returns and Payment of Taxes

Earlier process of payments required Dealers to visit the Departmental premises or a bank to make the payments through a Cheque or cash. Multiple copies of the challan were to be maintained by the taxpayer. A copy was submitted at the Treasury Office also at the Tax

Department at the time of submitting a return as proof of payment of tax. Manual processes of issuance of challans and their reconciliation were not only time consuming, but also error prone; often resulting in 30+ days for reconciliation of payments between the key entities – Banks, Tax Department and Treasury.

Similarly, physical filing of returns at the Tax Department required taxpayers to visit Department premises for submission of return and for subsequent follow-ups or clarifications with the Tax Officials. For the Tax officials too, reconciliation of this huge volume of data was near impossible. Tax realization and reconciliation now happens in T+1 days, this is made possible by use of digital scrolls sent by banks to RBI and from RBI to the Commercial Tax departments. These digital scrolls are used along with the 16-digit bank transaction number for system based reconciliation.

Best Practice and accompanying benefits



e-Waybill generation

Background

Like in other States, Commercial Taxes Department in Karnataka has set up checkpoints on commercially important roads to keep a vigil over goods vehicles passing through so as to ensure payment of taxes on corresponding transactions. Each consignment in any vehicle transporting goods in the State is required to be accompanied with prescribed documents containing details of the transaction.

Earlier, the Tax Administration believed that as the prescribed document on the dealers own stationery could be manipulated or fabricated to suppress information related to actual transaction, Department felt that it would be better if these transactions were reported on Department issued stationery. The utilization of the same could then be monitored and accounted for. Hence, the Department issued specialized stationery called “Delivery Notes” (DNs) with defined Serial Numbers to dealers of evasion prone commodities.

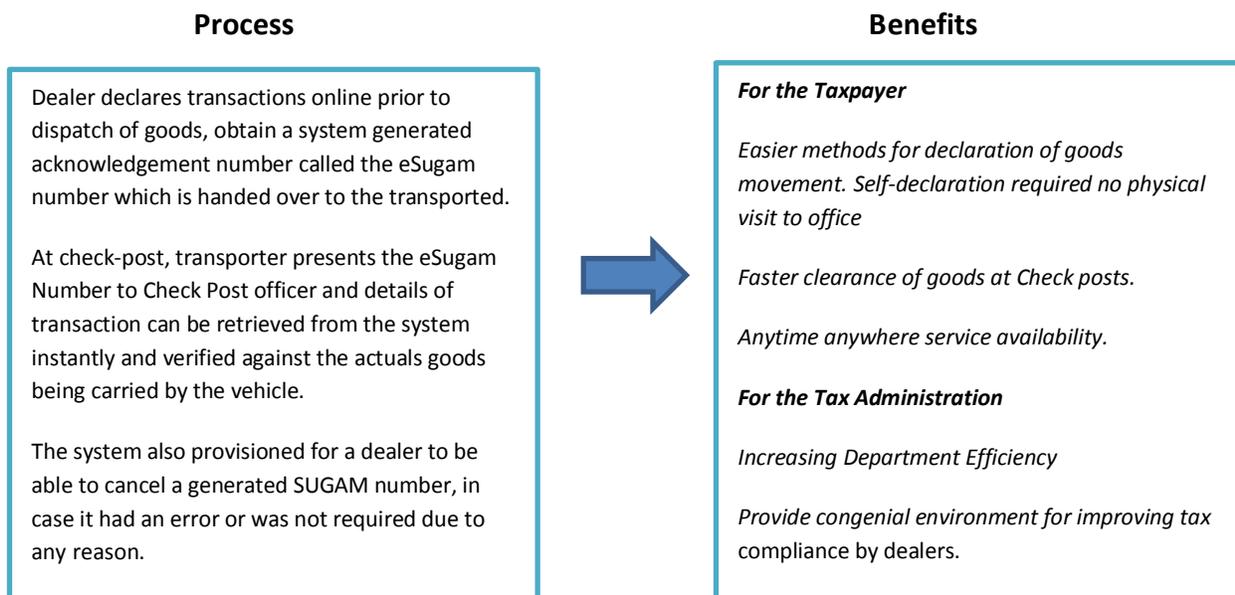
This process required Dealers to physically visit the Department to obtain blank DN's on payment of prescribed fee. DN's were issued in triplicate. The first copy was for surrender at the check-post; the second copy was for carrying along with the truck and the third was for retention by the dealer.

Not only did this process consume time, effort and cost for the dealer, it resulted into long waiting times at the Checkposts. Further, sheer volumes of these transactions (73000+ requests per day for delivery notes from Jan - July'12) made it impossible for the Tax Administration to meaningfully reconcile this data with the returns of the Taxpayers.

The Tax Administration then decided to reform the process. The aim was to reduce the hardships of the trading community, but at the same time ensure better tax compliance.

Best Practice and accompanying benefits

Paradigm Shift – Self declaration rather than Departmental policing



M-Sugam: keeping in view problems faced by dealers not having access to internet, based on feedback from the trader community, the State went ahead to launch m-Sugam, wherein the

The SUGAM number can be obtained by the dealer through an SMS using the dealers registered mobile number. The process for getting the SMS service usable to the dealer is as follows:

The mobile based system requires the dealers to request for SUGAM number from the department by sending six critical parameters, through an SMS to a designated mobile number. Once the SMS is received, the system validates the details received and returns a SUGAM number along with date of generation via an SMS. The dealer can then share this number with the transporter, who can show it at the state Check posts. The only pre-requisite for this service is the prior registration of the dealer mobile number in department's server records.

Sugam 2: In the present system, only the selling dealer uploads the transaction. In the advanced version referred to as Sugam 2, as soon as the seller uploads the transaction, the buying dealer with in the state would be required to confirm it. For the same, an SMS would be sent to the mobile phone of the buying dealer, who would have to confirm the transaction by sending a return message. Only then a SUGAM number would get generated. This would ensure a 100% perfect system for accounting all transactions.

Discussions are also on with other States for introduction of inter-State Sugam.

Recognition

Karnataka State has also been felicitated by the Prime Minister's Award, 2011-12, for the outstanding team initiative "TRANSFORMATION OF COMMERCIAL TAX REGIME IN KARNATAKA"

The eSugam initiative has been a great success with over 74% of the transactions being declared online after its introduction. The initiative has been recognized as a best practice and has received the GOLDEN AWARD under National Awards for e-Governance -2011-12.

Recommendations

Some of the areas where further improvement can be brought are as under:

- 1. Risk profiling of taxpayers**

Services could be made more taxpayer centric with treatment to taxpayers being differentiated based on the risk profile of a Taxpayer. The risk profile indicates the revenue risk that a taxpayer poses to the tax administration based on his demographic-cum-business profile and compliance history.

A dynamic risk profiling system that identifies the risk category of a taxpayer and updates it at each instance of the taxpayer's interaction or default with the Tax

Administration can be implemented. The risk profile could then be used to manage the Taxpayer experience throughout his lifecycle. For example, A risk based approach to clearance of refunds can be adopted where the level of scrutiny and audit performed on the refund request would be significantly higher for a “High risk” taxpayer as compared to a “low risk” taxpayer. Leading tax administrations across the globe including Singapore, UK, and Australia have adopted this approach for faster processing of refunds and to become more taxpayer friendly.

2. **Dealer Ledgers:** Provisioning of dealer ledgers online that provide the dealer with an anytime anywhere access to their complete profile including an up-to-date history of transactions (successful / unsuccessful) such as such as details of registration, assessment finalized, pending assessment, pending appeal, returns filed, payments made, refunds granted. Dealer ledgers would be system maintained and available to the Dealer online through secure access. Dealer Ledgers would be a great move towards significantly enhancing the transparency of interaction with the Tax Administration. States like Maharashtra and Tamil Nadu are already in the process of implementing these in their next wave of eGovernance.

3. **Phasing out of static checkpoints** - Once a transaction is uploaded online, its reflection in the dealers’ books of accounts is assured and so also is the tax payment. The check posts are required to only verify if the actual consignment tallies with the description uploaded. In order to ensure this, random checks of goods vehicles should be sufficient. Thus, in future the static check posts should pave the way for mobile check posts which would carry out checks randomly.

Implementing Agency Details

Name of the Agency	National Informatics Centre
Address	Ministry of Communications & Information Technology A-Block, CGO Complex, Lodhi Road New Delhi - 110 003
Name of CEO/MD/Regional Head	Shefali Sushil Dash, Director General
Contact Details	Ph: : 011-24361504 email: dash@nic.in

Name of the implementing officer

Name	Shri P V Bhat
Designation at the time of implementation	Senior Technical Director, NIC, Bangalore
Current Designation	Same as above
Contact Details	

Sources

1. *India Governance Website; www.indiagovernance.gov.in*
2. *National Informatics Centre; www.kar.nic.in*

Online services for Compliance to Labour laws: Labour Management Solution by Labor Department in Maharashtra

Background

In order to create enabling environment for the businesses, it was felt necessary to facilitate the interface with the Labour department in a manner which provides transparency and lessens the burden of compliance on them. With this aim in mind, Labor Department, Government of Maharashtra had decided to implement a Labor Management Solution. The project is designed to provide businesses an online interface with the Labour department so that they submit online license applications and the renewal of license applications. Under the Factories Act, 1948, the factories can also apply for exemptions under various provisions in the labour laws in an online manner. In addition to this, the shops and establishments can submit their registration applications online and also apply for various exemptions online. Through the e-interface created under this project, the businesses would also be enabled to file their monthly and annual returns online.

Need

There are nearly 20 lakh shops and establishments registered in Maharashtra under the Bombay Shops and Establishments Act, 1948. In addition to this, there are nearly 40,000 factories licensed in Maharashtra under the Factory Act, 1948. Further, a major challenge is to ensure the registration of the large number of businesses in the unorganized sector. The need for LMS arose because of the following points:

- a) Large number of business enterprises
- b) Myriad Labor Laws (46 Labor related Laws) to be complied with.
- c) Tedious process of filing returns and seeking licenses, permits and clearances
- d) Multiple vacant posts leading to too much burden on existing Labor officers and resulting into inefficient monitoring
- e) Non availability of a citizen charter resulting into inefficient delivery of services
- f) Age old manual processes leading to delay in decision making

Best Practices Adopted

Maharashtra Labor department has adopted the following features in the Labor Management Solution which has made it a best practice and can be replicated across other states:

- **Business Process Reengineering:** More than 300 business processes were reengineered to make it in line with the IT systems. The steps which were redundant were either merged

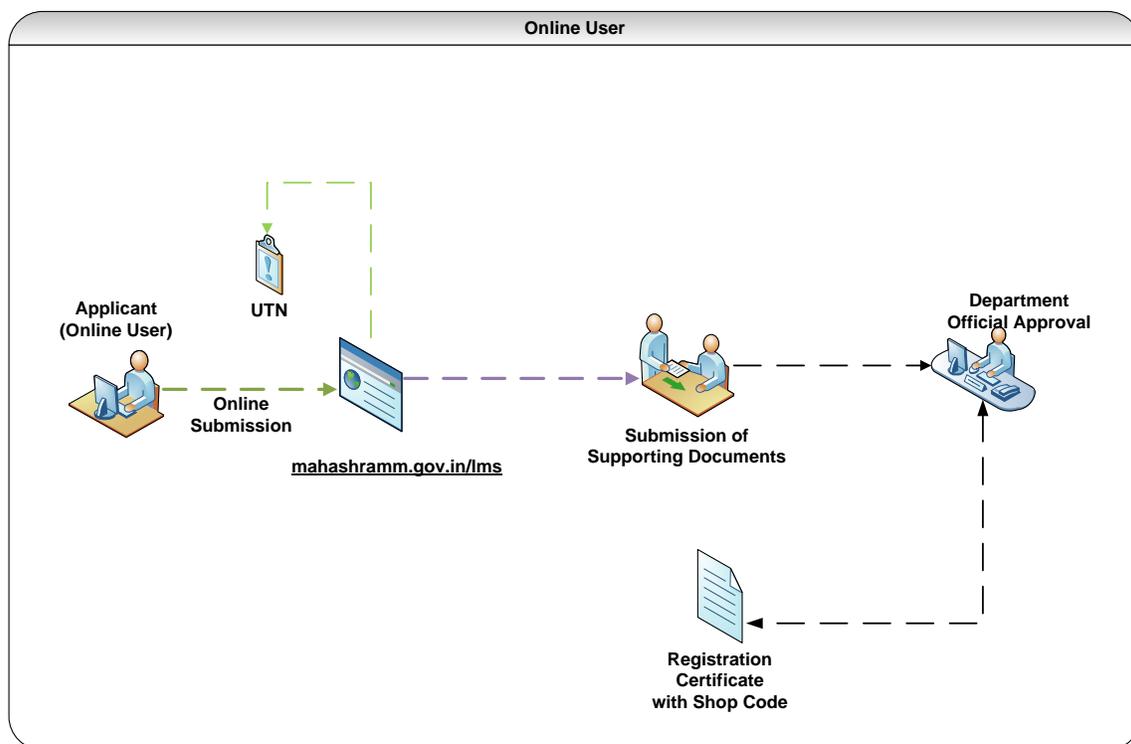
with other steps or completely removed. This has resulted into drastically reducing the time for delivery of services.

- **Availability of Information Online:** The business establishment can get all the information regarding the Labour department and the related laws online from the Labor Department website. They can also get the process flows, which define detailed procedures on how to apply for licenses, register businesses and seek for various exemptions
- **Availability of Services Online:** More than 50 services were made online including:
 - Facility for submitting of online licenses and renewal of licenses applications under the Factories Act, 1948 including facility of paying required fees online.
 - Facility of submission of online registration applications under the Shops And Establishments Act, 1948 including facility of paying required fees online.
 - Facility of applying for exemptions under various labour provisions online
 - Facility to the factories and businesses for submitting annual and monthly returns online to the factories and businesses
- **Well defined and monitored Citizen Charter:** The website as well as various offices of Labor Department displays the Citizens Charter enumerating the services which would be available to the businesses and the time lines within which those services will be delivered. This Citizens Charter is linked with the MIS system of the department to generate alerts in case time line defined in the Citizens Charter is not met with by the department at any level. Accountability of the respective officers is also thereby fixed and appropriate action will be taken by the Superior Officer if needed. This will bring in the transparency of the workflow and ensure that no delays happen while doing the process.
- **Effective compliance monitoring:** As most of the services have been made online, it is easier to track non-compliance by generation of alerts with respect to non-filing of returns, non-renewal of licenses etc. In case certain non-conformities were found during inspections and certain timelines were agreed upon for compliance, automatic reminders are sent and only when, in spite of 3 reminders, compliances are not obtained, the inspectors of the Labour department are required to visit the establishments.
- **Online Tracking of Applications:** The Portal allows online tracking of the status of applications as well as complaints. There is also a provision of sending SMS alerts once the application is disposed off.

Process

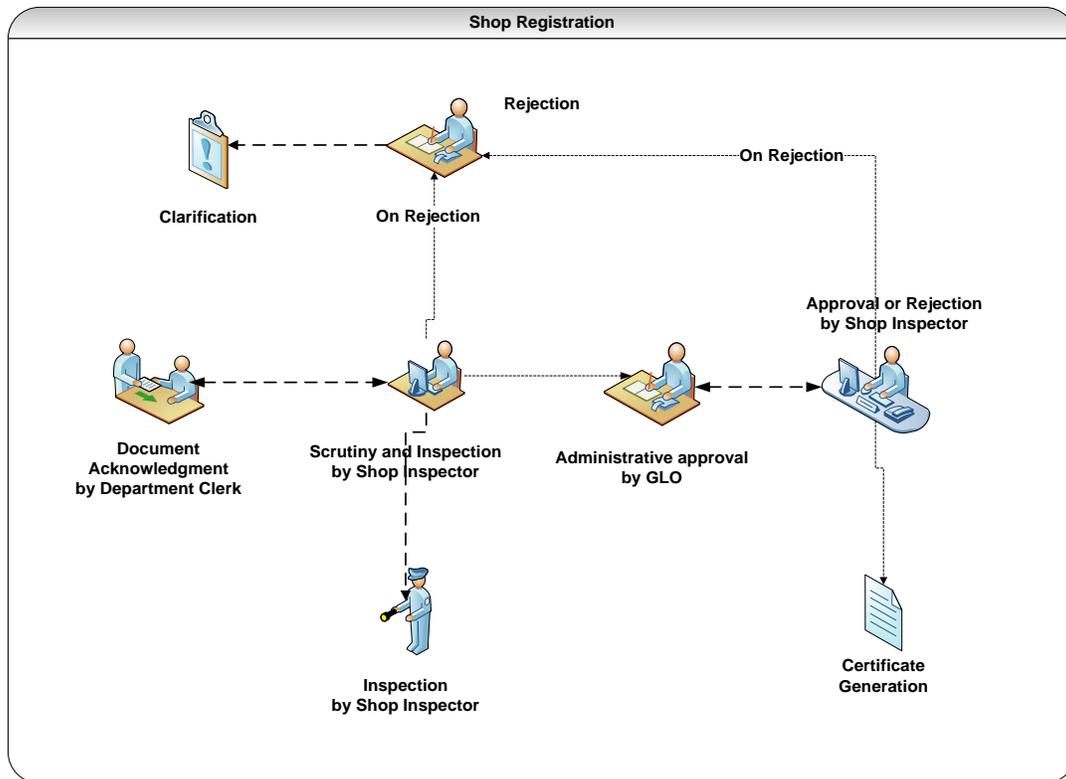
Typical process for Shop Registration is as given below:

1. Online User/Kiosk/CSC (Common service center) personnel accesses <http://www.mahashramm.gov.in/>.
2. User should register with contact information and create a Login to the LMS Online, using 'Register Here' link.
3. User should login using his Login ID and Password.
4. User should select Shop Registration and follows a process as mentioned in the following steps.
5. Enter the registration details in the FORM 'A' only for Registration and submit.
6. If the application is of FORM A+B i.e. Registration and renewal then enter the details accordingly and submit. If the applicant's data is not already there in the database, then he would need to go through the above process to register his data and then renew his license.
7. On submission of form Unique Transaction Number (UTN) will be generated.
8. Applicant should print the submitted form with UTN number and approach the department for submitting the supporting documents.



This section explains the Department workflow in detail.

1. Department acknowledges the supporting documents with the submitted application form.
2. In the next stage scrutiny and inspection is done by Shop Inspector and application is forwarded for administrative approval. The Shop Inspector can also reject the application in case of discrepancy.
3. Administrative approval is performed by Government Labour Officer (GLO) and forwarded to Shop Inspector for Final Approval.
4. In the final approval stage the Shop Inspector, approves the application and forwards for Certificate Generation (In this stage the Shop Inspector can also reject the application in case of discrepancy.)
5. Certificate generation is performed by department clerk after approval.



Benefits

1. Facilitating the factories, shops, establishments and other businesses to interface online with the Labour department in an efficient, hassle-free and transparent manner. 50% to 75% reduction in the service delivery timelines in most of the services.
2. More effective monitoring of the industrial safety and health environment in order to reduce the incidence of accidents rate through automatic alerts to the establishments as well Labor officials for safety and other compliance.

3. Risk based inspections which are more focused, targeted and efficient leading to better compliance.
4. A greater transparency and accountability through defined citizen charter enhanced tracking ability for applications, complaints and suggestions online.

Recognition

The project has been showcased as one of the good practices under 'New Technologies available to Labour administration and labour inspection' in the 100th Session of International Labour Conference, 2011 at International Labor office, Geneva.

Recommendation

Some of the areas where further improvement can be brought are as under:

- Currently all the services are clubbed under the various Labour Laws they pertain to. The same may also be clubbed under the type and size of business. This will make the compliance much simpler as the businesses can provide certain information about their establishment and will instantly get a list of all the items which they need to comply to.
- Business process reengineering in the Return forms so that a single return can be filed instead of multiple returns asking for similar information.
- Online issuance of certificates and licenses using digital signatures.
- It would improve the efficiency if a checklist of compliance requirements/standards prescribed is placed on the website. Introduction of self-certification by certain category of businesses (non-risk/non-hazardous activities/businesses, businesses up to a certain level of investment etc. – criteria can be laid down) can be considered and approval in such cases made on line. Inspections can be on a random basis.
- Certificate generation can be made online.
- Since all the information regarding labour legislations is available online, it would facilitate if once the user keys in his information regarding the size and type of business, the system is able to generate information on the forms required to be filled/ laws under which compliance is required/standards required to be maintained.
- Forms for setting up business/filing of returns can be rationalized.

Implementing Agency details

Name of the Agency	Glodyne Techoserve Limited
Address	801, Balarama, Bandra Kurla Complex, Bandra (East) Mumbai
Name of CEO/MD/Regional Head	Annand Sarnaik, CEO and MD
Contact Details	Email: annand@glodyne.com

Name of the implementing bureaucrat

Name	Kavita Gupta
Designation at the time of implementation	Principal Secretary Labour, Maharashtra
Current Designation	Deputy Director General , DGFT, Mumbai
Contact Details	8454848077; kavitagupta9@yahoo.com

Sources:

1. *Labour Department's entry for 'e-India Awards 2011'*
2. *'Empowering India' report by published by FICCI in 2012*
3. *'Ease of Doing Business' in India report published by CII in 2014*

Setting up MAITRI (Maharashtra Industry, Trade and Investment Facilitation Cell) – by Department of Industries in Maharashtra

Background

MAITRI is an initiative taken up by the Department of Industries (DOI), Maharashtra to establish a one stop portal for G2B services offered across the business cycle for setting up an industry. This involves integration with other departments of the Government of Maharashtra that interface with the business community for these services.

MAITRI will provide escort services through hand-holding support, management of web-based portal and coordination with different government agencies. Further, MAITRI will function as a clearing house for all investment-related information, i.e. various clearances, incentives and subsidies, and grievances, and will assist the state to project investment opportunity.

Need

The need for MAITRI arose because of the following factors:

- Rapid industrialization in Maharashtra led to a large volume of pending applications with long delays in clearances due to manual processing.
- After submission of application and supporting documents, investors/entrepreneurs did not have a mechanism to:
 - Check status
 - Raise grievances/concerns
 - Follow up
- Each department has a multitude of policies, forms, templates and GR that needs to be considered for processing. The investors had to visit each and every office to get this information, including multiple visits.
- There was no dedicated team who can guide new investors on applicable policies and benefits and advise on the appropriate forms and supporting's, that were to be filled, based on their business needs and proposed industry location.
- Senior government officials did not have a real time MIS for checking the status of pending applications and other investor issues.
- The same investor information (personal, financial and business) was sought by various government entities for their respective processing and there was lot of repetition and wastage.

Best Practices Adopted

- A Government Resolution (GR) for directing and co-ordinating activities between various departments, including appointment of nodal officers for speedy clearance has been issued.
- District level processing and approving authority for all departments is mapped in system and workflow. For each application, two levels of hierarchy – processing and approving are mapped. In addition, a nodal officer for each department at the State level has been identified. Thus, when investor chooses location of a particular district/taluka, system drop down choses the appropriate official with the local jurisdiction and their co-ordinates.
- Online Availability of all forms and supporting documents and workflow based alerts and escalations. Citizen Charters (timelines) for various departments have been mapped in the system for processing. Any delays and the system auto escalates to nodal officer.
- Information regarding investment policies, government co-ordinates upto district level, citizen charter and circulars available on the portal.

Processes Involved

MAITRI will issue **31 clearances and approvals** required for setting up of industries in the State. It aims to provide a common user interface to the business users through a common and integrated view of a business. The system shall consider the current status of IT at various participating departments and will be designed to address the requirements of different participating departments without the latter having to make changes in their applications and/or databases.

- Category A: Single Sign On - The departments wherein an IT system exists for application submission and processing of its relevant services and DOI has control over the implementation of the IT system. For instance, MIDC.
- Category B: System Integration - The departments wherein an IT system already exists for application submission and processing of its relevant services. In this case, integration of the SWC with the existing systems will be required. For instance, Sales Tax.
- Category C: E-mail Interaction – The departments wherein no IT system/ automation exists and the departments are not willing to update applications & receive details through SWC system interface. Data, alerts, grievances, escalations and queries will be sent to the concerned authorities through e-mail and they will in turn respond and provide status updates through e-mail.
- Category D: System Interface - The departments wherein no IT system/ automation exist for application submission and processing of its relevant services. In this case, an

interface in the system for entering data, accessing data, raising & responding to queries would be provided to these departments.

The service category mapping depends on the location of land i.e. MIDC area, Municipal Corporation area, Municipal Council area or Gram Panchayat Area.

Benefits

Since MAITRI was inaugurated on 27th February, 2014 by Hon Chief Minister and the subsequent elections, there has been minimal time for adoption, measuring impact and quantifying benefits. However, some key benefits that accrue to investors include:

- There are dedicated professionals (5-6) for operating the Investor Facilitation Cell in Mumbai, reporting to Jt. CEO MIDC. They provide assistance and handholding regarding state policies to investors and entrepreneurs.
- Visibility of applications to stakeholders at each stage of processing and approval – aiding to meet the citizen charter timelines.
- Ease of convenience for investors – most documents can be uploaded online for processing, saving time and hassle for repeated visits to departments.

Recognition

MAITRI has been built on the SWC project of MIDC that had won the prestigious Skoch Virtual Award for the Single Window Clearance (SWC) project. The SWC project had also received the following other recognition:

- Good Governance Award 2010 to MIDC for implementation of MIDC online.
- Special Achievement Award at CXO Awards 2010 to MIDC.
- Citizen choice eIndia 2010 award to Digital MIDC Single Window Clearance System of MIDC.

Recommendation

MAITRI could be further enhanced and strengthened through the following measures:

- Formulate a Single Window Clearance (SWC) Act to bind the various government departments for receiving, processing and monitoring of applications.
- Formulate a SWC committee at District level for expediting applications – to be headed by Collector OR GM of Industries Dept.

- Mandate online submission and acceptance of all applications and supporting documentation. Do away completely with physical copies, in a time bound manner.
- Establish a one time (single) payment by Investors wherein all departments' money is collected at the time of Common Application Form submission.
- Build payment calculation logic in the system for calculating and disbursing fees to various department accounts, based on their proportion.
- Enhance the coverage of industries to be provided services through SWC, from existing Large and Mega (investments > INR 10 Crore) to SMEs across the State.
- While the MAITRI (of Department of Industries/MAH) involves integration with other departments of the government of Maharashtra that interface with the business community it may be considered to provide a link to the Central Government Ministries/Departments where clearance is necessary from the latter.
- The departments having no IT system/automation in place and not willing to receive applications through SWC System interface could create a logjam for other enabled departments, if the approvals by the latter are dependent on clearances by the former kind of departments. The need is for identifying all such Government offices and causing them to come on board/adopting IT enabled processes, to make the SWC a true success.

Implementing Agency Details

Name of the Agency	SoftTech
Address	M/s SoftTech Engineers Pvt Ltd, The Pentagon, 5-A, 5th Floor, Shahu College Road, Pune , Maharashtra 411009
Name of CEO/MD/Regional Head	Ravi Agarwal, Director
Contact Details	+91 20 2421 7676

Name of the implementing bureaucrat

Name	Directorate of Industries – Mr. Apurva Chandra MIDC – Dr. P Anbalagan
Designation at the time of implementation	Directorate of Industries – Principal Secretary, Industries Gujarat Pollution MIDC – Jt. CEO
Current Designation	Same as above
Contact Details	022 – 22025393 – Directorate of Industries 022 - 26870027 - MIDC

Sources

1. *Maharashtra Industrial Development Corporation website; www.midc.org*
2. *Maharashtra Industry, Trade and Investment Facilitation Cell website; www.midcindia.org*
3. *'Survey on Business Regulatory Environment for Manufacturing' published by Planning Commission in 2014*

Land related interventions in Gujarat

Background

The model followed by Gujarat Industrial Development Corporation oversees and ensures reduction in complexity across all processes in getting land. And although there might be some implementation issues but it is still wholesome and addresses concerns of all the relevant stakeholders

An entrepreneur has following options while purchasing land in Gujarat:

- Government Land
- Private Land
- Land in GIDC Estate
- Forest Land
- Land Parcel in Special Economic Zone (SEZ) or Industrial Park (IP)

GIDC has a very simplified land acquisition procedure in the state with minimum direct government participation. An entrepreneur can approach Gujarat Industrial Development Corporation (GIDC) for a speedier acquisition with fewer hassles. GIDC operates and maintains 182 functional estates, ranging from mini to mega sizes, across various districts in Gujarat. It has an inventory of 36,000 hectares of land in the state.

Need

Land acquisition is a major bottle neck in starting businesses in India especially for large firms. Some of headline cases like the Tata Nano plant in Singur, West Bengal and Arcelor Steel Plant in Odisha the projects were scrapped due to issues related land acquisition. Even after land has been bought from private owners, the process of conversion, mutation, title registration etc. are very time consuming and require many visit to multiple Government offices. In 2009, it use to take 42 days to transfer a property title alone and another 45-50 days to get building permit approval.

Processes Involved

Government intervention in land related matters can be in any one of the following three domains.

- Acquisition and conversion of land
- Development of Land and Supporting Infrastructure
- Allotment of Land

In case of land acquisition the Government body needs to ensure that compensation made to the land owners is fair and equitable. Also ensure that proper relief and rehabilitation measures are taken so as to prevent any instability caused by litigation from the land owner. The government body has the ability get faster land conversions (from agricultural to non-agricultural), land title clearances and environmental clearances for the land.

Development of the land is required in terms of essential infrastructure like water, energy and power supply. Facilities like road, rail and port connectivity, waste disposal system etc. also need to be well developed for industries function. It is relatively easier to provide such services to an industrial estate than standalone units. This is especially true about clusters where units from a sector have similar kind of infrastructure requirements. Maintenance and up-gradation of the infrastructure is a key area of concern when industries start operation.

In case of land allotment, it is important for an entrepreneur to have all information related to the land before he can take a decision on setting up the facility in a particular location. If an entrepreneur chooses to approach the GIDC for allotment of land, the following steps need to be undertaken with the stipulated time for each activity mentioned:

- Purchase of Application Form
- Submission of Application with D.D. of Scrutiny Fee (Acknowledgement within 7 days)
- Issuance of OCA (7 days for non-commercial & for chemical cases, on receipt of NOC from GPCB)
- Agreement Execution along with down payment (30 days from date of OCA)
- Possession Advice (within 3 days)
- Taking over of Physical Possession (20 days)

Best Practices Adopted

Some of the best practices followed in case of GIDC acquiring, developing and allotting a land are given below:

Land Acquisition and conversion

- GIDC is allowed the flexibility to negotiate, offering developed land as part of the compensation.
- Price determination based on market prices determined by a scientific method carried out by institute like Centre for Environmental Planning and Technology University (CEPT).
- 10% of the differential amount of acquisition price and land price recovered by GIDC paid to owners over and above
- Eliminates chances of future litigations as guarantees good returns to farmers

- GIDC land is classified as non-agricultural, thus eliminating the need for NA/NOC permission and need for verification of titles
- 50 Skill Up-gradation centres constructed for imparting training in various GIDC estates, 50 more planned
- Provision for employment of one member of each family whose land is acquired

Development of Land and Supporting Infrastructure

- Sector specific estate development by GIDC on PPP model where land is acquired by Industrial Associations
- GIDC assists Industry association by making debt and equity investment but recovers it in a given timeframe
- Critical Infrastructure Projects (CIP) scheme for up-gradation of infrastructure facilities is done by contribution from Government (60%), GIDC (20%) & private promoters (20%)
- Provides decentralized decision making system taking inputs from stakeholders

Allotment of Land

- Information on land made available on online portal with highlights on availability of land, power, gas, distance of port, airport, SEZ among 65 parameters for Industries based on the critical parameter specific requirements chosen by the entrepreneur
- Demands are currently met on a first-come first-served basis
- Land inventory is updated on live basis and Geographic Information System (GIS) based application used for better land management
- Investors can make a large part of their research without even visiting the land.
- Timelines for approval are incorporated in the backend online system
- GIDC MITRA – Online Grievance Redressal and monitoring system

Benefits Realized

- GIDC has been able to bring down the days taken to provide land possession to less than 45 days from the date application
- Land allotment increased by 4 folds with the launch of online portal in 2010
- As per GIDC Companies like Tata Nano, Ford, Nestle, Bosch, Baosteel etc. have existing operations or are in the process of setting up units in Sanand Industrial Estate

Recognition

Recognized as best practice in various reports including the 'Empowering India' report by published by FICCI in 2012 and 'Ease of Doing Business' in India report published by CII in 2014. The 'Survey on Business Regulatory Environment for Manufacturing' conducted by Deloitte and

Planning Commission in 2014 places in Gujarat in top 33.3% percentile states in land & building related approvals. The report lists GIDC's GIS based software which shows the geographic mapping of land plots in Industrial Areas as a best practice.

Recommendations

Good practices from other states

Although we have chosen to showcase GIDC's model for land related intervention as a best practice but some of the other states have taken initiatives to help businesses to get land for setting up facilities.

- Haryana State Industrial & Infrastructure Development has land rates are clearly spelled out on its website
- If the land required is in private hands, Andhra Pradesh Industrial Infrastructure Corporation acquires the land on behalf of the investor. However, investor has to acquire consent of at least 70% of the existing land owners
- In Andhra Pradesh, one member of land owners family whose land is acquired is guaranteed employment in the industry that is being set up on the land

Implementing Agency details

Name of the Agency	BISAG - Bhaskaracharya Institute For Space Applications and Geo-Informatics for development of GIS based software
Address	BISAG, Near CH '0' Circle, Indulal Yagnik Marg, Gandhinagar-Ahmedabad Highway, Gandhinagar-382 007 Gujarat, India
Name of CEO/MD/Regional Head	Dr. Varesh Sinha, Chief Secretary to the Government of Gujarat
Contact Details	Tel: 079 – 23220372; email: csguj@gujarat.gov.in

Name of the implementing agent

Name	Mr. S.G. Mankad
Designation at the time of implementation	Chief Secretary, Government of Gujrat
Current Designation	Chairman, Gujrat Institute of Desert Ecology
Contact Details	+91-2832 235025, 329408

Sources:

1. *Gujarat Industrial Development Corporation website; www.gidc.gov.in*
2. *'Doing Business in India -2009' published by World Bank and International Finance Corporation*
3. *'Empowering India' report by published by FICCI in 2012*
4. *'Ease of Doing Business' in India report published by CII in 2014*
5. *'Survey on Business Regulatory Environment for Manufacturing' published by Planning Commission in 2014*

Online mechanism for clearances: Implementation of e-Governance by Gujarat Pollution Control Board

Background

XGN was developed by NIC (National Informatics Center) to facilitate the Gujarat Pollution Control Board in implementing Pollution & Environment Acts (air, water and hazardous waste). It facilitates day to day operations for the end users, that is, 300 technical and scientific staff at 21 Regional Offices in district HQs, 100 personnel at GPCB (Gujarat Pollution Control Board), as well as for more than 18000 industries, 27000 hospitals/clinics, common effluent treatment plants and bio medical waste handlers spread across the state.

Need

The need for XGN arose because of the following points:

- Rapid industrialization in Gujarat led to high amount of pending NOC and consent applications due to the time taken for manual processing.
- Tedious report writing, physical file movement for maintenance and updating, manual compliances of queries as well as manual tracking of consent or payment defaulters, all contributed to a lengthy, inaccurate process that took monitoring teams' and staffs' quality time away from their more relevant responsibilities.
- Non-availability of accurate and bulk information in a single place made identification of industries in certain sensitive categories difficult.
- Final decision as well their delivery and communication was earlier vulnerable to corruption and manipulations.

The XGN has 15 in-built modules for different purposes and operators, and the records and files are moved and processed entirely online. The e-Box preserves transaction details, the statuses of various returns and location of e-file details. The e-Communication Module is a significant component of XGN, with facilities for e-Talk, SMS, timely alerts, e-Message Box et al. A continuous notification and two-way communication through e-TALK ensures transparency in communication between industries and GPCB as well as other stakeholders.

Best Practices Adopted

The GPCB has adopted the following features in the XGN portal which has made it a best practice and can be replicated across other states:

- **Consolidated Consent and Authorization (CCA)** - Under this, all consents under water, air, and hazardous material have been merged into a single form online.

- **Application tracking** is made easy as applicants are informed at 8 stages through SMS, and there are alerts at successive stages whenever urgent action is required
- The portal has made **online tracking** of progress on the processes such as transportation and disposal of hazardous waste possible etc.
- **Computerized process management** has done away with exhaustive paperwork, as the management of permits, bills, applications and data all done through the portal.
- **Time-bound processes and provisional approvals** are possible due to the adherence to stipulated time periods for activities. Provisional certificates are awarded within 45 days of applications and 72 hours of approval.
- The Regional Officer can **pre-plan work** on a weekly or monthly basis due to the set time stipulations.
- **Online certificate publication** allows businesses to receive certificates as soon as they are ready without having to physically visit the offices.

The implementation of the above features has made it possible for the GPCB monitor performance, generate quick data, improve performance, lodge complaints and finally make sure that there is access only to relevant stakeholders and not the public. A further explanation of these is given below:

- **Performance monitoring** - An official's work on the XGN account is suspended if he does not respond to applications, or clear them within the stipulated time. This is facilitated by automatic notification to senior official at the time of defaulting.
- **Quick data generation** - XGN is available in two modules for speed - the head office module assists in full state data generation, and the regional office module for respective regions.
- **Improved performance** - XGN has helped officials focus their time on inspecting and monitoring industries, as compared to manually processing files previously.
- **Lodge complaints** - Anyone who finds industries violating norms may easily lodge a complaint through the XGN link on the board's website and be intimated about any action taken by personal SMS or call.
- **No access to public** - The XGN model is accessible only by a designated set of stakeholders identified by the GPCB, leaving only the log-in page open for public access, information only on consent renewed or rejected every day.

Processes Involved

With the introduction of the XGN portal, GPCB introduced **e-Governance in environment management**. Through XGN, the board has facilitated inventory creation for multiple categories of hazardous waste as well movement of information of wastes in real time. It has met with

facility operators and industrial units to address the 4'R's: Reduce, Recycle, Reprocess and Reuse at source. The steps or process for using the portal are described below:

- Each industry is assigned a unique id and password by the GPCB, which is the only mode of access to the XGN portal.
- On accessing XGN for the first time, an industry must feed all relevant information regarding electricity consumption, production, wastewater generation, water sourcing and consumption, treatment and its final disposal, raw material consumption, hazardous waste generation and disposal, air pollution and water pollution control equipment, and upload all relevant files.
- An industry can now apply for consent - such as to operate or to establish.
- The concerned regional officer is informed of the application through SMS, after which he may review the files and on finding anything amiss, he may send an immediate query.
- Within a time period of 120 days, the application must be cleared or rejected, including time for any number of queries. On consent being granted, the operator is informed through SMS.
- Industries can change or edit the information fed by them into the software. This can be verified during inspection by the official concerned, who is informed of the change through a message.
- Officials must clear their backlog in order to proceed with new applications, and the software allows monitoring of the same.

Benefits

XGN has led to reduction in processing delays as well as improvement in efficiency of the staff at the offices. The quantitative evidence claimed by GPBC for the improvement in efficiency is shown below:

Aspects of Work at the Board	Before XGN	After XGN
Processing of applications/year	1,500	9,823
Number of Inspections/year	11,000	24,000
Number of Samples/year	12,500	28,000
Lab Result Dispatched to Industries/month	400	100%

Lab Charges Defaulters	45%	3%
Water Cess Return Defaulters	35%	7%

Recognition

This innovative model for e-Governance in environment has won 2 awards namely, a **Special Recognition Award** in Environment under the Best e-Governance Department Category by Computer Society of India at the CSI-Nihilent e-Governance Awards Ceremony 2010 and a **Silver Medal** in the 13th National e-Governance Conference.

Recommendations

According to the Bain-FICCI report, the GPCB system could do with some improvements in processes. Some of these are listed below:

- Bring clarity to the environmental regulations and processes
- The information on environmental regulations should be easily available on the website so that the industry is aware of the existing processes and information is disseminated
- Regular training programs should be conducted on compliance measures for the industry which include the recent development in green technology
- Process for approvals and submissions should be web-based
- Online submissions and tracking of applications to be introduced
- For procedural reforms and other process simplifications a committee to be instituted
- An extension of validity of no-objection certificates from 1 year to 5 years for green category of firms
- The introduction of self-certification for firms in the green category that are audited by third parties
- A common application/authorization form should be implemented
- Once the user keys in his information regarding the type of business, etc. the portal should be able to provide all information regarding the pollution related compliances required by them.
- There seems to be no provision for tracking of application by the investor- he has to depend upon the SMS sent at various stages by GPCB. This can be built in.
- Introduction of self-certification by a certain category of businesses can be considered and approval in such cases be made online.

Implementing Agency Details

Name of the Agency	Gujarat Informatics Limited
Address	Gujarat Informatics Limited Udyog Bhavan, Gandhinagar 382017
Name of CEO/MD/Regional Head	Neeta Shah, Director (e Governance)
Contact Details	Ph: : +91-79-23256022,9879000542 Fax: +91-79-23238925

Name of the implementing bureaucrat

Name	Shri C.L. Meena, IAS
Designation at the time of implementation	Chairman, Gujarat Pollution Control Board
Current Designation	Board of Gujarat Industries Power Company
Contact Details	Phone: +91-265-2230182 Fax: +91-265-2231207 Email: genbaroda@gipcl.com

Sources

1. *Official Website GPCB; www.gpcb.gov.in*
2. *Official Website Gujarat Informatics; www.gujaratinformatics.com*

Single Window Clearance in Rajasthan and Punjab

Background

Single Window Clearance System (SWCS) is an e-Governance initiative of Government of Rajasthan for effective, accountable and transparent process of investment proposals. SWCS has been conceptualized as an umbrella system covering all modular systems and their integration to ultimately achieve the computerization of state wide investment processing and efficient monitoring. It would facilitate a interface across various departments viz. Bureau of Investment Promotion, Industry , District Industry Centres and other Government Departments.

In order to strengthen the Single Window System and to give it a statutory status, Single Window Act has been introduced by Government of Rajasthan. This system will grant permissions, invoking and using clearance mechanism within specified time. Directorate of Treasuries and Accounts under Bureau of Investment Promotion is the nodal department and National Informatics Centre (NIC) is the executing agency for the project.

SWS acts as single point of contact for investors to reduce the time and efforts involved in obtaining various mandatory clearances and approvals required from respective departments for starting a business/project with ease and minimal “running around”. It provides the facility of online submission and enables updating/monitoring of the application process for obtaining various approvals by the entrepreneurs. The basic aim is to facilitate the industries by providing a single-point, time-bound clearance system required for establishment and operation of industrial undertakings.

Best Practices Adopted

The strengths spread across:

- Governance & Institutional framework adopted
- Process and Procedure related issues
- System/Application level issues – User friendliness of SW Portal and ease of navigation

Rajasthan

- 1) Rajasthan is pioneer in making it mandatory for investors to apply through SW for industrial investments more than 1 crore. For lot of other peer States, application through Single Window is not mandatory and is just a means for business facilitation.
- 2) Only after filling of requisite online “Entrepreneur registration form”, the applicant is allowed to register with a user id and password. This ensures that only serious prospective investors are registered and creation of dummy user ids are somewhat avoided. Also there is a provision that inactive IDs are auto deleted after being dormant for a certain period.

- 3) The concerned department can raise objection only once against any SW application
- 4) The status tracking is indeed a structured one and does not bypass/club any two stages starting right from “registration” -> “e-submit” -> “in process” -> “query/objection”-> “rejected” -> “granted”
- 5) Self Certification is taken on a simple A4 size paper while few of the peer states take it on non judicial stamp paper which makes it hassle free for investors
- 6) Alerts through e-mail for each and every step of application is provided to investors
- 7) SWS online application renders transparency to the system thereby facilitating expeditious and time-bound clearances and approvals.
- 8) Application through SWS is mandatory for all projects involving investment above Rs.1 crore.
- 9) In the first phase, 11 departments and 86 types of applications have been included.
- 10) An officer is appointed at the nodal agency who assists the investor in filling forms and guides him/her through the entire process.
- 11) Time frames have been specified for various clearances and approvals from the concerned departments as well as the nodal agency.
- 12) Investor also has the right to appeal (before the State Empowered Committee) against the decision of rejection by the concerned department. DEC/SEC empowered to review and decide on time out cases.

Punjab

- Branded the SW portal as “ Udhyog Sahayak”
- A separate executive committee is set up under Empowered Committee which apart from new proposals also looks after entrepreneurs problems.
- Clear cut timelines for each and every service are provided
- **Deemed approval is provided if requisite clearances are not provided by concerned department in a time bound manner**
- Each of the following 9 mandatory clearances are explained clearly with clear cut *Dos* and *Don'ts*.
- 24by7 toll free helpdesk number is available for the investors
- An important attribute is that there is an application cover page for each of the license applied which is really convenient and investor friendly.

Processes Involved

Entrepreneurs who are setting up industries or starting a project with an overall investment of more than 1 crore have to file application forms mandatorily through the Single Window System (SWS). For investment ranging from 1 crore to 10 crore, the nodal agency for processing Single Window application is the District Industries Centre (DIC) of respective district, but for project value more than 10 crores, nodal agency for processing the investor application through SWS remains Bureau of Investment Promotion (BIP).

In the first stage, the single window system will be applied at the divisional headquarters and the industrial centres of Rajasthan. In case, the investor seeks a special package to set up an industrial unit, it needs to be sanctioned by the State Cabinet.

Once the Ordinance comes into force, investments up to 10 crore rupees could be cleared at the district level by a committee chaired by the collector. The District Industrial Centre would be in charge of the investment in each district.

The investments exceeding 10 crore rupees needs to be cleared by a State level empowered committee chaired by the Chief Secretary. The Bureau for Industrial Promotion is the agency in charge for this category.

Benefits

- Under the single window system, investors do not need to visit Rajasthan to file an application. He or she can do it by directly applying to the concerned agency. If the district committee does not decide on the investor’s application within the fixed time, the chief secretary’s committee is empowered to look into the matter.
- The single window act also consist a provision for making an appeal against the district level and the Chief Secretary level committees in case of delays or other problems. The responsibility would be fixed on the concerned committee and there would be penal provisions in case the complaints against the authorities are found valid.

Recommendations

The consolidated recommendations/improvements suggested across the four principal dimensions on which the study is carried out are mentioned as following:

- **Governance and Institutional Framework**
Every State has set up empowered committee both at District and State level to monitor the investor cases/applications and take decisions thereof. The purview of cases falling under each committee is purely on the range of proposed value of investment. The frequency of the committees is either fortnightly or monthly. However there is some degree of deviation as far as periodical occurrence of the meetings are concerned primarily due to unavailability of members.

S.N	Name of State	District Level Committee (chaired by DM)	State Level Committee (chaired by PSI/CS)	High Level Committee (chaired by CM)

1	Rajasthan	✓ (> 1 cr** and < 10 cr)	✓ (> 10 cr)	✓(merged with cabinet committee)
2	Gujarat	✓ (<10 cr)	✓ (> 10 cr & < 1000 cr)	✓ (>1000 cr)
3	Maharashtra	✓	✓	✓(merged with cabinet committee #)
4	Punjab	✓	✓	✓(>100 cr))
5	Orissa	✓ (< 50 cr)	✓(> 50cr and < 1000 cr)	✓ (>1000 cr)

**Note: cr means Crore (1 crore = 10 million INR)

- Process and Procedure related

Integrating online payment gateway will definitely help investors in making the overall experience more investor friendly and hassle free.

To make information dissemination smoother, and investors get latest update regarding current industry parks, pipeline projects (in advanced stage of acquisition/completion), associated physical infrastructure like roads and rail etc infrastructure details for better planning.

Currently, classification of forms are done department wise and investor has to figure by himself/herself that what all forms needs to be filled for respective project.

Needless to say, it shall be a landmark step in enhancing the overall transparency of the SWS

In today's world of mobile revolution, m-governance through SMS alerts is pre-requisite

This will enable the nodal officer of respective department to directly retrieve the complete application immediately after investor submits it thereby reducing the time taken by investor to submit the hard copies of all the documents to first SW cell at BIP and then the same being forwarded to concerned department by BIP.

- Indicative list of Additional departments/ services/licenses which may be added to make the existing SWS truly one stop point for existing and prospective investors

Currently only ten departments are added in the SWS of Rajasthan Government covering a total of 82 forms including around 40 licenses. In the long run, when the SWS finally converges into the e-Biz portal of Gol, all the 90 licenses to be provided by State Government and 46 licenses to be provided by Central Government for starting up a

business in Rajasthan must be provided through e-biz portal of State Government which will then truly act as one stop shop point for investors.

- The facility for the concerned department to raise objections only once on an application should be reviewed to allow editing in case of human errors during scrutiny. The facility should allow a second set of queries, should the need arise.
- Self-certification on paper while making things hassle free also allows scope for untrue declarations. The usage of judicial/non-judicial papers for making declarations with regard to business proposals casts the responsibility on the applicant to desist from untrue submissions.
- Making application through SWCS mandatory only for all projects above Rs. 1 crore could be relooked at as there is a sizeable chunk of applicants who are in the micro sector having investment upto Rs.25 Lakhs in Plant & Machinery.
- Granting 'Deemed Approval' for projects not cleared in a time bound manner could have legal issues for projects which are not found fit/cleared during the examination/processing.
- The toll free number available 24/7 ought to be tested at random regularly, as usually these initiatives decline in their efficiency, if not monitored.
- The 46 licenses stated to be provided by Central Government could be listed out, since under the Industries (Development & Regulation Act), Industrial licensing is necessary practically only for four production activities involving Defence Sector, Industrial Explosives, Specified hazardous chemicals and Cigarettes and tobacco, etc.

Implementing Agency Details - Rajasthan

Name of the Agency	Bureau of Investment Promotion
Address	RIICO, Udhog Bhawan, Jaipur
Name of CEO/MD/Regional Head	Mr.Siddharth Mahajan, IAS Commissioner (Inv & NRIs)
Contact Details	0141 - 2227812

Name of the implementing bureaucrat – Rajasthan

Name	Mr. Purushottam Aggarwal
Designation at the time of implementation	Principal Secretary, Rajasthan
Current Designation	Director General, IGPRS
Contact Details	0141 – 2706577/78

Implementing Agency Details - Punjab

Name of the Agency	Punjab Infotech
Address	5th - 6th Floor, Udyog Bhawan, 18- Himalaya Marg, Sector 17, Chandigarh
Name of CEO/MD/Regional Head	Mr. Manjit Singh Rai, Chairman
Contact Details	0172-5256400, 5256401

Name of the implementing bureaucrat - Punjab

Name	Sh. Rakesh Singh, IAS
Designation at the time of implementation	Chief Secretary, Punjab
Current Designation	Chief Secretary, Punjab
Contact Details	0172-2740156

Sources

1. *Rajasthan Single Window website; <http://bipraj.raj.nic.in>*
2. *Department of Information Technology and Communication website; www.doitc.rajasthan.gov.in*
3. *Bureau of Investment Promotion in Rajasthan website; www.investrajasthan.com*
4. *'Empowering India' report by published by FICCI in 2012*
5. *'Ease of Doing Business' in India report published by CII in 2014*