



Survey on Business Regulatory Environment for Manufacturing – State Level Assessment

Planning Commission, Government of India

March, 2014



Final Report

Audit • Tax • Consulting • Corporate Finance •

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Disclaimer

Deloitte Touche Tohmatsu India Private Limited (DTTIPL) has been engaged by the Planning Commission, Government of India to carry out a Survey on Business Regulatory Environment for Manufacturing – State Level Assessment. The scope of work, approach & methodology, evaluation & rating framework for the study are as outlined in the current report being submitted to the Planning Commission.

For purposes of the exercise, DTTIPL has used information obtained from various secondary information sources and primary interactions with various stakeholders including manufacturing units, industry associations and key state government officials. We have relied upon this without any independent verification and our assessment is dependent on such information being complete and accurate in all material respects. We do not accept any responsibility or liability for any losses occasioned to any party as a result of our reliance on such information.

The study did not involve any in-depth review of the current policies or processes related to the business regulatory environment prevailing in the states.

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Executive Summary

Background

The 12th 5 Year Plan acknowledges the importance of manufacturing in overall economic growth and development. The Manufacturing Plan envisages an increase of the share of manufacturing from current levels of 16% of GDP (2011-12) to 25% by 2025, together with creation of an additional 100 million jobs during this period.

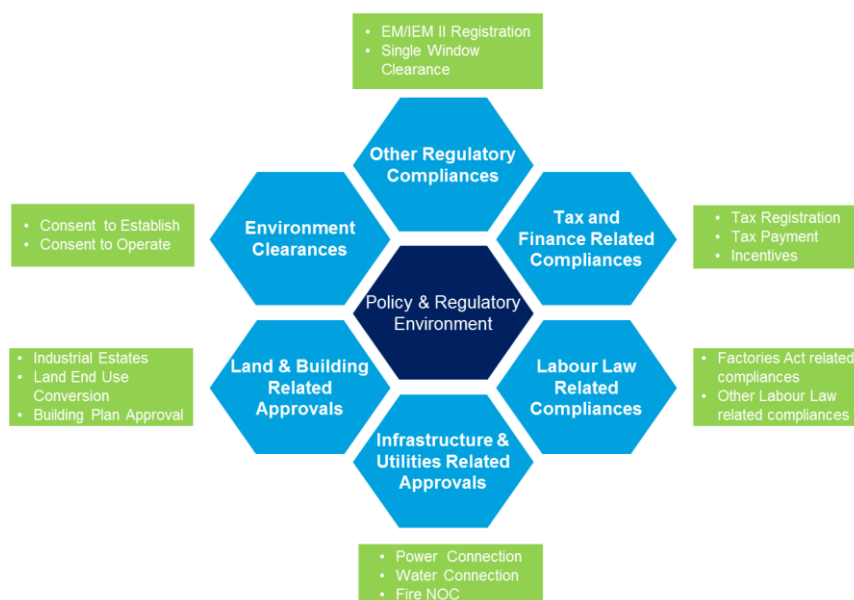
The Plan identifies improvement of the business regulatory environment impacting manufacturing units as one of the key enablers for achieving the growth aspirations of the sector. It was in this context that the current study was commissioned by the Planning Commission with the following terms of reference.

- Carry out a comparative analysis of the business regulatory environment impacting manufacturing competitiveness of individual states, spanning various policies adopted for industrial development and more importantly actual implementation of these policies
- Classify states in different stages of maturity based on their business regulatory environment
- Identify innovative / best practices adopted by various states to improve their business regulatory environment which have the potential for replication in other states
- Identify high level strategies and interventions which may be considered by respective states for improving their business regulatory environment

The study covered all 28 states and was carried out over a 5 month period starting from September 2013.

Approach and Methodology

The business regulatory environment for each state has been assessed based on an evaluation framework comprising six parameters i.e. (i) finance & tax related compliances, (ii) labour law related compliances, (iii) infrastructure & utility related approvals, (iv) land & building related approvals, (v) environmental clearances and (vi) other business regulatory compliances. Each parameter comprised a set of sub-parameters based on the key regulatory compliance requirements in that category (refer figure below for details).



Subsequently, a questionnaire was developed for obtaining feedback of manufacturing units on individual sub-parameters in terms of time taken for approval (wherever applicable) and on end user experience of the process (whether it was IT enabled, adequacy of information / guidance, number of visits required for compliance, objectivity of compliance process etc.). Simultaneously, detailed discussion agenda were prepared for the industry associations as well as State Government officials for obtaining feedback on highlights of policies and implementation mechanisms adopted for business regulatory compliance, key issues to be addressed for further improvement etc. Both the questionnaire and discussion agenda were refined and finalized through interactive meetings and workshops involving officials from the Planning Commission, DIPP, Ministry of MSME as well as representatives from industry associations like CII, FICCI etc.

Based on the evaluation framework, a 5 point rating scale was also developed to score individual states against individual sub-parameters based on the responses obtained during the primary survey. To minimize impact of sampling related anomalies, higher weights have been assigned to objectively verifiable parameters like existing policies and processes / practices adopted for regulatory compliance (IT enabled monitoring mechanism for Single Window mechanism, for example) vis-a-vis pure perception based factors like extent of satisfaction.

Extensive desk research was conducted by the Deloitte team to identify and analyse key initiatives undertaken by various states as part of their efforts to improve their business regulatory environment. Subsequently, during the period from October 2013 to January 2014, the Deloitte team visited all 28 states as part of the field study. The Planning Commission also reached out to all leading industry associations to enlist their support in reaching out to their constituents for participating in the survey and links to the online questionnaire were shared by some of the larger industry associations with their members.

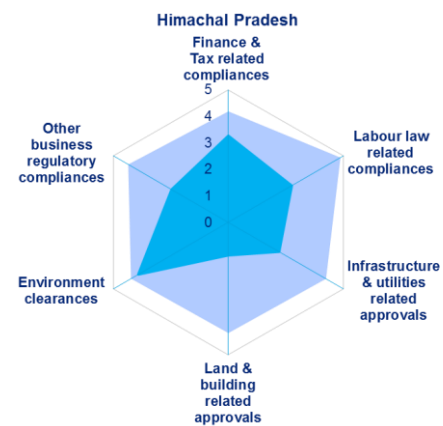
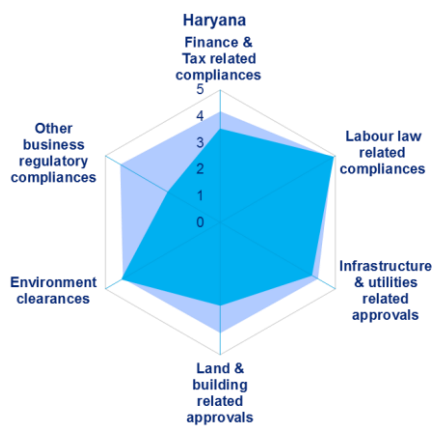
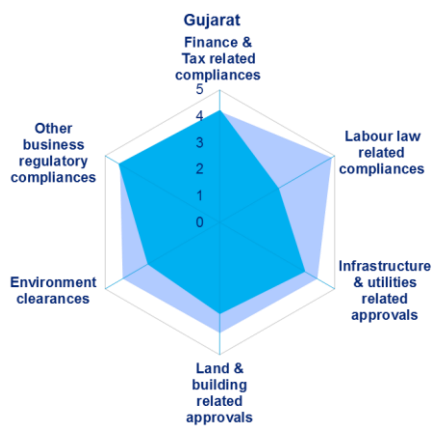
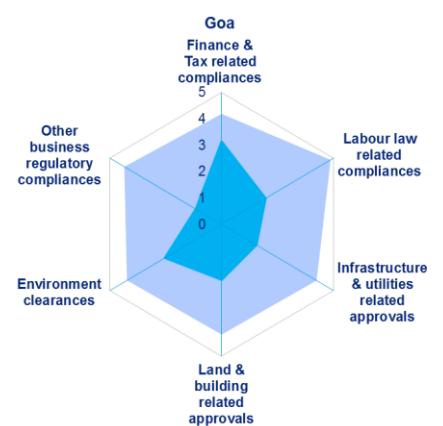
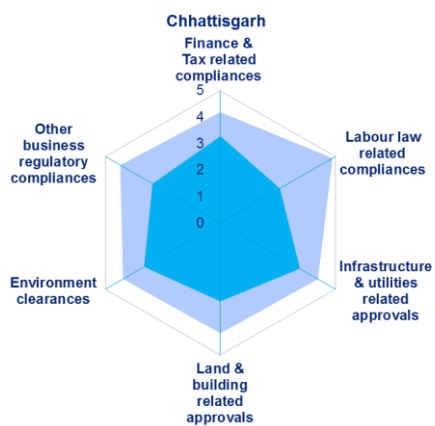
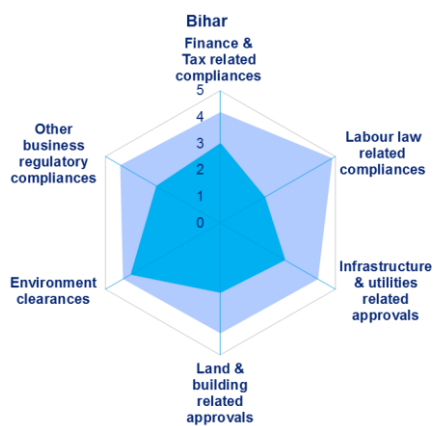
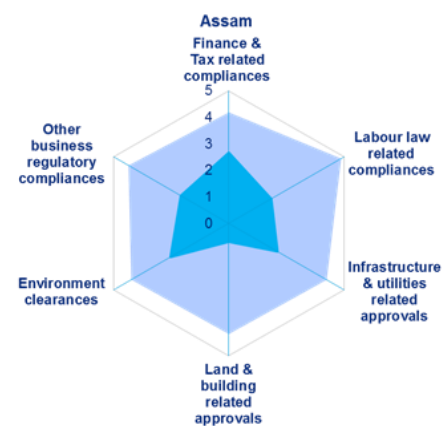
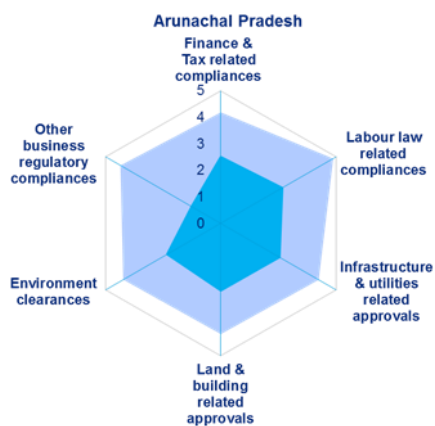
More than 400 manufacturing units across 28 states shared their experience on business regulatory compliance in their respective states, together with around 50 industry associations who provided views and inputs on the business environment of the states (what is working and what is not) & possible solutions. Around 100 State Government officials also participated in the exercise, assisting in validating the desk research findings and sharing their viewpoints and insights on policies and implementation mechanisms adopted / proposed to be adopted by them for improving the business regulatory climate.

The current report details the key findings from the exercise and is in two parts. In **Volume I**, the relative standing of various states on overall business regulatory environment as well as on the six individual dimensions of business regulatory compliance has been covered. **Volume II** contains state specific findings in terms of key observations for each of the six dimensions of regulatory compliance, select policies and implementation mechanisms adopted for improving the business regulatory environment, suggestions made by stakeholders as well as select high level recommendations for consideration by the State Government.

Key findings on business regulatory environment at the State level

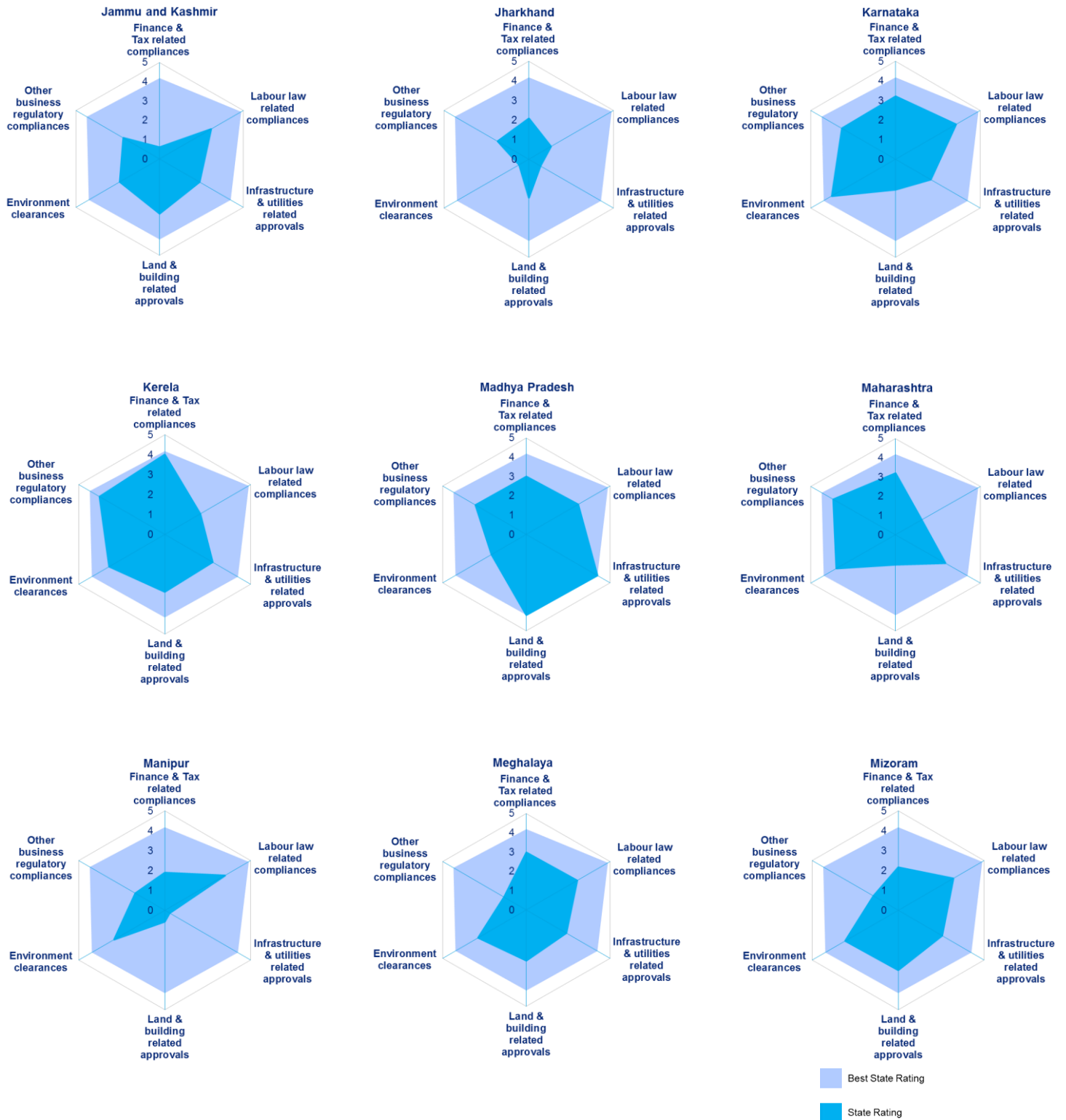
All states were initially rated on the 5 point rating scale on (a) overall regulatory compliance environment as well as (b) the 6 regulatory compliance-dimensions comprising the overall compliance environment (refer figure on previous page). As has been indicated above, for each sub-parameter, significantly higher weights were assigned to objectively verifiable parameters vis-a-vis parameters which are purely perception driven. The following charts depict the ratings of the respective states for each of the six dimensions of regulatory compliance. The states have been presented in alphabetical order.

Survey on Business Regulatory Environment for Manufacturing – State Level Assessment

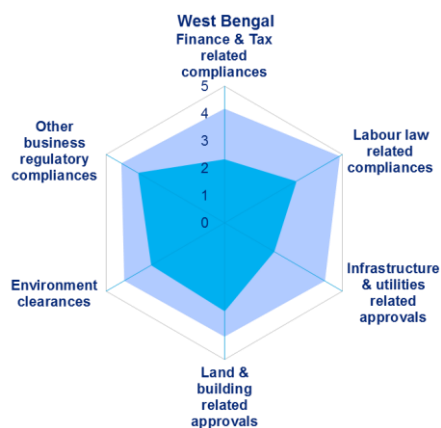
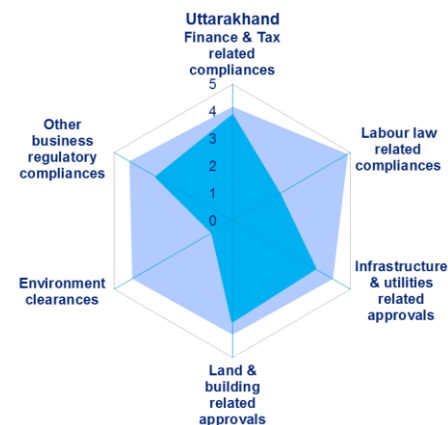
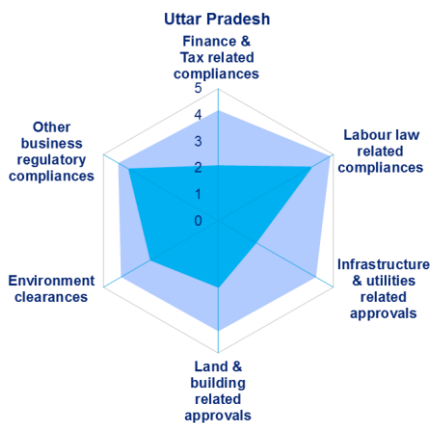
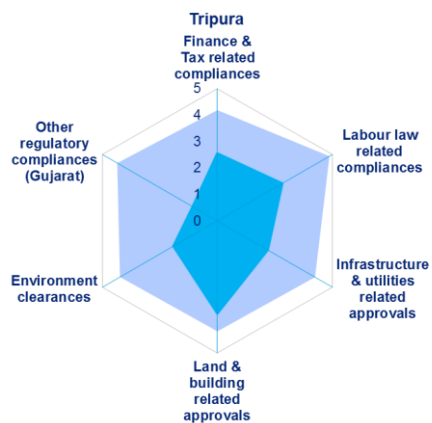
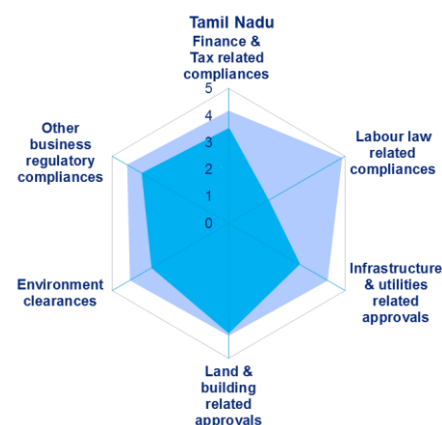
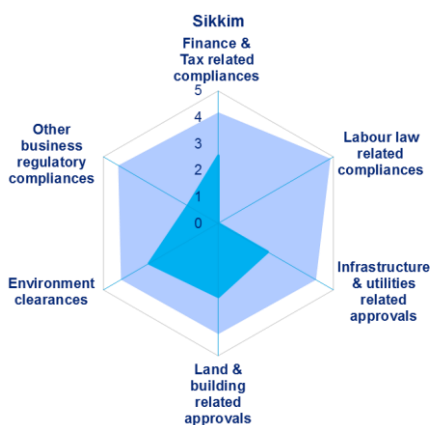
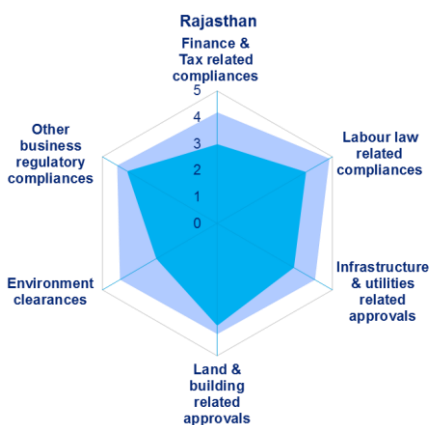
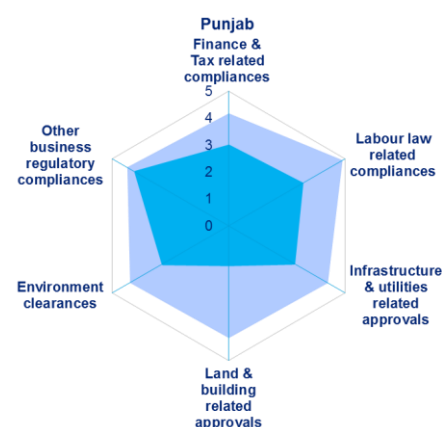
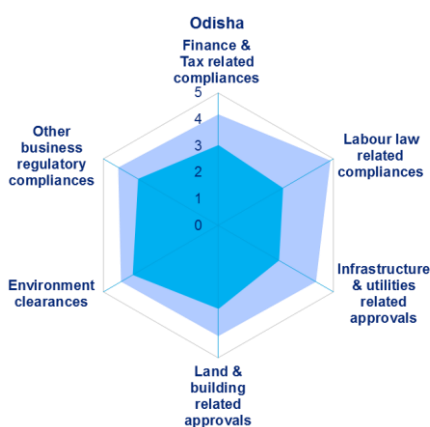
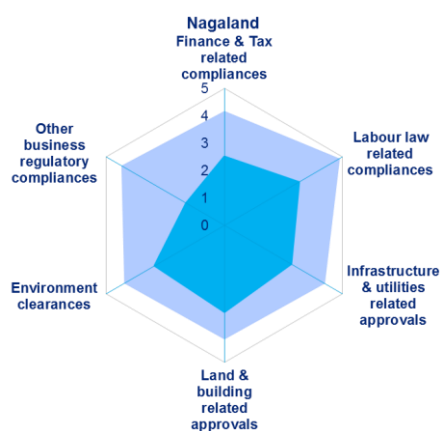


Best State Rating
State Rating

Survey on Business Regulatory Environment for Manufacturing – State Level Assessment



Survey on Business Regulatory Environment for Manufacturing – State Level Assessment



Best State Rating
State Rating

Post rating of the states as highlighted above, the final analysis was carried out based on percentiles. All the states were grouped into the following 3 categories/ clusters, based on their ratings on overall business regulatory environment as well as each of the 6 dimensions of regulatory compliance.

- Category 1: Top 33.33 percentile of states
- Category 2: Middle 33.33 percentile of states
- Category 3: Bottom 33.33 percentile of states

The table below indicates the states (in alphabetical order) in each of the above percentile groups.

State	Overall Rating	Finance & Taxes related Compliances	Labour Law related Compliances	Infrastructure & Utilities related Approvals	Land & Building related Approvals	Environment Clearances	Other Business Regulatory Compliances
Andhra Pradesh	●	●	●	●	●	●	●
Chhattisgarh	●	●	●	●	●	●	●
Gujarat	●	●	●	●	●	●	●
Haryana	●	●	●	●	●	●	●
Kerala	●	●	●	●	●	●	●
Madhya Pradesh	●	●	●	●	●	●	●
Odisha	●	●	●	●	●	●	●
Rajasthan	●	●	●	●	●	●	●
Tamil Nadu	●	●	●	●	●	●	●
Bihar	●	●	●	●	●	●	●
Himachal Pradesh	●	●	●	●	●	●	●
Karnataka	●	●	●	●	●	●	●
Maharashtra	●	●	●	●	●	●	●
Mizoram	●	●	●	●	●	●	●
Nagaland	●	●	●	●	●	●	●
Punjab	●	●	●	●	●	●	●
Uttar Pradesh	●	●	●	●	●	●	●
Uttarakhand	●	●	●	●	●	●	●
West Bengal	●	●	●	●	●	●	●
Arunachal Pradesh	●	●	●	●	●	●	●
Assam	●	●	●	●	●	●	●
Goa	●	●	●	●	●	●	●
Jammu and Kashmir	●	●	●	●	●	●	●
Jharkhand	●	●	●	●	●	●	●
Manipur	●	●	●	●	●	●	●
Meghalaya	●	●	●	●	●	●	●
Sikkim	●	●	NA*	●	●	●	●
Tripura	●	●	●	●	●	●	●
●	Top 33.33 percentile of states						
●	Middle 33.33 percentile of states						
●	Bottom 33.33 percentile of states						

* Feedback from State Government indicated limited application of the provisions of labour laws like Factories Act, etc.

It should be noted that the above evaluation is based solely on the business regulatory environment in the respective states. Other key factors that impact the performance of manufacturing units like quality of infrastructure, availability of natural resources, market linkages, labour & skill availability, access to finance, etc. have not been covered in the current study. Consequently, the relative standing of individual states may differ from their performance in terms of contribution to India's manufacturing GDP. For example, a particular state may have been identified as being relatively mature in its business regulatory environment but may not feature among the top contributors to manufacturing GDP owing to limited natural resources within its geographic boundaries.

As can be seen from the above table, there exists further scope for improvement for all the states. Even the states featuring in the top 33.33 percentile have potential for improving their business regulatory

compliance environment in one or more of the 6 underlying dimensions. A summarized table of the common characteristics for each of the sub parameters of the 6 dimensions mapped against the respective categories has been presented in Annexure C of this report. The table may serve as a ready reckoner for high level strategies to be adopted by a particular state for moving to the next level of regulatory compliance maturity.

Some common observations and inferences across States

Generic factors impacting effectiveness of regulatory compliances: Across states, ineffective regulatory compliance processes, wherever prevalent, were observed to be largely an outcome of the following factors:

- Absence of coordination amongst various State Government departments and agencies necessitating filling in of multiple forms with overlapping information, submitting multiple sets of documents and need to undertake visits to multiple departments for obtaining the requisite clearances and approvals
- Lack of information on documentation required to be submitted to the State Government departments & agencies resulting in multiple visits to the concerned departments and consequently delays in obtaining the requisite clearances & approvals
- Absence of a mechanism for tracking of status of application requiring a lot of the entrepreneur's time to be spent on follow up with the concerned State Government departments/ agencies
- Absence of standardized procedures at the State Government departments/ agencies on processing clearances as well as inadequate monitoring mechanisms resulting in delays

Due to the above constraints, impacted entrepreneurs indicated that they had to rely on the services of intermediaries for obtaining clearances which resulted in increased costs.

The Single Window mechanism for regulatory approvals: The manufacturing industries across the country welcomed the concept of "Single Window Mechanism" and "Common Application Form" while applying for clearances. While most of the states have implemented some kind of Single Window System – feedback from the industries as well as industry associations in many states indicates that the effectiveness of implementation has been adversely impacted by the following:

- In most states the Single Window System was mainly targeted at large companies (where investment outlay exceeded a prescribed amount); in such cases the micro and small scale entrepreneurs has to seek clearances from individual departments spending a lot of time in obtaining the requisite clearances
- In some states the single window clearance system only allowed the application to be submitted using a common application form; with the processing of the application taking place at the individual departments offline, requiring the entrepreneurs to interact and follow up with the individual departments/ agencies
- Most states lacked an IT based tracking system for monitoring the application status (both internally within Government as well as for the applicant) resulting in inadequate monitoring by concerned senior officials and requiring the entrepreneurs to follow up with the respective departments on the status of their applications
- Absence of measures holding concerned official(s) accountable for ensuring processing in a time bound manner limited the effectiveness of the system

Effectively leveraging information technology (IT) in streamlining regulatory compliance processes: It was acknowledged widely across states that implementation of IT enabled online submission of various applications for EM, Factories Act, Tax registration, power connections, etc. and allowing online payments have greatly reduced the time and increased transparency of the processes. Respondents' feedback from most states indicated that IT based systems need to be complemented with approved checklists, standardized processes and appropriate institutional / organization frameworks for processing / approval for the compliance process to be truly effective.

Urgent need to strengthen District Industries Centers (DICs): With DICs being the primary interface for information as well as approvals for small & micro industries, respondents' feedback for improving the DIC's effectiveness included:

- Augment the capacity of the DICs through focused training on the business regulations/ subsidy disbursement/ compliance processes
- Introducing standard operating procedures for ensuring objectivity in their functioning related to processing of applications and issuing clearances/ approvals
- Leverage IT based systems to enable faster processing and increasing transparency
- Augment the number of skilled and trained resources in line with volume of activity
- Ensure availability of all requisite information on regulatory compliance for establishing and operating a business at the DIC as a single point source of information.

Timely disbursement of incentives need effective monitoring: Wherever incentives in terms of subsidies, tax refunds, etc. are being offered as per the state's industry policy for attracting investments, review of best practices as well as respondents' feedback indicated that adequate mechanism should be put in place for its effective administration in terms of:

- Clear guidelines/ standard operating procedures on the process for receiving application, processing and disbursement
- Simplifying documentation requirements
- Mechanism for tracking status of application/ disbursement for improving transparency in the process

Standardized procedures required for improving labour law compliance and need for review of laws: Compliance with most of the labour laws requires manufacturing units to maintain documents & records and undergo periodic inspection. Respondents' feedback indicated that inspections by the concerned authorities should be based on standard objective processes and documentation/ record maintenance requirements should be simplified. This can be addressed through

- Developing guidelines/ standard operating procedures on the process for conducting inspections
- Examining the record/ documentation required to be maintained under the various labour laws and assessing their need/ identify areas of simplification in the context of the current business environment

The need for review of the plethora of laws both at the Central and State level with a view to (a) consolidate regulations and minimize overlaps wherever possible and (b) update applicable provisions to make them contemporary was also highlighted by a majority of respondents across stakeholder groups including senior Government officials across the states.

Having the right policies, institutional frameworks and IT enabled processes for land allotment and conversion of land use is critical: With availability of land to set up manufacturing units being an issue in most states, respondents' feedback especially from small scale units indicated preference to be located in Industrial Estates. Review of best practices in land allotment within industrial estates across various states suggests adoption of the following:

- Having a GIS-enabled system for identifying available plots in various industrial estates preferably with information on available infrastructure like water, power, sewerage, highway/ road connectivity, suitability of sector in terms of pollution control rules, which can be transparently shared with credible potential investors
- Ensuring requisite clearances for power and water connections, environmental, etc. are available along with land allotment within the industrial estate through suitable policies together with an institutional framework for implementation involving all concerned agencies

Where land is being acquired by the entrepreneur, respondents' feedback indicated that the process of land conversation/ diversion for change in end use required to be streamlined to address issues relating to (i) lack of clarity of the concerned departments on the process, (ii) significant documentation requirements and (iii) requirement for multiple visits for follow up.

Need for effective and efficient environment clearances: Environmental clearances also have been pointed out as one of the key constraints impacting manufacturing by the industrial units in most of the

states. The key reasons for the same include (i) non-standardized inspection procedure and (ii) Significant documentation requirements.

Conclusion and way forward

The current study has provided a baseline assessment of the states with regards to their business regulatory environment based on their existing policies & practices as well as end user experience of the manufacturing industries in the state. Based on their relative standing in the respective compliance categories, it is expected that states would be in a better position to identify areas of improvement and address these through adopting suitable measures. Additional inputs in the form of innovative practices adopted by various states for improving their business regulatory environment have also been attempted to be captured as part of the exercise.

The study has led to the development of a methodology comprising the evaluation and rating framework, questionnaires, discussion agenda etc. together with a structured framework for analysis and interpretation of key findings. With all these tools having been developed through extensive consultation with a wide cross section of stakeholders comprising Government officials, and representatives from prominent industry associations, these can be used for assessing the business regulatory environment at the state level at regular intervals. Going forward, such periodic assessments are likely to enable the policy makers in the Central and State Governments to assess the progress being made and initiate suitable interventions on the policy and implementation front.

Volume I

Relative maturity of business regulatory environment across States

1. Background

The 12th 5 year Plan (2012-17) acknowledges the importance of the manufacturing sector in India's overall economic growth and lays down the following objectives for the sector:

- Increasing the share of manufacturing in GDP to 25% by 2025 from the current levels of 16% (FY 12), which would necessitate achieving consistent annual growth in domestic manufacturing at a rate of 2 – 4% more than GDP growth
- Creating 100 million additional jobs in the manufacturing sector by 2025

The Manufacturing Plan has also identified the following key thrust areas for improving the performance of the manufacturing sector in the country:

- Business regulatory framework development
- Human capital development
- Use of technology and scope for value addition in the sector
- Cluster development for growth of SMEs
- Development of national investment and manufacturing zones (NIMZs)

The Plan notes that the countries that have performed better than the others in terms of having a vibrant manufacturing sector have, to a great extent, done so on account of the quality of business regulatory environment that they have been able to maintain. Given the importance of a supportive business regulatory environment in encouraging growth of business, it is essential to streamline the business regulatory framework in the country with a focus on:

- Simplifying the existing regulatory system
- Reducing compliance effort and cost
- Ensuring fair competition

It was in this context that the current study was commissioned by the Planning Commission to assess the business regulatory environment at the state level. The focus of the study which covered all 28 states across India is to assess (a) the relative maturity of policies / institutional framework and processes / practices as well as (b) end user experience of complying with business regulations impacting manufacturing units.

It should be noted that the study solely focuses on assessing the existing business regulatory framework in individual states. Other key factors that impact the performance of manufacturing units like quality of infrastructure, availability of natural resources, market linkages, labour & skill availability, access to finance, etc. have not been covered in the current study. Consequently, the relative standing of individual states may differ from their relative contribution to India's manufacturing GDP. For example, a particular state may have been identified as being relatively mature in its business regulatory environment but may not have an equivalent standing in terms of contribution to India's manufacturing GDP owing to limited natural resources within its geographic boundaries.

The current study also aims to develop a framework for evaluation of business regulatory framework for the states, which can be used for periodic analysis by the Planning Commission going forward. Based on such analysis, strategic initiatives for improving the business regulatory environment in the respective states can then be identified by the states which can be supported by the Planning Commission through its own repository of best practices, tools and solutions.

1.1 Scope of Work

In line with the Terms of Reference of the study, the scope of work included the following key activities:

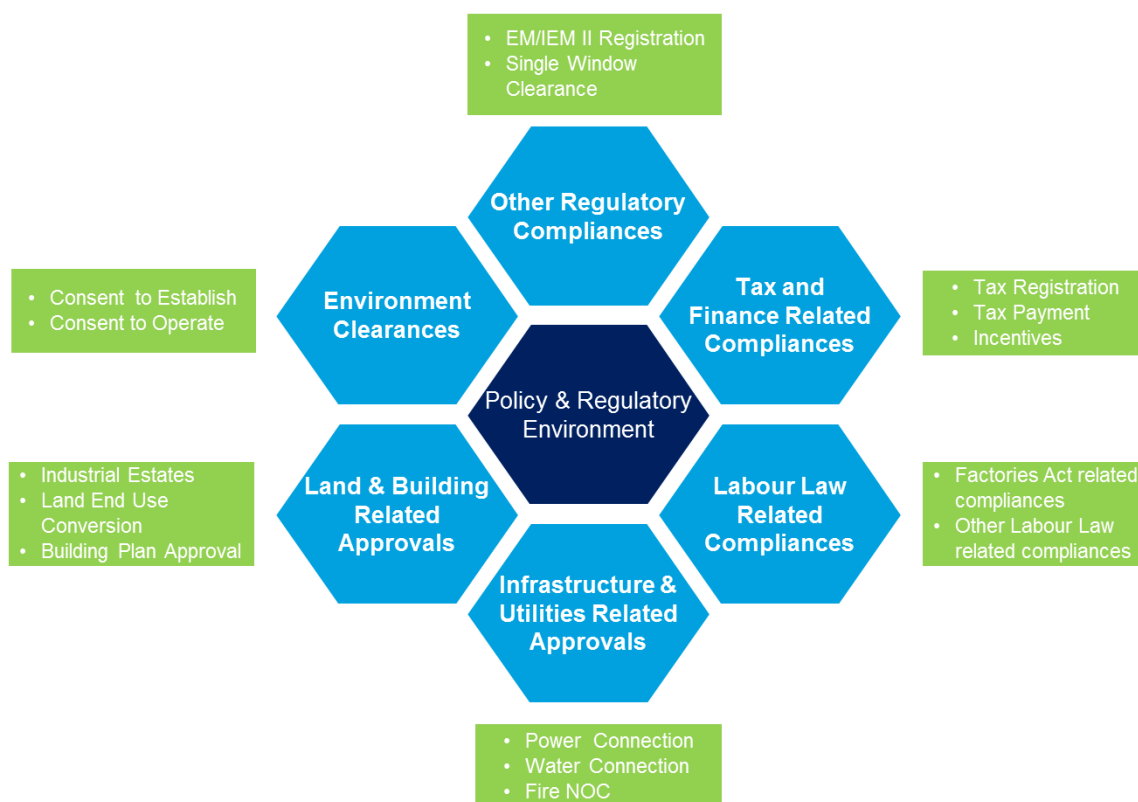
- Comparative analysis of the business enabling environment impacting manufacturing competitiveness of individual states
- High level assessment of the policies adopted at the state level together with implementation mechanisms
- Identifying innovative policies / initiatives and good practices
- Based on the evaluation framework developed for assessing the business regulatory environment at the states, classify states in different stages of maturity as regards their business regulatory environment and suggest high level strategies for further improvement.

The study, which was envisaged to be completed within a 5 month period, commenced in mid-September 2013.

1.2 Approach & Methodology

A participative approach has been followed throughout the study with planned stakeholder consultations at each stage.

Initially, the parameters for assessing the business regulatory environment at the states were discussed with the Planning Commission. Subsequently, the framework was refined and finalized through an interactive meeting involving officials from the Planning Commission, Department for Industrial Policy & Promotion (DIPP), Ministry of MSME and representatives from industry associations like CII, FICCI. The diagram below presents the evaluation framework highlighting the six parameters used for assessing the business regulatory environment for individual states:



Each parameter of the evaluation framework comprises a number of sub parameters as explained below:

- **Finance & Tax related compliances** essentially capture policies & practices as well as end user experience in registration and payment of applicable state VAT, Excise, Entry Tax, Professional Tax, etc. as well as receipt of incentives wherever provided as per the state's industrial policy
- **Labour law related compliances** covering registration / compliance under various labour related policies/ regulations like Employees State Insurance Act, Contract Labour (Regulation and Abolition) Act, Payment of Wages Act, Minimum Wages Act, Industrial Disputes Act, applicable provisions of the Factories Act etc.
- **Infrastructure & Utility related approvals** covering new connections for water, power, sewerage as well as compliance requirements for obtaining fire license
- **Land & Building related approvals** essentially aim to capture policies & practices and industry / user experience in (a) availing land for setting up manufacturing units in Government owned land banks/ Industrial estates, (b) conversion of agricultural land to industrial end-use and (c) getting approvals for building plans.
- **Environment Clearances** attempts to cover policies & practices as well as user experience in obtaining requisite clearances from the state pollution control boards in terms of consent to establish and consent to operate
- **Other business regulatory compliances**, which addresses policy & process maturity levels, user experience in registration of EMs. Additionally, experience of the entrepreneurs with single window clearance mechanism, wherever applicable, at time of establishment of business was also evaluated as part of this parameter

As indicated above, in addition to policies and service delivery practices implemented by Government, the evaluation framework also covered end user / beneficiary experience in terms of time taken and effectiveness of processes from the user's point of view.

Based on the evaluation framework, questionnaires / discussion agenda were developed for each of the following categories of respondents:

Manufacturing units: To record the experience of manufacturing units across states and across micro, small, medium & large categories against each of the above mentioned six parameters. Kindly refer Annexure B for the questionnaire administered.

Industry/ Business Associations: To understand the experience of different categories of manufacturing industries (micro, small, medium & large) across sectors against the above mentioned parameters relating to the business regulatory environment in the state. A key component of the discussion point was to identify key issues/ constraints faced by industry along with recording their suggestions for addressing the same. Kindly refer Annexure B for the list of key discussion points.

State Government officials: To understand the business regulatory environment from the Government's perspective along with key initiatives taken in terms of policies for industrial development in the state, single window clearance mechanisms, innovative practices and key issues/ constraints, if any. Kindly refer Annexure B for the list of key discussion points.

The questionnaire and discussion agenda were also validated through a joint workshop comprising officials from the Planning Commission, DIPP, Ministry of MSME and representatives from industry associations like CII, FICCI etc. The Planning Commission also sought the support of industry associations like CII, FICCI and FISME for broad basing the respondents of the survey by reaching out to their members. For this purpose, the questionnaire was hosted on a website for ensuring easy access and a two month window was provided between December 2013 and January 2014 for responses.

Based on the evaluation framework, a rating framework was developed to rate the states against each of the 6 parameters on a 5 point scale and arrive at an overall rating, based on their responses to individual questions in the questionnaire. Annexure A provides the details of the rating framework.

The Deloitte team visited all 28 states during the period November 2013 to January 2014 and met a wide cross section of stakeholders comprising manufacturing units, prominent industry/ business associations in the respective states and select state government officials (Secretary/ Industries Commissioner, senior officials of state industrial development corporations, nodal agencies managing the single window clearance mechanism, officials of DICs, etc.). The discussions were conducted based on the questionnaires/ discussion points and focused on user experience in complying with various business regulations in the state, initiatives being undertaken for improving the business regulatory environment along with identification of good practices which can be shared with other states. Information available from secondary sources in the public domain on state industrial policies, single window mechanism as well as other aspects on business regulatory environment, which was collated earlier from secondary sources, was also discussed during these interactions for validating our understanding.

The responses from individual manufacturing units were collated and analysed based on the rating framework to arrive at the overall rating for business regulatory environment maturity for individual states as well as the ratings on individual dimensions and sub-parameters therein. While assessing the responses, the findings were cross referenced to key findings from discussions held with the respective industry/ business associations and state government officials. The state specific ratings derived from applying the rating framework were further analysed to identify root causes of end users satisfaction/ dissatisfaction levels and identify areas/ initiatives that can be considered by the respective states to improve user experience.

1.3 Organization of the Report

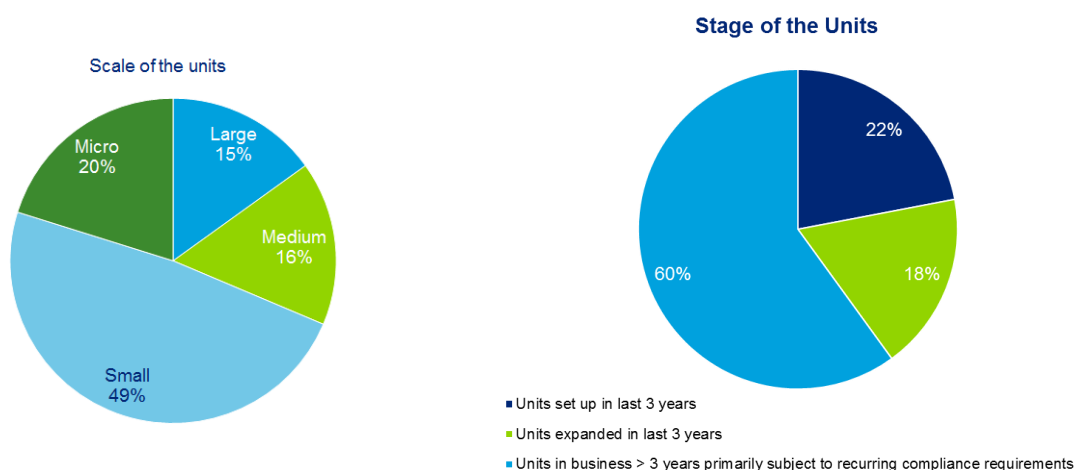
The report presents the key findings from the study and is in two volumes. The current report, Volume I, comprising Sections 2 to 8 highlight the relative maturity of the business regulatory environment in individual states as well as the states' relative standing on each of the constituents of the regulatory environment, namely, finance & tax related compliances, labour law related compliances, infrastructure & utility related approvals, land & building related approvals, environment clearances and other business regulatory compliances.

Volume II highlights State specific findings for all the 28 states in terms of existing policies & processes, user experience for each of the six dimensions of regulatory compliance, select best / innovative practices deployed by the state, key suggestions made by the respondents as well as potential interventions which can be considered by the state for improving its business regulatory environment.

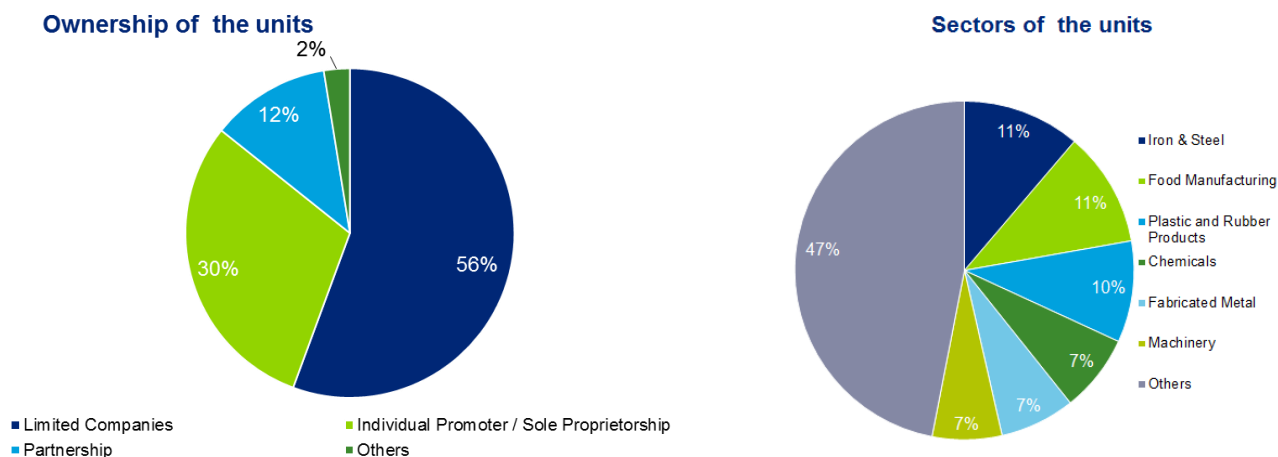
2. Key observations

Composition of the sample

A total of 402 manufacturing units, around 50 industry associations and around 100 officials across individual State Governments were covered as part of the field study. The number of manufacturing units per state ranged from 10 in Sikkim, Meghalaya and Manipur to 21 in Madhya Pradesh. The survey covered about 15% large, 16% medium and 69% micro and small enterprises (refer figure below). In order to capture the views of enterprises at various stages of growth/ maturity levels, units which were set up or have expanded during the last 3 years were also focused on. Of the total number of units surveyed about 22% units were set up in the last 3 years, 18% units undertook expansion in the last 3 years and the remaining 60% represented units which have been in business for more than 3 years, with their primary interface with the business regulatory environment being in the form of recurring compliance requirements.



Of the total units surveyed, majority of the units were limited companies, followed by Individual Promoter/ Sole Proprietorship firms. Iron & Steel & Food Manufacturing emerged as the sectors to which maximum number of enterprises belonged.



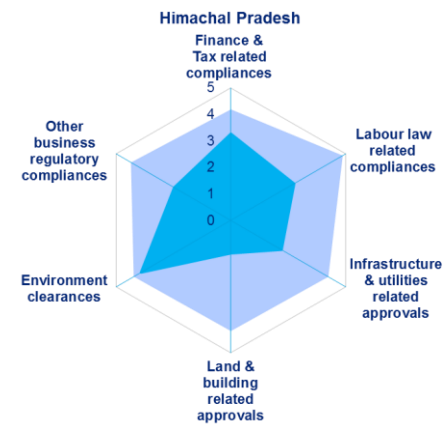
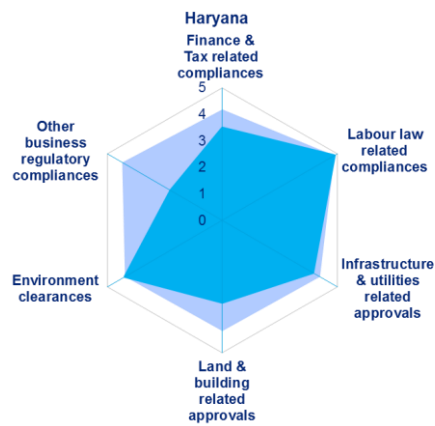
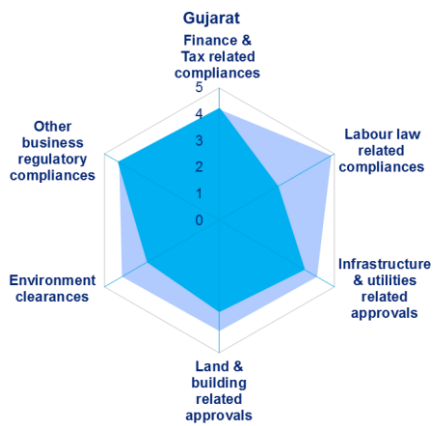
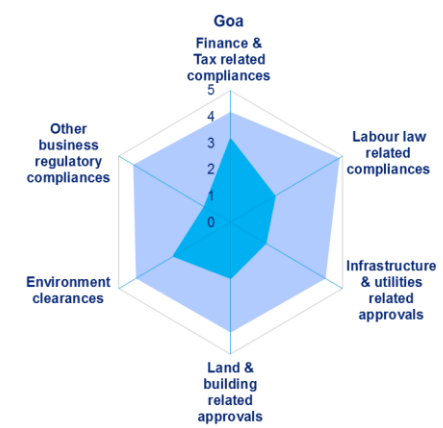
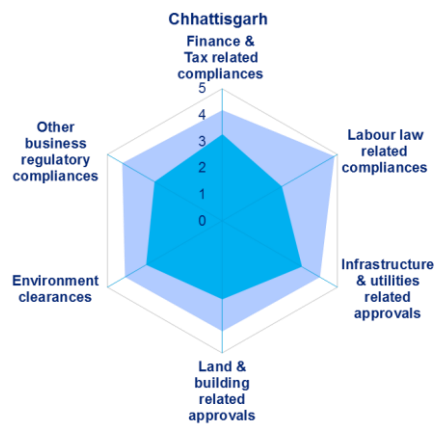
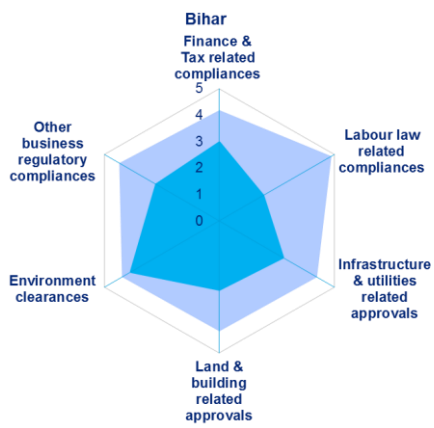
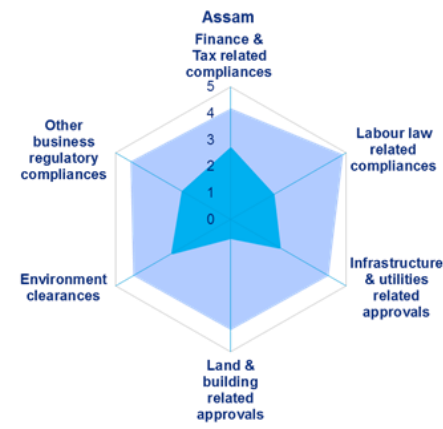
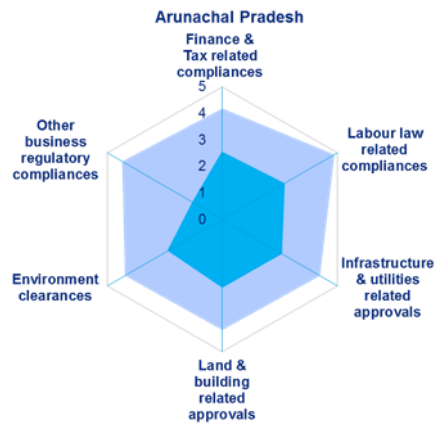
Overall state level business regulatory environment

Using the rating framework outlined in Annexure A, all states were rated on a 5 point scale based on their policies, process / practices in place as well as responses obtained during the course of primary survey. The relative ratings (including those for the six parameters and their sub-parameters) incorporated feedback obtained from the industry associations as well as the Government officials met during the field visits.

As explained in Annexure A to this report, since relative expectation of end users may not be uniform across the states (for example, expectation levels in relatively mature states where users are used to a higher level of service may be higher than other states), for all parameters underlying the individual dimensions of business regulatory compliance, a higher weight was assigned to objectively verifiable factors like existing policies, use of information technology to streamline processes, monitoring & tracking mechanisms, institutional structures etc. for purposes of rating.

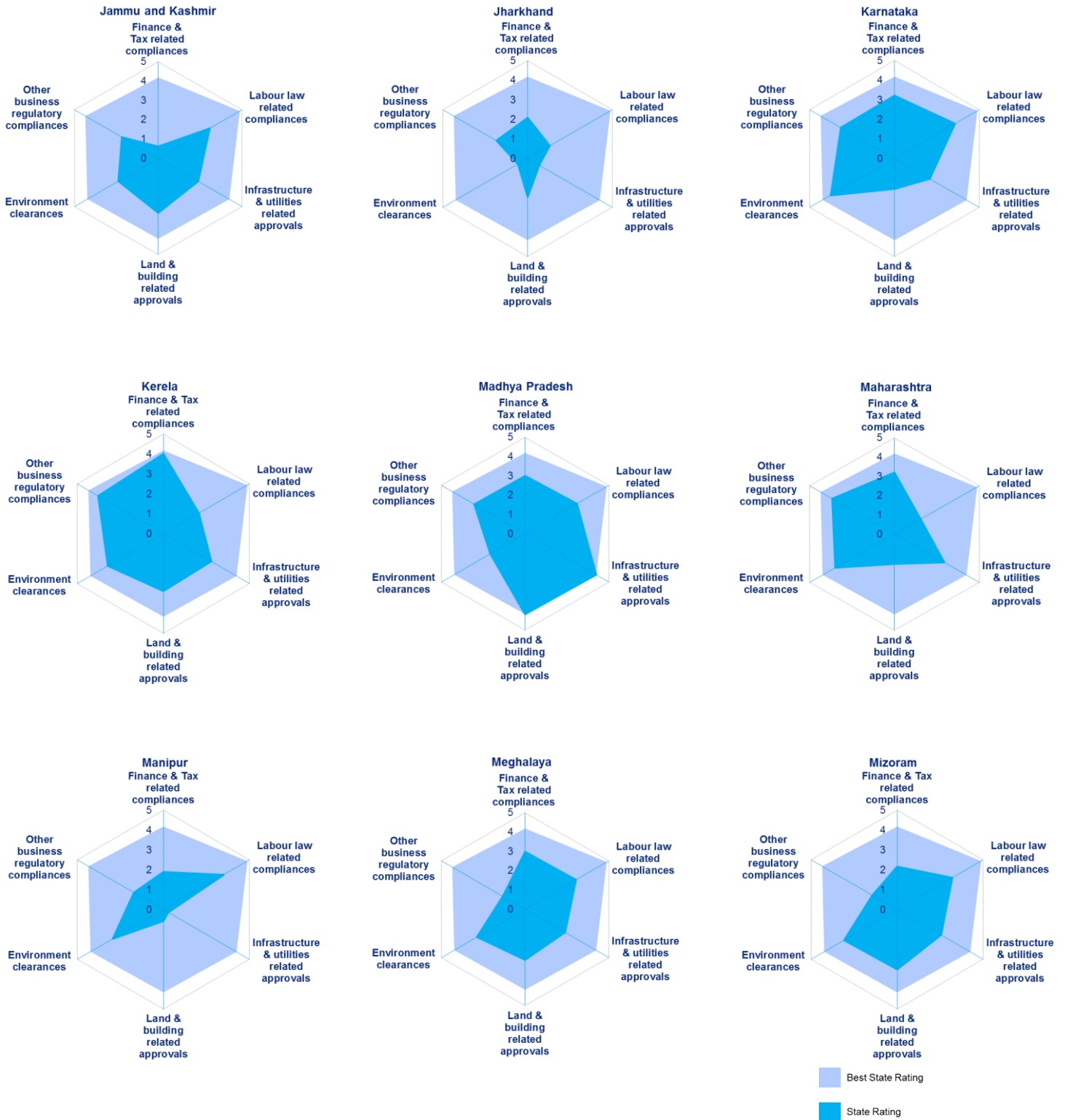
The following charts depict the ratings of the respective states for each of the six dimensions of regulatory compliance. The states have been presented in alphabetical order.

Survey on Business Regulatory Environment for Manufacturing – State Level Assessment

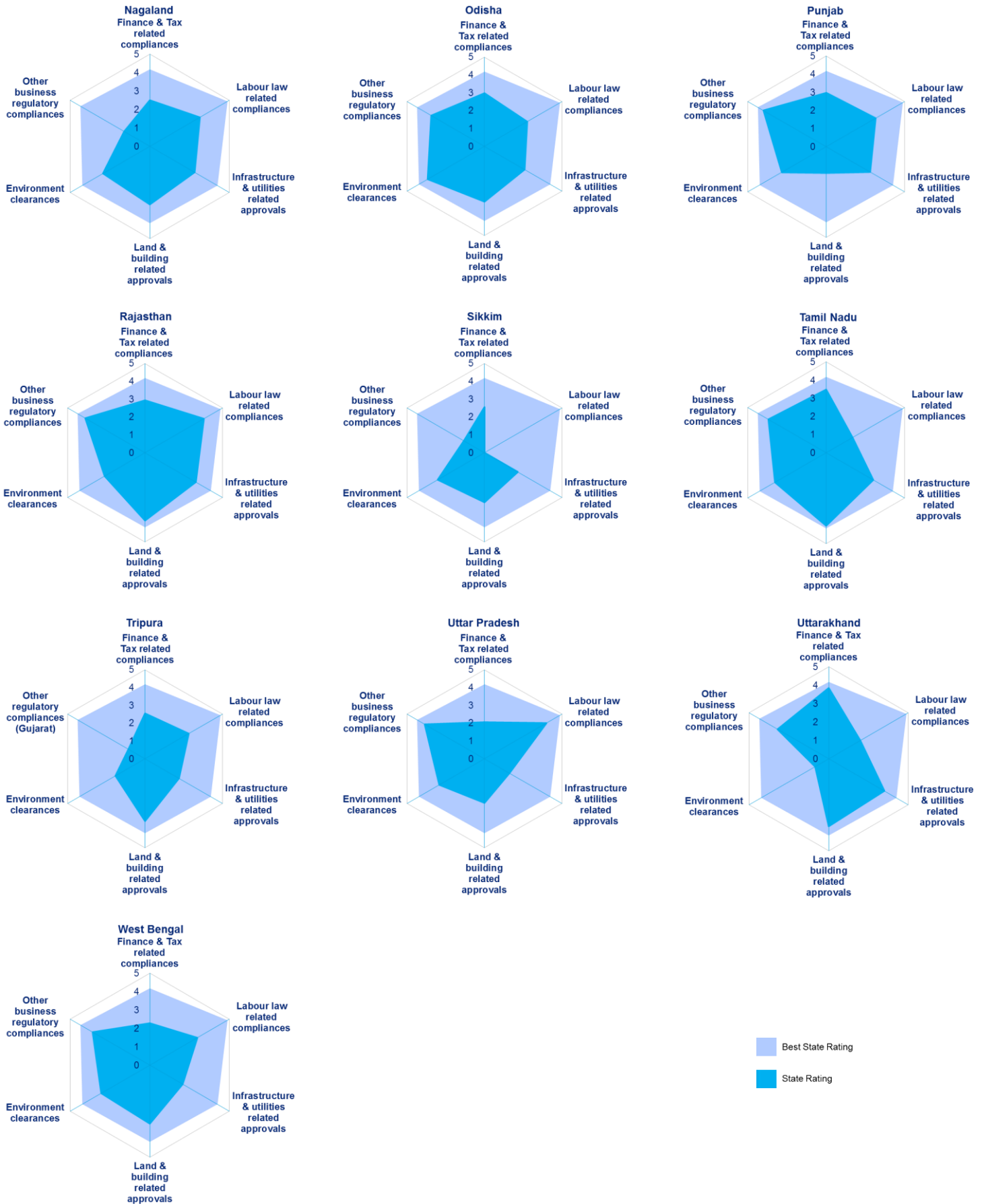


Best State Rating
State Rating

Survey on Business Regulatory Environment for Manufacturing – State Level Assessment



Survey on Business Regulatory Environment for Manufacturing – State Level Assessment



Post rating of the states as shown above, the final analysis was carried out based on percentiles. All the states were grouped into the following 3 categories/ clusters, based on their ratings on overall business regulatory environment as well as on each of the 6 dimensions of regulatory compliance.

- Category 1 - states belonging to the top 33.33 percentile;
- Category 2 - states belonging to the middle 33.33 percentile; and
- Category 3 - states belonging to the bottom 33.33 percentile.

The final categorization of states based on their overall business regulatory environment has been presented in the table below.

Table 1:

The table below indicates the states (in alphabetical order) in each of the above percentile groups.

State	Overall Rating	Finance & Taxes related Compliances	Labour Law related Compliances	Infrastructure & Utilities related Approvals	Land & Building related Approvals	Environment Clearances	Other Business Regulatory Compliances
Andhra Pradesh	●	●	●	●	●	●	●
Chhattisgarh	●	●	●	●	●	●	●
Gujarat	●	●	●	●	●	●	●
Haryana	●	●	●	●	●	●	●
Kerala	●	●	●	●	●	●	●
Madhya Pradesh	●	●	●	●	●	●	●
Odisha	●	●	●	●	●	●	●
Rajasthan	●	●	●	●	●	●	●
Tamil Nadu	●	●	●	●	●	●	●
Bihar	●	●	●	●	●	●	●
Himachal Pradesh	●	●	●	●	●	●	●
Karnataka	●	●	●	●	●	●	●
Maharashtra	●	●	●	●	●	●	●
Mizoram	●	●	●	●	●	●	●
Nagaland	●	●	●	●	●	●	●
Punjab	●	●	●	●	●	●	●
Uttar Pradesh	●	●	●	●	●	●	●
Uttarakhand	●	●	●	●	●	●	●
West Bengal	●	●	●	●	●	●	●
Arunachal Pradesh	●	●	●	●	●	●	●
Assam	●	●	●	●	●	●	●
Goa	●	●	●	●	●	●	●
Jammu and Kashmir	●	●	●	●	●	●	●
Jharkhand	●	●	●	●	●	●	●
Manipur	●	●	●	●	●	●	●
Meghalaya	●	●	●	●	●	●	●
Sikkim	●	●	NA*	●	●	●	●
Tripura	●	●	●	●	●	●	●
●	Top 33.33 percentile of states						
●	Middle 33.33 percentile of states						
●	Bottom 33.33 percentile of states						

* Feedback from State Government indicated limited application of the provisions of labour laws like Factories Act, etc.

Source: Analysis of data collected as part of survey on Business Environment for Manufacturing

Category 1: States featuring in the top 33.33% percentile

Nine states have been assessed to be in the top 33.33 percentile, namely, Andhra Pradesh, Chhattisgarh, Gujarat, Haryana, Kerala, Madhya Pradesh, Odisha, Rajasthan and Tamil Nadu. However, while these states are part of the top 33.33% percentile based on overall business regulatory compliance environment:

- 4 of these states i.e. Andhra Pradesh, Madhya Pradesh, Odisha and Rajasthan feature in the middle 33.33 percentile for *finance & tax related compliances*.
- Chhattisgarh and Odisha featured in the middle 33.33 percentile for *labour law related compliances*, with Gujarat, Tamil Nadu and Kerala featuring in the bottom 33.33 percentile of states
- 3 states, namely, Andhra Pradesh, Kerala and Odisha featured in the middle 33.33 percentile for *infrastructure & utility related approvals*.
- 4 states, namely, Chhattisgarh, Haryana, Kerala and Odisha were part of the middle 33.33 percentile for *land & building related approvals*
- As regards *environment clearances*, 3 states i.e. Andhra Pradesh, Gujarat and Rajasthan featured in the middle 33.33 percentile and Madhya Pradesh featured in the bottom 33.33 percentile
- 4 states, namely, Chhattisgarh, Haryana, Madhya Pradesh and Odisha were part of middle 33.33 percentile for *other business regulatory compliances*.

Category 2: States featuring in the middle 33.33% percentile

Ten states have been assessed to be in the middle 33.33 percentile based on overall business compliance environment, namely, Bihar, Himachal Pradesh, Karnataka, Maharashtra, Mizoram, Nagaland, Punjab, Uttarakhand, Uttar Pradesh and West Bengal.

- However, 4 of these states i.e. Himachal Pradesh, Karnataka, Maharashtra and Uttarakhand feature in the top 33.33 percentile of states for *Finance & Tax related compliances*. 4 other states i.e. Mizoram, Nagaland, Uttar Pradesh and West Bengal were part of the bottom 33.33 percentile in this category.
- As far as *labour law related compliances* are concerned, 5 states, namely, Karnataka, Mizoram, Nagaland, Punjab and Uttar Pradesh are part of the top 33.33 percentile of states. Bihar, Maharashtra and Uttarakhand feature in the bottom 33.33 percentile in this category.
- Maharashtra, Nagaland and Uttarakhand featured in the top 33.33 percentile of states for *Infrastructure & Utility related approvals*, with Karnataka, West Bengal and Uttar Pradesh being part of the bottom 33.33 percentile in the same category.
- 3 states i.e. Nagaland, Uttarakhand and West Bengal featured in the top 33.33 percentile of states for *Land and Building related approvals*. However, 5 other states i.e. Himachal Pradesh, Karnataka, Maharashtra, Punjab and Uttar Pradesh were part of the bottom 33.33 percentile in this category of compliances.
- For *environmental clearances*, while 4 states i.e. Bihar, Himachal Pradesh, Karnataka and Maharashtra feature in the top 33.33 percentile, Uttarakhand featured in the bottom 33.33 percentile.
- As regards *other business regulatory compliances*, 4 states i.e. Punjab, Maharashtra, Uttar Pradesh and West Bengal were part of the top 33.33 percentile and two states i.e. Mizoram and Nagaland featured in the bottom 33.33 percentile.

Category 3: States featuring in the bottom 33.33% percentile

Nine states have been assessed to be in the bottom 33.33 percentile based on overall business regulatory environment, namely, Arunachal Pradesh, Assam, Goa, Jammu & Kashmir, Jharkhand, Manipur, Meghalaya, Sikkim and Tripura. In terms of individual compliance categories:

- 4 of these states, i.e. Assam, Goa, Meghalaya and Sikkim feature in the middle 33.33 percentile for *finance & tax related compliances*.

- Manipur features in the top 33.33 percentile for *labour law related compliances*, while Arunachal Pradesh, Jammu & Kashmir, Meghalaya and Tripura feature in the middle 33.33 percentile.
- 3 of these states, i.e. Arunachal Pradesh, Jammu & Kashmir and Meghalaya are part of the middle 33.33 percentile for *infrastructure & utility related approvals*.
- Tripura forms a part of the top 33.33 percentile of states in *land & building related approvals*, whereas Meghalaya, Sikkim, Arunachal Pradesh and Jammu & Kashmir constitute a part of the middle 33.33 percentile.
- 3 of these states, Meghalaya, Sikkim and Manipur feature in the middle 33.33 percentile for *environmental clearances*.
- As regards *other business regulatory compliances*, 2 states i.e. Assam and Jammu & Kashmir featured in the middle 33.33 percentile.

3. Finance & Tax Related Compliances

Finance & Tax related Compliances

Finance & Tax related Compliances covers the following:

- Time taken and effectiveness of process for initial registration by manufacturing units under Value Added Tax, State Excise, Entry Tax, Professional Tax
- Time taken and effectiveness of processes for payment of Value Added Tax, State Excise, Entry Tax, Professional Tax
- Time taken and effectiveness of process for disbursement of incentives under State industrial policy

Top 33.33 percentile States

9 states viz. Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Maharashtra, Tamil Nadu and Uttarakhand feature in this category (please refer table below)

State	Registration			Payment			Incentives		
	Time	Process	Registration Score	Time	Process	Payment Score	Time	Process	Incentives Score
Chhattisgarh	●	●	●	●	●	●	●	●	●
Gujarat	●	●	●	●	●	●	●	●	●
Haryana	●	●	●	●	●	●	●	●	●
Himachal Pradesh	●	●	●	●	●	●	●	●	●
Karnataka	●	●	●	●	●	●	●	●	●
Kerala	●	●	●	●	●	●	●	●	●
Maharashtra	●	●	●	●	●	●	●	●	●
Tamil Nadu	●	●	●	●	●	●	●	●	●
Uttarakhand	●	●	●	●	●	●	●	●	●

Rating on 5 point scale ● Rating > 3.5 ● 1.5 < Rating <= 3.5 ● Rating <= 1.5

Key characteristics of states placed in top 33.33 percentile:

- Facility for online VAT registration and payment resulting in positive user experience. Average time taken for VAT registration and payment is around 15 days and 1-2 days respectively for most states
 - Moderately effective system for monitoring disbursement of incentives leveraging information technology and appropriate institutional frameworks, with time taken for most states in this category ranging between 3-6 months
- All the states in this category have online VAT registration and payment facilities except Haryana where VAT registration process is manual.

- The average time for VAT registration for states in this category is around 15 days except Chhattisgarh (25 days) and Maharashtra (33 days). Majority of the respondents expressed satisfaction with VAT registration time.
 - Feedback from industry association and industry for Chhattisgarh and Maharashtra indicated that while online registration facilities were there in these states, the entrepreneur still had to visit the department to submit hardcopies of the required documents. Industry Association interactions in Maharashtra also indicated that most entrepreneurs have engaged Chartered Accountants for completing formalities regarding VAT registration on their behalf.
- Most of the entrepreneurs were satisfied with the online VAT payment facility with the overall time not taking more than 2 days except in Uttarakhand and Tamil Nadu where it takes about a week to receive the payment confirmation through email.
- 2 states in this category viz. Gujarat and Tamil Nadu have implemented an online system for applying for incentives whereas the other states in this category have a manual system. Feedback from Industry Associations in most of the states in this category indicated that the time for disbursements of incentives ranged between 3-6 months. Majority of respondents expressed satisfaction with the process involved in getting incentives in all the states except Chhattisgarh & Karnataka where respondents expressed low satisfaction on the process effectiveness.
 - Respondents from Chhattisgarh, mostly belonging to the small & medium sector indicated that they were not satisfied with time taken for availing capital subsidy. Based on interactions with industry associations and industries in Chhattisgarh, the irregular meeting schedule of the sanctioning committee was identified as the key constraint.
 - Feedback from Industry Associations and Industries in Karnataka indicated that the procedures for availing incentives undergo frequent changes especially in terms of documentation requirements.
 - Feedback from Industry Associations and Industries in Tamil Nadu indicated that the primary cause for low satisfaction with time taken to receive incentives/ subsidies was that even after online submission of application, multiple visits were required to concerned department

Middle 33.33 percentile States

10 states viz. Andhra Pradesh, Assam, Bihar, Goa, Madhya Pradesh, Meghalaya, Odisha, Punjab, Rajasthan and Sikkim feature in this category (please refer table below)

State	Registration			Payment			Incentives		
	Time	Process	Registration Score	Time	Process	Payment Score	Time	Process	Incentives Score
Andhra Pradesh	NA	NA	NA	●	●	●	●	●	●
Assam	●	●	●	●	●	●	●	●	●
Bihar	●	●	●	●	●	●	●	●	●
Goa	●	●	●	●	●	●	●	●	●
Madhya Pradesh	●	●	●	●	●	●	●	●	●
Meghalaya	●	●	●	●	●	●	●	●	●
Odisha	●	●	●	●	●	●	●	●	●
Punjab	●	●	●	●	●	●	●	●	●
Rajasthan	●	●	●	●	●	●	●	●	●
Sikkim	●	●	●	●	●	●	●	●	●

Rating on 5 point scale ● Rating > 3.5 ● 1.5 < Rating <= 3.5 ● Rating <= 1.5

Key characteristics of states placed in middle 33.33 percentile:

- Facility for online VAT registration and payment, resulting in positive user experience. Average time taken for VAT registration and payment is around 20 days and 1-2 days respectively for most states in this category
 - Largely manual processes for applying and disbursement of incentives under the state industrial policy, with the average time for disbursement being around 6-12 months for most states in this category
- All the states placed in this category have an online tax registration and payment facility excepting manual process of tax registration in Assam. Most of the respondents expressed satisfaction with the process for VAT registration and payment.
 - The average time for VAT registration for states in this category is 20 days. Assam having a manual VAT registration process takes about 20 days while Odisha despite having an online system takes more than a month. In Meghalaya it takes about 23 days which is slightly higher than the average time taken.
 - Feedback from Industry Association and Industry interactions in Odisha indicated that the key reason for delays was that post application multiple visits were required to be made to the department.
 - Feedback from Industry Association in Andhra Pradesh indicated that the state had an online VAT registration system with the registration process taking around 1-2 days.
 - While VAT payments takes an average of 1-2 days in most states in this category, respondents from Rajasthan & Madhya Pradesh indicated that it took 7 days and Assam indicated that it took 9 days for VAT payment
 - Feedback from Industry Association and Industry interactions in Rajasthan, Madhya Pradesh and Assam indicated that it takes about a week to receive the payment confirmation from the department. Further it was indicated that most of the industrialists have engaged Chartered Accountants for VAT payments.
 - All the states in this category, except Andhra Pradesh & Assam, have a manual process for receiving and processing applications for incentives. Almost all the respondents in Andhra Pradesh, Assam, Bihar and Sikkim were not satisfied with the time taken in getting the incentives/ subsidies.
 - Feedback from Industry Association and Industry interactions in Andhra Pradesh & Bihar and Assam & Sikkim indicated that the average time taken to get incentives was about 6-12 months and more than a year respectively which was primarily on account of delays in processing applications at the level of concerned department/ agency.

In most states, majority of respondents expressed satisfaction with the process involved in getting incentives except in Assam, Punjab and Sikkim, Bihar and Odisha

 - Majority of respondents from Assam, Punjab & Sikkim indicated that they were not satisfied with the process primarily on account of complex documentation requirements.
 - Feedback from Industry Association and Industry interactions also indicated a key reason for delays was that the procedures undergo frequent changes especially in terms of documentation requirements. Entrepreneurs in the north eastern states like Assam and Sikkim also indicated that it is very difficult to get reimbursements under transport subsidy due to complex process including excessive documentation requirements.
 - Majority of the respondents from Bihar and Odisha commented that processes for availing incentives were not standardized and lack clarity & objectivity. The process also involved complex documentation.

Bottom 33.33 percentile States

9 states viz. Arunachal Pradesh, Jammu & Kashmir, Jharkhand, Manipur, Mizoram, Nagaland, Tripura, Uttar Pradesh and West Bengal feature in this category (please refer table below)

State	Registration			Payment			Incentives		
	Time	Process	Registration Score	Time	Process	Payment Score	Time	Process	Incentives Score
Arunachal Pradesh	●	●	●	●	●	●	●	●	●
Jammu and Kashmir	NA	NA	NA	NA	NA	NA	●	●	●
Jharkhand	●	●	●	●	●	●	●	●	●
Manipur	●	●	●	●	●	●	●	●	●
Mizoram	●	●	●	●	●	●	●	●	●
Nagaland	●	●	●	●	●	●	●	●	●
Tripura	●	●	●	●	●	●	●	●	●
Uttar Pradesh	●	●	●	●	●	●	●	●	●
West Bengal	●	●	●	●	●	●	●	●	●

Rating on 5 point scale ● Rating > 3.5 ● 1.5 < Rating ≤ 3.5 ● Rating ≤ 1.5

Key characteristics of states placed in bottom 33.33 percentile:

- Facility for online VAT registration and payment, resulting in positive user experience. Average time taken for VAT registration and payment is around 30 days and 2-9 days respectively for most states in this category
 - Manual process for applying for incentives under the state industrial policy, with the average time period for disbursements being more than a year
- All the states in this category have online line tax registration and payment facility. Majority of the respondents expressed satisfaction with the VAT registration and payment process
 - The average time for VAT registration was about 30 days for most states in this category. In states like Arunachal Pradesh, West Bengal and Tripura, the time taken for VAT registration was more than a month. Majority of respondents from Jharkhand, Tripura and West Bengal indicated that they were not satisfied with the time taken for registration. Based on discussions with industry associations & industries in these states, the primary reason for the relatively long registration could be attributed to the need for entrepreneurs to visit the concerned department with hard copies of documents after submitting the application online
 - While VAT payments take 2-9 days in most of the other states, it takes more than 9 days in Mizoram (16 days), and Manipur (20 days).
 - All the states placed in this category have a manual process for receiving applications for incentives. Majority respondents across all states in this category expressed that they were not satisfied with the process involved in getting incentives.
 - Feedback from Industry Association and Industry interactions indicated that the key cause for industries not being satisfied was (i) excessive documentation requirements and (ii) multiple visits required to be made to the concerned departments.
 - Entrepreneurs in the states like Nagaland, Tripura, Mizoram, Manipur and Jammu and Kashmir also opined that it was very difficult to get reimbursements under transport subsidy and NEIIP (applicable for north eastern states) due to excessive documentation requirements.

- Almost all respondents in Nagaland, Mizoram, West Bengal, Uttar Pradesh, Manipur, Jharkhand and Jammu & Kashmir¹ commented that it takes more than a year to receive the incentives

Innovative / Good Practices

A number of innovative / good practices were observed in areas like access to information and streamlined business processes, some of which have been highlighted below:

Access to Information on compliance/ regulatory requirements

- To raise awareness about incentives for the small and micro enterprises in West Bengal, the DICs are in the process of developing a single point of information dissemination at the district level. Relevant information on incentives offered as part of the state industrial policy along with procedures for the availing the same is proposed to be disseminated through camps to be held at the DIC premises on a specified date every month.
- Many states like Chhattisgarh have published ready reckoners in local languages to guide the industrial units on the process and documentation requirements for availing various incentives

Process Improvement

- The Commercial Tax Department in Karnataka has undertaken many e-initiatives leveraging information technology for improving tax administration aimed at increasing transparency, bringing down cost, removing unnecessary interfaces etc. Some of its initiatives include: e-Vardan which involves online filing, processing and registration. An applicant can fill the application form and upload it along with supporting documents on the website. The application fee is also paid online. Inspector fixes date of inspection which is updated online. After approval, Tax Identification Number (TIN) and registration certificate can be downloaded online by the dealer. Tax payment is online for amounts above Rs. 10,000.
- Some of the states like Gujarat, Andhra Pradesh and Tamil Nadu have operationalized online platforms (Gujarat - <http://103.11.117.142/IC/home.aspx>, Tamil Nadu - http://www.msmeonline.tn.gov.in/subsidy/capital_subsidyfiling.php, Andhra Pradesh - <http://em.apindustries.gov.in/>) where industries can apply for sanction of specific incentives/ subsidies like capital subsidy, interest subsidy etc. These portals also provide facility for tracking of status of incentive related applications; which reduces the number of visits required to be made to the concerned Government departments.
- In Haryana application for state VAT registration can be made to District level Assessing Authority with the complete process taking about a week

Recommendations

While a large number of states have leveraged information technology to streamline their processes for registration and payment of state level taxes, timely receipt of incentives emerges as a key opportunity for improvement for most states. For streamlining the procedures states may consider the following:

- Standardization and simplification of checklists, especially for states placed in bottom 33.33 percentile, taking into account local business environment of the state and dissemination of the same through websites/ brochures/ helpline number/ industry association
 - Finalize the checklist of documents needed for availing incentives based on consultation with the industries/ industry associations
- Implement an online monitoring mechanism/ status checking facility for incentives

¹ Based on interaction with industry associations and industries in Jammu & Kashmir, we understand that most of the industrial units in the state are exempted from VAT

4. Labour Law Related Compliances





















Labour Law related compliances

Labour law related compliances cover the following:

- Time taken and effectiveness of process for initial registration by manufacturing units under Factories Act for obtaining factory license and subsequent renewal.
- Time taken and effectiveness of process for compliance related to other Labour Laws like Employee State Insurance Act, Contract Labour (Regulation & Abolition) Act, Payment of Wages Act, etc. applicable in respective states

Top 33.33 percentile States

10 states viz. Andhra Pradesh, Haryana, Karnataka, Madhya Pradesh, Manipur, Mizoram, Nagaland, Punjab, Rajasthan and Uttar Pradesh feature in this category (please refer table below)

State	Factories Act & Other Labour Law related Compliances	
	Time	Process
Andhra Pradesh		
Haryana		
Karnataka		
Madhya Pradesh		
Manipur		
Mizoram		
Nagaland		
Punjab		
Rajasthan		
Uttar Pradesh		

Rating on 5 point scale  Rating > 3.5  1.5 < Rating <= 3.5  Rating <= 1.5

Key characteristics of states placed in top 33.33 percentile:

- Online or manual process for registration/ renewal of license related to Factories Act with positive user experience, with the period for registration and renewal being around a month for most states
- Most states perceived the inspection processes to be standard and based on objective measures

- While states like Haryana, Karnataka, Rajasthan and Uttar Pradesh have an online process for registration/ renewal of license related to Factories Act; other states in this category have a manual process. Majority of the respondents in all the states placed in this category were satisfied with the process involved for registration/ renewal of license related to Factories Act.

While it takes up-to a month for registration/ renewal of license related to Factories Act in states like Haryana, Madhya Pradesh, Mizoram, Nagaland, Punjab, Uttar Pradesh and Manipur, it takes more than a month in Andhra Pradesh, Karnataka and Rajasthan. While respondents in other states indicated that they were satisfied with the time taken for registration/ renewal of factory license, most respondents from Karnataka expressed that they were not satisfied with the time taken.

















Feedback from the industry associations and industry in Rajasthan and Karnataka indicated that time taken for the mandatory inspection to be conducted before issuing/ renewal of licence was not reasonable.




- Majority of the respondents across the states in this category with the exception of Karnataka, Rajasthan and Uttar Pradesh were satisfied with the time taken in complying with other labour laws applicable in the respective states.

Feedback from the industry associations and industry in Karnataka and Rajasthan indicated that the key issues include multiplicity of inspections, criteria of inspection not being objective and significant amount of time required for ensuring compliance due to duplicity of documentations/ excessive documentations requirements

Middle 33.33 percentile States

8 states viz. Arunachal Pradesh, Chhattisgarh, Himachal Pradesh, Jammu & Kashmir, Meghalaya, Odisha, Tripura and West Bengal feature in this category (please refer table below)

State	Factories Act & Other Labour Law related Compliances	
	Time	Process
Arunachal Pradesh		
Chhattisgarh		
Himachal Pradesh		
Jammu & Kashmir		
Meghalaya		
Odisha		
Tripura		
West Bengal		

Rating on 5 point scale  Rating > 3.5  1.5 < Rating <= 3.5  Rating <= 1.5

Key characteristics of states placed in middle 33.33 percentile:

- Manual process for registration/ renewal of license related to Factories Act, with the average time taken for registration or renewal of license ranging between 1-2 months for most states
- Most states perceived the inspection processes to be standard and based on objective measures

- Except West Bengal which has a partly automated process, all other states placed in this category viz. Arunachal Pradesh, Chhattisgarh, Himachal Pradesh, Jammu and Kashmir,

Meghalaya, Odisha and Tripura have a manual processes for registration/ renewal of license related to Factories Act. Majority of the respondents in all the states placed in this category were satisfied with the process involved for registration/ renewal of license related to Factories Act.

Feedback from industry associations and industry in West Bengal indicated that key reason for respondents, especially micro & small enterprises not being satisfied was on account of complex documentation requirements for obtaining the license.

- While it takes on an average less than a month for registration/ renewal of license related to Factories Act in Jammu & Kashmir and Meghalaya, 1-2 month in Chhattisgarh, Himachal Pradesh, Odisha and Tripura, it takes around 70 days in West Bengal and around 65 days in Arunachal Pradesh.

Feedback from industry associations and industries in West Bengal indicated that the delay was primarily on account of multiple visits required to be made to the concerned department for follow up.

- Majority of the respondents in Arunachal Pradesh, Chhattisgarh, Himachal Pradesh, Jammu & Kashmir, Odisha, Tripura and West Bengal were satisfied with the time taken in complying with the other labour laws applicable in the respective states

Bottom 33.33 percentile States

9 states viz. Assam, Bihar, Goa, Gujarat, Jharkhand, Kerala, Maharashtra, Tamil Nadu and Uttarakhand feature in this category (please refer table below)

State	Factories Act & Other Labour Law related Compliances	
	Time	Process
Assam	●	●
Bihar	●	●
Goa	●	●
Gujarat	●	●
Jharkhand	●	●
Kerala	●	●
Maharashtra	●	●
Tamil Nadu	●	●
Uttarakhand	●	●

Rating on 5 point scale ● Rating > 3.5 ● 1.5 < Rating <= 3.5 ● Rating <= 1.5

Key characteristics of states placed in bottom 33.33 percentile:

- Manual process for registration/ renewal of license related to Factories Act, with the average time for registration / renewal of license being around 1.5 to 3 months for most states
- There was an equal mix of states where the inspection processes were perceived to be standard and based on objective measures viz. a viz. those where majority of the users had adverse feedback on inspections

- All the states placed in this category have manual processes for registration/ renewal of license related to Factories Act. Majority of the respondents in all the states placed in this category except Jharkhand, Maharashtra and Tamil Nadu were satisfied with the process involved for registration/ renewal of license related to Factories Act.
 - Feedback from industry associations and industry in Maharashtra indicated that entrepreneurs especially from micro and small sector were not satisfied with the process for registering for/ renewing factory license primarily on account of complex documentation required for obtaining approvals
 - Feedback from industry associations and industries in Jharkhand and Tamil Nadu indicated that the key reason for most respondents not being satisfied with the process for registering for/ renewing factory license was mainly on account of inspections not being based on standard objective procedures
- While it takes on an average 1.5 to 3 months for registration/ renewal of license related to Factories Act in Bihar, Goa, Gujarat, Kerala, and Tamil Nadu; it takes less than 1.5 months in Uttarakhand, more than 3 months in Maharashtra & Assam and around 7 months in Jharkhand. Almost all the respondents in Jharkhand, Maharashtra, Tamil Nadu and Kerala expressed that they were not satisfied with the time taken for registration/ renewal of factory license.
 - Feedback from industry associations and industries in these states indicated that the delay in issuing factory license was primarily on account of time taken for the mandatory inspection to be conducted before issuing/ renewal of licence
- Majority of the respondents in all the states placed in this category were satisfied with the time taken in complying with other labour laws applicable in the respective states except Assam, Jharkhand, Tamil Nadu and Uttarakhand
 - Feedback from industry associations and industries in Assam indicated that majority of the small and micro units were not satisfied with the inspections conducted under the various labour laws, as they were not based on standard objective procedures. Further it was indicated that all the industrial units in the State are mandatorily required to employ 90% of their total workforce from within the State, which becomes difficult in the absence of skilled manpower.
 - Feedback from industry associations in Jharkhand and Tamil Nadu indicated that time taken for preparation of documents/ registers related to labour law related compliances was high and inspection process not based on objective and well defined procedures
 - The interactions with industry & industry associations in Uttarakhand indicated that the low satisfaction was primarily on account of large number of forms/ registers to be filled and complex documentation requirements.

Innovative / Good Practices

A number of innovative / good practices were observed in areas like awareness generation & information sharing, online services for registrations/ renewals, engaging empanelled agencies for the inspection process, some of which have been highlighted below:

Information dissemination on Labour compliance

- West Bengal provides simplified information and FAQs for various labour laws as part of the website of the Department of Micro & Small Scale Enterprises: myenterprise.wb.gov.in

Process Improvement

- Many states have developed a portal for providing online services for various labour law compliances. some of these include:
 - Haryana State Labour Department has developed a portal for providing online services (<http://hrylabour.gov.in/>). It provides online services like registration/ renewal under factories act.
 - In Rajasthan registration under Factories Act is covered under the single window mechanism of the state and applications can be made online through the single window clearance portal (<http://bipraj.raj.nic.in/Default.aspx>)
 - The Labour Commissioner Organization in Uttar Pradesh provides facilities for Online registration/ renewal under factories act and status check for applicants

(<http://labour.up.nic.in/labourcommissioner/>)

- Some of the states have engaged reputed third party service providers for conducting onsite inspections. For example, Directorate of Boilers in Punjab has mandated a reputed third party service provider as the inspecting authority to expedite the inspection process for awarding/ renewing boiler licenses. The third party service provider works under the supervision of the Directorate and adheres to service levels specified by them. Following their appointment, we understand, based on feedback from Industry Associations, the average time for inspection has reduced by about 50%.

Recommendations

While a large number of states have leveraged information technology to streamline their processes for registration/ renewal of licenses required under various labour laws, conducting timely inspections and streamlining the documentation requirements for compliance with the laws emerges as a key opportunity for improvement for most states. For standardizing and streamlining the procedures, states may consider the following:

- Develop standardized formats for minimizing the number of returns required to be submitted for compliance & to avoid duplicity of documentations
- With the objective of reducing procedural delays on account of limited capacity of the concerned departments/ agencies, states may consider empanelment of certified third party service providers to conduct the inspection process on behalf of the department
- Develop and document standard operating procedures for inspection process to increase transparency and efficiency of the process and sharing the same with industries through the department's website and circulation to industry associations
- Implementing IT based online system for registration/ renewal under factories act, especially for the states placed in the middle and bottom 33.33 percentile along with a tracking mechanism through which both department as well as applicants can track the status of processing of the application

5. Infrastructure & Utilities Related Approvals

Infrastructure & Utilities Related Approvals

Infrastructure & Utilities related approvals cover the following:

- Time taken and effectiveness of process for obtaining a new power connection
- Time taken and effectiveness of process for obtaining a new water connection
- Time taken and effectiveness of process for obtaining and renewing Fire No objection Certificate (NOC) and license

Top 33.33 percentile States

9 states viz. Chhattisgarh, Gujarat, Haryana, Madhya Pradesh, Maharashtra, Nagaland, Rajasthan, Tamil Nadu and Uttarakhand feature in this category (please refer table below)

State	Power Connection (PC)			Water Connection (WC)			Fire NOC		
	Time	Process	P C Score	Time	Process	W C Score	Time	Process	Fire NOC Score
Chhattisgarh	●	●	●	●	●	●	NA	NA	NA
Gujarat	●	●	●	●	●	●	●	●	●
Haryana	●	●	●	●	●	●	●	●	●
Madhya Pradesh	●	●	●	NA	NA	NA	●	●	●
Maharashtra	●	●	●	●	●	●	●	●	●
Nagaland	●	●	●	NA	NA	NA	●	●	●
Rajasthan	●	●	●	●	●	●	●	●	●
Tamil Nadu	●	●	●	NA	NA	NA	●	●	●
Uttarakhand	●	●	●	●	●	●	●	●	●

Rating on 5 point scale ● Rating > 3.5 ● 1.5 < Rating <= 3.5 ● Rating <= 1.5

Key characteristics of states placed in top 33.33 percentile:

- IT enabled system & streamlined processes for obtaining a utility connection; resulting in positive user experience
- Average time taken for power connection is less than 3 months for most states, whereas for water connection and fire license it is less than 1.5 months
- Most of the states in this category have well-defined procedures and clearly laid down processes for obtaining a power connection. All states placed in this category, except Nagaland and Tamil Nadu, have implemented an online application system for obtaining a new power connection with the feature for checking the status of application by the applicant.
- It takes, on an average, less than 3 months to obtain a power connection in the states placed in this category, except for Uttarakhand and Nagaland where the average time taken is around 3-5 months.
- Majority of the respondents were satisfied with the time taken and process involved in obtaining a power connection except in Maharashtra where the satisfaction levels were relatively low.

- Feedback from industry associations in Maharashtra indicated that the awareness & usage of the online application system was relatively low and the industries directly approach the concerned departments/ DICs for power connections
- Feedback from respondents in Nagaland indicated that the delay in obtaining a new power connection is primarily due to the time taken in getting the required load sanction on account of it being a power deficit state.
- Only Gujarat, Haryana and Maharashtra have implemented an online system for obtaining a new water connection. Majority of the respondents from these states except Maharashtra expressed satisfaction with the process of obtaining a water connection.
- The average time taken for obtaining a water connection for states placed in this category was less than 1.5 months. While most states take less than 45 days to issue a new water connection, it takes around 3 months in Maharashtra. Majority of respondents from these states except Maharashtra expressed satisfaction on the time taken to obtain a water connection.
- Respondents in Madhya Pradesh, Tamil Nadu and Nagaland have indicated that in absence of water distribution facilities at the location of their manufacturing units, most units had to rely on making their own arrangements for boring/ laying pipelines for drawing water.
- Only Maharashtra has an online application system for obtaining/ renewal of fire NoC. Majority of the respondents across the states except Haryana expressed satisfaction on the process involved in obtaining/ renewing fire license/ NOC. Feedback from industry associations in Haryana indicated that the process for obtaining/ renewing fire license/ NOC was not based on standard objective procedures
- On an average, it takes less than 45 days to get a fire NOC & license in most states in this category except in Maharashtra where it takes about 2 months. Feedback from industry associations and industries in Maharashtra indicated that the delay was primarily on account of manual processes being used for applications by most manufacturing units as the level of awareness on the online system and its usage was limited.
- Feedback from industry associations in Chhattisgarh indicated low awareness among manufacturing units about requirement for fire NoC and license

Middle 33.33 percentile States

10 states viz. Andhra Pradesh, Arunachal Pradesh, Bihar, Himachal Pradesh, Jammu & Kashmir, Kerala, Meghalaya, Mizoram, Odisha and Punjab feature in this category (please refer table below)

State	Power Connection (PC)			Water Connection (WC)			Fire NOC		
	Time	Process	P C Score	Time	Process	W C Score	Time	Process	Fire NOC Score
Andhra Pradesh	●	●	●	●	●	●	●	●	●
Arunachal Pradesh	●	●	●	●	●	●	●	●	●
Bihar	●	●	●	●	●	●	●	●	●
Himachal Pradesh	●	●	●	●	●	●	●	●	●
Jammu and Kashmir	●	●	●	●	●	●	●	●	●
Kerala	●	●	●	●	●	●	●	●	●
Meghalaya	●	●	●	●	●	●	●	●	●
Mizoram	●	●	●	●	●	●	NA	NA	NA
Odisha	●	●	●	●	●	●	●	●	●
Punjab	●	●	●	●	●	●	●	●	●

Rating on 5 point scale ● Rating > 3.5 ● 1.5 < Rating ≤ 3.5 ● Rating ≤ 1.5

Key characteristics of states placed in middle 33.33 percentile:

- Manual application process for obtaining a utility connection
 - Average time taken for power connection ranges from 2-4 months for most states, whereas for water connection and fire license it is less than 2 months and up to 1.5 months respectively
- All states placed in this category have a manual process for obtaining a new power connection. It takes an average of 2-4 months to obtain a new power connection except in Kerala where the time taken was around 45 days and Meghalaya & Jammu & Kashmir where it takes more than 9 months.
 - Majority of the respondents indicated low satisfaction levels for the process involved for obtaining a power connection except for Kerala, Arunachal Pradesh, Bihar, Mizoram and Odisha. The key constraints highlighted by respondents include (i) multiple visits required to be made to the concerned departments and (ii) absence of clearly laid out process for availing the approvals.
 - Respondents from power deficit states like Jammu & Kashmir indicated delays on account of load factor which was dependent on, availability of power in the state. Feedback from respondents in Meghalaya and Punjab indicated that multiple visits to concerned department were required for obtaining a power connection.
 - All states in this category except Odisha follow a manual process for issuing new water connections. Odisha has an online application facility for obtaining a new water connection. Majority of the respondents were satisfied with the process of obtaining a water connection.
 - On an average, it takes less than 2 months to get a water connection except in Arunachal Pradesh where it takes more than 2 months. Majority of respondents from Arunachal Pradesh, Kerala and Mizoram expressed low satisfaction for time taken to get new water connection.
 - States in this category have a manual process for issuing fire license/ NOC with the exception of Andhra Pradesh which has an online system for tracking status of application for obtaining/ renewal of fire NOC. On an average, it takes around 1.5 months to obtain a fire NOC in the states in this category. Majority of the respondents expressed satisfaction with the time taken & process involved for obtaining fire NOC.
 - Feedback from industry associations indicated low awareness among industries in Mizoram about requirement for fire NoC and license.

Bottom 33.33 percentile States

9 states viz. Assam, Goa, Jharkhand, Karnataka, Manipur, Sikkim, Tripura, Uttar Pradesh and West Bengal feature in this category (please refer table below)

State	Power Connection (PC)			Water Connection (WC)			Fire NOC		
	Time	Process	P C Score	Time	Process	W C Score	Time	Process	Fire NOC Score
Assam	●	●	●	●	●	●	●	●	●
Goa	●	●	●	●	●	●	●	●	●
Jharkhand	●	●	●	●	●	●	●	●	●
Karnataka	●	●	●	●	●	●	●	●	●
Manipur	●	●	●	NA	NA	NA	NA	NA	NA
Sikkim	●	●	●	●	●	●	●	●	●
Tripura	●	●	●	●	●	●	●	●	●
Uttar Pradesh	●	●	●	●	●	●	●	●	●
West Bengal	●	●	●	●	●	●	●	●	●

Rating on 5 point scale ● Rating > 3.5 ● 1.5 < Rating ≤ 3.5 ● Rating ≤ 1.5

Key characteristics of states placed in bottom 33.33 percentile:

- Manual application process for obtaining a utility connection; relatively lower satisfaction levels on experience in obtaining new utility connections
 - Average time taken for power connection is greater than 3 months for most states, whereas for water connection and fire license it ranges from 1-4 months and 1-2 months respectively
- All the states placed in this category have manual processes for obtaining power connection with exception of Uttar Pradesh which has an online application system with feature for tracking application status. Majority respondents across the states in this category except West Bengal expressed low satisfaction on the process involved in obtaining a new power connection. Feedback from industry associations and manufacturing units from states in this category highlighted the following key constraints: (a) multiple visits required to be made to the concerned departments for obtaining a new power connection, (b) lack of clearly laid down procedures, (c) complex documentation requirements and (d) lack of objectivity in inspection process.
 - It takes more than 3 months to obtain a power connection in the states in this category. While for Karnataka, West Bengal and Sikkim the average time taken is around 2-3 months, it was more than 6 months for Manipur. Respondents from all the states in this category indicated low satisfaction with the time taken to get a power connection.
 - None of the states except Karnataka has an online application system for obtaining a water connection. Majority of the respondents from other states except Assam, Tripura, Sikkim and West Bengal expressed low satisfaction for the process of obtaining a water connection. Feedback from industry associations from Goa, Karnataka, Jharkhand and Uttar Pradesh highlighted the following key constraints (a) multiple visits required to be made to the concerned departments for obtaining a new connection and (b) complex documentation requirements
 - It takes around 1-4 months to obtain a water connection in the states in this category except Tripura where the average time taken was less than a month.
 - Most of the states in this category follow a manual process for applying for renewing fire license/ NOC. On an average, it takes about 1-2 months to get a fire license/ NOC except in Assam and Sikkim where it is less than a month. However, it takes more than 2 months in West Bengal & Jharkhand to obtain/ renew fire license/ NOC. Majority of the respondents expressed low satisfaction on the time taken to issue a fire license/ NOC in all the states except Assam, Goa and Sikkim.

Feedback from industry associations indicated that the delays can primarily be attributed to multiple visits having to be made to the concerned department to obtain the fire license/ NOC.

Innovative / Good Practices

A number of innovative/ good practices were observed related to this parameter in areas like policy and institutional mechanisms. Key innovative/ good practices are highlighted below:

Policy
<ul style="list-style-type: none"> Some of the states have made provisions for reservation of utilities for industries. For example, recognizing that water is a key requirement for industries, states like Andhra Pradesh have a policy for reserving a certain percentage of water from all water sources to be made available for industrial use. For purpose of improving maintenance of civic services in Industrial estates/ areas, some states have given the responsibility of providing and maintaining civic services like water & sewerage to local organizations. For example in case of Andhra Pradesh, organizations like Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) have been given local authority status, through amendment of Municipal Act. APIIC Industrial Area Local Authority (IALA) collects property tax from estate occupants and remits 35% of the property tax collected to the respective local bodies with the balance being ploughed back for park maintenance / augmenting amenities. Further, there exists a concept of “self-governance” in some of the notified APIIC-IALA Industrial areas wherein the entrepreneurs have formed service societies and are responsible for collection of property tax and maintenance of civic services like power, water & sewerage.
Process Improvement
<ul style="list-style-type: none"> Some states provide online information regarding availability of land in state owned industrial estates, availability of water, power etc. For example: <ul style="list-style-type: none"> iNDEXTb (nodal agency under the Industries Commissionerate, Government of Gujarat) provides hand-holding support to entrepreneurs, including helping them finalize location choices by providing information and access to 3 key basic amenities i.e., land, power and water. The IFP portal is available for MSMEs as well as large enterprises across all sectors including setting up new industries as well as for expansion purpose. MIDC’s online single window portal provides MIDC services ranging from the land department to fire, water, power, drainage, SPA, technical advisory and IT Special Economic Zones.

Recommendations

While a large number of states have leveraged information technology to streamline their processes for application for utility connections and fire licenses, policy changes on decentralizing power to issue new connection and standardization of procedures involved in processing applications emerge as a key opportunity for improvement for most states. For streamlining the procedures the states may consider the following:

- Empower state managed industrial estates with the responsibility of providing power, water and sewerage connection related approvals which may lead to lesser time for getting clearances
- States placed in middle and bottom 33.33 percentile, may consider developing online systems for receiving applications and tracking processing of applications for obtaining water, power connections and fire license/ NOC

6. Land & Building Related Approvals

Land & Building Related Approvals

Land and building related approvals cover the following:

- Time taken and effectiveness of process for land allotment in state managed Industrial Estates/ land from Government agencies
- Time taken and effectiveness of process for change of land end use
- Time taken and effectiveness of process for building plan approvals

Top 33.33 percentile States

9 states viz. Andhra Pradesh, Gujarat, Madhya Pradesh, Nagaland, Rajasthan, Tamil Nadu, Tripura, Uttarakhand and West Bengal feature in this category (please refer table below)

State	Industrial Estates (IE)			Land Conversion (LC)			Building Plan Approval (BPA)		
	Time	Process	IE Score	Time	Process	LC Score	Time	Process	B P A Score
Andhra Pradesh	●	●	●	●	●	●	●	●	●
Gujarat	●	●	●	●	●	●	●	●	●
Madhya Pradesh	●	●	●	●	●	●	●	●	●
Nagaland	●	●	●	NA	NA	NA	●	●	●
Rajasthan	●	●	●	●	●	●	●	●	●
Tamil Nadu	NA	NA	NA	NA	NA	NA	●	●	●
Tripura	●	●	●	NA	NA	NA	●	●	●
Uttarakhand	●	●	●	NA	NA	NA	●	●	●
West Bengal	●	●	●	●	●	●	●	●	●

Rating on 5 point scale ● Rating > 3.5 ● 1.5 < Rating <= 3.5 ● Rating <= 1.5

Key characteristics of states placed in top 33.33 percentile:

- Online application system for land allotment in state managed industrial estates with the facility for tracking application status in some of the states; Average time taken for land allotment ranges from 1-3 months for most states
 - Average time taken for land end use conversion ranges between 3-5 months
 - Online system for building plan approval along with facility for online tracking of status of application in most states; Average time taken is less than 2 months for most states
- Andhra Pradesh, Gujarat, Rajasthan and Uttarakhand have online systems for allocation of land in state managed industrial estates. The system also provides the facility to check the status of the application online. Majority of the respondents from states in this category expressed satisfaction with the process of obtaining land in industrial estates.
 - The average time taken for allotting land in industrial estates for states placed in this category was about 1-3 months except around 3-5 months in Gujarat, Uttarakhand & Rajasthan. Majority of the

respondents were satisfied with the time taken for obtaining land in industrial estates except in Gujarat and Rajasthan where the respondents expressed low satisfaction.

- Feedback from industry associations in Gujarat indicated that applicants were required to submit hard copies to the concerned agency even after submitting their application online.
 - Further, industry associations in Gujarat and Rajasthan stated that multiple visits to the concerned department/ agency were required
 - Feedback from industry associations in Tamil Nadu ²indicated that the time taken for land allotment in state managed industrial estates is around 3 months.
- The process of application for change of land end use was manual in all the states placed in this category. However, majority of the respondents were satisfied with the process except those from Gujarat and West Bengal where the satisfaction level was low. Feedback from industry and industry associations in Gujarat and West Bengal indicated that multiple follow-ups and visits to the concerned departments were required for obtaining the change of land end use certificate.
- Conversion of land for industrial use takes on an average is around 1.5 months in Madhya Pradesh, 3-5 months in Andhra Pradesh & Gujarat and more than 6 months in Rajasthan and West Bengal. Majority of the respondents in Rajasthan and West Bengal expressed low satisfaction with the time taken on account of multiple visits required to be made by applicants.
 - Feedback from industry associations in Tamil Nadu indicated that the time taken for conversion of land for industrial use is about 4-6 months.
- Almost all respondents from Uttarakhand indicated that most of the manufacturing units, especially MSMEs had availed land in industrial estates and so had no experience on land end use conversion in the state. Similarly, almost all respondents from Tripura and Nagaland indicated that they had either taken land in industrial estates or had not applied for land end use conversion while setting up units on their own privately held land, consequently, they too had no experience with the land end use conversion process in these states.
- All the states placed in this category, except Andhra Pradesh, Nagaland and Uttarakhand, have facility for online building plan approval along with the facility to track the application status. Majority of the respondents across the states in this category expressed satisfaction with the process of obtaining building plan approvals.
- It takes less than 2 months to get building plan approvals and majority of the respondents across the states in this category expressed satisfaction with the time taken for obtaining the approvals.

Middle 33.33 percentile States

10 states viz. Arunachal Pradesh, Bihar, Chhattisgarh, Haryana, Jammu & Kashmir, Kerala, Meghalaya, Mizoram, Odisha and Sikkim feature in this category (please refer table below)

² Respondents from Tamil Nadu were not located on Industrial Estates and did not respond to the related question in the questionnaire

State	Industrial Estates (IE)			Land Conversion (LC)			Building Plan Approval (BPA)		
	Time	Process	IE Score	Time	Process	LC Score	Time	Process	BPA Score
Arunachal Pradesh	NA	NA	NA	NA	NA	NA	●	●	●
Bihar	●	●	●	●	●	●	●	●	●
Chhattisgarh	●	●	●	●	●	●	●	●	●
Haryana	●	●	●	●	●	●	●	●	●
Jammu and Kashmir	●	●	●	NA	NA	NA	●	●	●
Kerala	NA	NA	NA	●	●	●	●	●	●
Meghalaya	●	●	●	NA	NA	NA	NA	NA	NA
Mizoram	●	●	●	NA	NA	NA	●	●	●
Odisha	●	●	●	NA	NA	NA	●	●	●
Sikkim	●	●	●	NA	NA	NA	●	●	●

Rating on 5 point scale ● Rating > 3.5 ● 1.5 < Rating <= 3.5 ● Rating <= 1.5

Key characteristics of states placed in middle 33.33 percentile:

- Manual processes for land allotment in state managed industrial estates; Average time taken for land allotment ranges between 2.5-4 months for most states
- Average time taken for land end use conversion is around 5-6 months
- Online system for building plan approval along with facility to track the status of application online in some of the states; Average time taken was around 1-2 months in most states

- All the states placed in this category have manual processes for allotting land in state managed industrial estates. However, majority of the respondents across the states in this category expressed satisfaction with the process of allotment of land in the industrial estates.
- The average time taken for obtaining land in industrial estates for states placed in this category was around 2.5-4 months except in Bihar and Odisha where the average time was around 5-6 months.
 - Feedback from industry associations in Bihar indicated that multiple visits to the concerned department were required & documentation requirements are complex.
 - Feedback from industries and industry associations in Odisha indicated that there was limited vacancy in most industrial estates. Further, they also stated that multiple follow-ups & visits were required by the applicants and the level of transparency in land allotment procedures need to be increased.
- The process for land end use conversion is manual in all states in this category. Majority of the respondents across the states were satisfied with the process of land end use conversion except respondents from Chhattisgarh and Haryana where the satisfaction was low.
 - Feedback from industries & industry associations in Chhattisgarh indicated that the process of land end use conversion was not perceived to be based on clearly laid down guidelines.

- Feedback from industry associations in Haryana indicated that multiple visits were required to be made to the concerned department for land end use conversion
- The average time taken for land end use conversion in the states in this category is around 5-6 months except in Haryana where it takes around 8-9 months to get a land end use conversion certificate. Further, average time taken is less than 3 months in Bihar and Kerala. However, majority of the respondents from these states indicated that they were not satisfied with the time taken for land end use conversion.

Majority of the respondents from Jammu Kashmir and Odisha especially those belonging to micro and small sector had units in industrial estates and did not have any experience with the land end use conversion process. Feedback from industry associations in Odisha indicated that land end use conversion usually takes around 6 months.

Feedback from respondents from Arunachal Pradesh, Meghalaya, Mizoram and Sikkim indicated that most of them belonging to micro & small sector had either taken land in industrial estates or had not applied for land end use conversion while setting up units on their own privately held land. Consequently, they too had no experience with the land end use conversion process in these states.

- Chhattisgarh, Haryana and Odisha have online building plan approval systems along with the facility to track the application status. Majority of the respondents in the states in this category expressed satisfaction with the process of obtaining building plan approvals.
- The average time taken to obtain building plan approvals was around 2 months in most states in this category except Bihar where it takes on an average about 3 months to get a building plan approval. However, average time taken was less than a month in Sikkim. Majority respondents from states in this category except Kerala expressed satisfaction with the time taken to obtain building plan approvals. Feedback from industry associations and industries indicated that multiple visits for follow-up were required to be made by the entrepreneur for obtaining building plan approvals.

Bottom 33.33 percentile States

9 states viz. Assam, Goa, Himachal Pradesh, Jharkhand, Karnataka, Maharashtra, Manipur, Punjab and Uttar Pradesh feature in this category (please refer table below)

State	Industrial Estates (IE)			Land Conversion (LC)			Building Plan Approval (BPA)		
	Time	Process	IE Score	Time	Process	LC Score	Time	Process	BPA Score
Assam	●	●	●	●	●	●	●	●	●
Goa	●	●	●	NA	NA	NA	●	●	●
Himachal Pradesh	●	●	●	●	●	●	●	●	●
Jharkhand	●	●	●	NA	NA	NA	NA	NA	NA
Karnataka	●	●	●	●	●	●	●	●	●
Maharashtra	●	●	●	●	●	●	●	●	●
Manipur	●	●	●	NA	NA	NA	●	●	●
Punjab	●	●	●	●	●	●	●	●	●
Uttar Pradesh	●	●	●	●	●	●	●	●	●

Rating on 5 point scale ● Rating > 3.5 ● 1.5 < Rating <= 3.5 ● Rating <= 1.5

Key characteristics of states placed in bottom 33.33 percentile:

- Manual processes for obtaining land in state managed industrial estates. Average time taken for land allotment was more than 6 months for most states
 - Average time taken for land end use conversion is more than 6 months
 - Manual processes for obtaining building plan approvals in most of the states
-
- Except Maharashtra, all the states placed in this category have manual processes for application of land allotment in industrial estates. Majority of the respondents except those from Jharkhand expressed that they were not satisfied with the process involved in obtaining land in industrial estates.
 - Feedback from industry associations in Maharashtra indicated that the awareness & usage of the online application system was relatively low and the industries directly approach the concerned departments/ DICs while applying for land allotment
 - The average time taken for obtaining land allotment in these states was more than 6 months except in Goa (around 100 days) and Punjab (around 130 days). Majority of the respondents from other states except Jharkhand expressed low satisfaction on the time taken for obtaining land allotments.
 - Feedback from industries and industry associations across states in this category indicated that the key constraints in obtaining timely land allotments include (i) limited availability of land with the state government, (ii) multiplicity of visits required to be made to the concerned department/ agency, (iii) lack of clearly laid down processes for land allotment and (iv) complex documentation requirements
 - The process for land end use conversion is manual in all the states in this category. Majority of the respondents across states except Uttar Pradesh expressed low satisfaction with the process. Feedback from industries and industry associations indicated that key issues impacting the process included multiple visits required to be made to the concerned departments and the process for land end use conversion did not appear to be based on clearly laid down procedures.
 - The average time taken for land end use conversion in the states in this category is more than 6 months except in Himachal Pradesh and Karnataka where it takes around 4-5 months. Majority of the respondents across the states except Uttar Pradesh were not satisfied with the time taken.
 - Karnataka and Maharashtra have online systems for obtaining building plan approvals. Himachal Pradesh has provision for checking the status of the application based on the application number provided by the concerned agency at the time of submitting the application. Majority of the respondents across these states except Punjab and Uttar Pradesh were not satisfied with the process for obtaining building plan approvals. Feedback from industry associations in Maharashtra indicated that the usage of the online system was low, especially among MSMEs who directly visit the concerned department for approving their building plans.
 - The average time taken for obtaining building plan approvals in the states in this category is around 2-3 months, however, approvals in Punjab and Goa take around 30 days and it takes more than 3 months in Assam, Himachal Pradesh and Manipur. Majority of the respondents across states except those from Punjab, Goa and Uttar Pradesh were not satisfied with the time taken for obtaining building plan approval.
 - Feedback from industries and industry associations in the states in this category highlight key constraints as (i) dependence on other clearances for obtaining building plan approvals (ii) multiple visits to Town and Country Planning department and (iii) lack of clearly defined processes for obtaining building plan approvals.

Innovative/ Good Practices

A number of innovative/ good practices were observed related in areas like streamlining processes, policies and facilitation services, some of which have been highlighted below:

Process improvement for greater transparency and efficiency

- Some of the states have developed GIS based software which shows mapping of land plots in industrial estates. The real time vacancy details can be checked by applicants and the applicants can select plots based on analysis of such location. For example, iNDEXTb (in Gujarat) has a GIS based software which shows the geographic mapping of industrial areas in Gujarat including highways, GPCB zones, CRZs, port connectivity, soil quality, power and utilities grid connectivity etc. For large projects, with land requirement of more than 200 ha, entrepreneurs are shown the location of the land in the GIS system to facilitate them in understanding locational feasibility and making a choice for setting up the project. Similarly, details of land banks under Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) have been made available online. Industrial Park (IP) wise information of these land parcels including size & land rates are available along with the proposed use of the IP. The entrepreneur can apply online for getting land and is issued a time-stamped acknowledgement
- Some of the states have empanelled architects to grant approval to building plans up to a certain area with an objective of complementing the limited capacities of the ULBs.

Facilitation for development of industrial estates

- Some states have schemes for creating land banks for industrial estates by providing incentives to land owners. For example, 'Land Pooling Scheme' has been notified by the Government of Haryana, whereby landowners are given an option to opt for developed land measuring 1,200 square yards for each acre of land proposed to be acquired (in lieu of the compensation package and all other benefits admissible under the R&R Policy of the Government). This way, landowners are given an option to become partners in the development process. Similarly, "Aao Bihar" scheme has been developed by Government of Bihar wherein land owners willing to sell their land can register with the Government, and as and when an investor requests for land, the government will connect the investor with the land owner (Government will reimburse up-to 30% of the cost of developing the park, including the cost of land and infrastructure).

Policy

- Some of the states like Odisha & Chhattisgarh, have made provisions for mandatorily allocating land for MSMEs and downstream industries in industrial areas with the objective of promoting MSMEs
- The Andhra Pradesh Agricultural Land (Conversion for Non-agricultural purposes) Act, 2006, makes it compulsory to acquire prior permission for putting agricultural land to non-agricultural usage. Permission is deemed to be granted if nothing to the contrary is intimated within 60 days of receipt of request.

Recommendations

While a large number of states have leveraged information technology to streamline their processes for allotting land in state managed industrial estates and building plan approvals, standardization of procedures involved in obtaining land, land end use conversion & building plan approvals emerge as a key opportunity for improvement in most states. For streamlining the procedures states may consider the following:

- Increase the efficiency of land allotment process in industrial estates by adopting an IT/ GIS enabled land application and allotment system which enables sharing of information on land availability on a real time basis in a transparent manner

- States may consider development of guidelines for management of industrial estates including allotment, transfer, leasing of plots and all related processes & procedures for the State Development Agency and the applicant/allottee of plots, which may be shared with industries transparently.
- With the objective of reducing procedural delays on account of limited capacity of local bodies granting building plan approval, states may consider empanelment of architects to grant approval to building plans up to a prescribed area
- For states placed in category 2 and 3, local bodies may consider streamlining of building approval processes and adopt IT based systems for reducing the time taken for processing approvals

7. Environment Clearances

Environmental Clearances

Environmental clearances have covered the following:

- Time taken and effectiveness of process for obtaining Consent to Establish (CTE) which is required before establishment of the manufacturing unit
- Time taken and effectiveness of process for obtaining Consent to Operate (CTO) which is required before actual commencement of production and its subsequent renewals

Top 33.33 percentile States

9 states viz. Bihar, Chhattisgarh, Haryana, Himachal Pradesh, Karnataka, Kerala, Maharashtra, Odisha and Tamil Nadu feature in this category (please refer table below).

State	Consent to Establish (CTE)			Consent to Operate (CTO)		
	Time	Process	CTE Score	Time	Process	CTO Score
Bihar						
Chhattisgarh						
Haryana						
Himachal Pradesh						
Karnataka						
Kerala						
Maharashtra						
Odisha						
Tamil Nadu						

Rating on 5 point scale Rating > 3.5 1.5 < Rating <= 3.5 Rating <= 1.5

Key characteristics of the states placed in top 33.33 percentile:

- Online Consent Management System is available for CTE and CTO through which application can be submitted.
 - The Consent management system has an online tracking feature through which applicants can get information on the status of their applications.
 - Time taken for CTE and CTO ranges from 1-3 months for most states.
- All the states in this category except Kerala have an online system for accepting application and processing of Consent to Establish (CTE). Except Maharashtra, all other states having an online system also had facility for online tracking of the status of applications. Most respondents expressed satisfaction with the process. However, majority of respondents from Maharashtra were not so satisfied with the process on account of multiple visits required to be made to the state pollution control board to obtain CTE.

- The time taken for obtaining CTE for most states placed in this category ranges from 1 to 3 months. The average time taken for obtaining CTE in Kerala was less than a month while that for Chhattisgarh was more than 3 months. Majority of respondents from Chhattisgarh indicated that they were not satisfied with the time taken to issue CTE due to inadequate information and the need for multiple visits to the State Pollution Control Board.
- All the states in this category, with the exception of Kerala have an online system for accepting applications for Consent to Operate (CTO). Except Maharashtra all states in this category having the online system also had the facility for online tracking of status of application. While respondents from most states in this category expressed satisfaction with the process, some respondents from Kerala and Maharashtra were not so satisfied with the process on account of multiple visits required to be made to the state pollution control board to obtain CTO. Respondents from Kerala & Tamil Nadu indicated less satisfaction with the overall experience of obtaining CTO on account of multiple inspections and requirement of physical submission of additional documents to the department after submitting their applications.
- The time taken for obtaining CTO for most states placed in this category ranges from 1 to 3 months except in Kerala where it takes less than a month. Other than Haryana, Karnataka, Kerala and Maharashtra, majority of respondents from these states indicated that they were not so satisfied with the time taken to issue CTO.

Middle 33.33 percentile States

11 states viz. Andhra Pradesh, Gujarat, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Rajasthan, Sikkim, Uttar Pradesh and West Bengal feature in this category (please refer table below).

State	Consent to Establish (CTE)			Consent to Operate (CTO)		
	Time	Process	CTE Score	Time	Process	CTO Score
Andhra Pradesh	●	●	●	●	●	●
Gujarat	●	●	●	●	●	●
Manipur	●	●	●	●	●	●
Meghalaya	●	●	●	●	●	●
Mizoram	●	●	●	●	●	●
Nagaland	●	●	●	●	●	●
Punjab	●	●	●	●	●	●
Rajasthan	●	●	●	●	●	●
Sikkim	●	●	●	●	●	●
Uttar Pradesh	●	●	●	●	●	●
West Bengal	●	●	●	●	●	●

Rating on 5 point scale ● Rating > 3.5 ● 1.5 < Rating <= 3.5 ● Rating <= 1.5

Key characteristics of the states placed in middle 33.33 percentile:

- Manual Consent Management System for processing CTE
- Online/ Manual Consent Management System for processing CTO.
- Time taken for CTE and CTO ranges from 1-3 months & 1-4 months respectively for most states.

- All the states belonging to this category except Gujarat, Punjab, Uttar Pradesh and West Bengal have manual system for CTE. Majority of respondents from these states except those from Gujarat, Punjab, Uttar Pradesh and Sikkim expressed satisfaction with the process of obtaining CTE. Feedback from Industry Associations and Industry in-
 - Sikkim indicated that the inspection process for issuing CTE involved multiple visits by inspectors and was not based on standard objective procedures.
 - Gujarat indicated that the process involved (a) complex documentation requirements and (b) delays in conducting inspections
- The time taken for obtaining CTE for most states placed in this category ranges from 1 to 3 months. The average time taken for obtaining a CTE was around 6 months in Andhra Pradesh and more than 3 months in Uttar Pradesh and Gujarat. Majority respondents from these states excepting those from Manipur, Meghalaya, Mizoram, Nagaland, Rajasthan and Sikkim indicated that they were less satisfied with the time taken to issue CTE. Feedback from Industry Associations and Industries in Uttar Pradesh indicated that even after applying online for CTE through the online system, Nivesh Mitra, multiple visits to the department were required to be made by the applicants. Further, in some cases, clearances are given by UP Pollution Control Board only from its Lucknow office, requiring applicants to travel to Lucknow which was a key constraint for small enterprises.
- All the states belonging to this category except Gujarat, Andhra Pradesh, Punjab, Uttar Pradesh and West Bengal have a manual system for CTO. Majority of respondents from these states other than Punjab and Uttar Pradesh expressed satisfaction with the process of obtaining CTO. However some respondents were not satisfied on account of inspections not being based on standard objective procedures.
- The time taken for obtaining CTO for most states placed in this category ranges from 1 to 4 months. Majority respondents from the states in this category excepting those from Andhra Pradesh, Punjab, Uttar Pradesh and West Bengal indicated that they were satisfied with the time taken to issue CTO. Feedback from Industry Associations and Industries indicated the following issues relating to delays in obtaining a CTO:
 - Andhra Pradesh: inspections are often delayed and do not follow standard objective procedures.
 - Punjab: inspections are not based on standard objective procedures
 - Uttar Pradesh: multiple visits are required to the concerned department

Bottom 33.33 percentile States

8 states viz. Arunachal Pradesh, Assam, Goa, Jammu & Kashmir, Jharkhand, Madhya Pradesh, Tripura and Uttarakhand feature in this category (please refer table below).

State	Consent to Establish (CTE)			Consent to Operate (CTO)		
	Time	Process	CTE Score	Time	Process	CTO Score
Arunachal Pradesh						
Assam						
Goa						
Jammu and Kashmir						
Jharkhand						
Madhya Pradesh						
Tripura						
Uttarakhand						

Rating on 5 point scale Rating > 3.5 1.5 < Rating <= 3.5 Rating <= 1.5

Key characteristics of the states placed in bottom 33.33 percentile:

- Manual Consent Management System for processing CTE and CTO.
- Time taken for CTE ranges from 1.5 - 4 months and CTO ranges from 2 -6 months for most states

- All the states belonging to this category except Jammu & Kashmir have manual system for CTE; Jammu & Kashmir's online consent management system has the feature for online tracking of status of application for CTE. However, most respondents from Jammu & Kashmir were not satisfied with the process effectiveness for obtaining CTE.
- The time taken for obtaining CTE for most states placed in this category ranges from 1.5 to 4 months. The average time taken for obtaining a CTE in Uttarakhand was around 5-6 months while it takes less than a month in Goa. Majority respondents from states in this category excepting those from Assam indicated that they were not satisfied with the time taken to obtain CTE. Feedback from Industry Associations and Industries in Jharkhand, Madhya Pradesh and Uttarakhand indicated that the key reasons for delay was primarily on account of delays in conducting inspections along with absence of standard objective procedures for the inspection process and complex documentation requirements.
- All the states belonging to this category except Jammu & Kashmir have manual system for CTO; the online consent management system for Jammu & Kashmir has the feature for online tracking of applications related to CTO. However, most respondents from Jammu & Kashmir were not satisfied with the process effectiveness for obtaining CTO.
- The time taken for obtaining CTO for most states placed in this category ranges from 2 to 6 months. While the average time taken for obtaining a CTO in was less than 1.5 months in Arunachal Pradesh and Madhya Pradesh, it was more than 6 months in case of Jharkhand. Majority respondents from the states in this category excepting those from Jharkhand, Jammu & Kashmir, Tripura and Uttarakhand indicated that they were satisfied with the time taken to obtain CTO. Feedback from Industry Associations and Industries in Jharkhand, Tripura and Uttarakhand indicated that the key reasons for delay was primarily on account of delays in conducting inspections together with absence of standard objective procedures for the inspection process.

Innovative/ Good Practices

A number of innovative/ good practices were observed in areas like process improvement, access to information, some of which have been highlighted below:

Process Improvement

- Acknowledging that level of pollution differs based on sector and nature of manufacturing activities by industries, some states have identified specific industries as non-polluting and exempted them from requirements of obtaining environment related clearances; for instance
 - In Andhra Pradesh, all micro & small enterprises other than those from 66 identified industries are exempted from obtaining Consent for Establishment (CFE)/ Consent for Operation (CFO) from Andhra Pradesh Pollution Control Board with the acknowledgement on the industry category issued by DIC being treated as CFE/ CFO.
 - In Rajasthan, for investments in Green Category below Rs. 5 crore, the application acknowledgement letter is considered as good as environmental consent.
- Some states are offering fast tracking the process of environmental clearances on payment of extra fees to the State Pollution Control Board. Under one such initiative, Rajasthan Pollution Control Board has introduced a 'Tatkal System' to issue environmental consents to the industries. Provisional consent is granted expediently for a higher fee. The inspection takes place later. If any incorrect information is found during the subsequent inspection process, the consent is withdrawn.

Access to Information on Compliances/ regulatory requirements

- In Uttar Pradesh, the Pollution Control Board holds special camps to educate the entrepreneurs in

- particular areas where large number of cases are pending for clearances
- West Bengal Pollution Control Board is in the process of institutionalizing a center called “Environment Compliance Assistance Centre”, to support industries, especially MSMEs with environment related clearances / regulations.

Recommendations

While a number of states have leveraged information technology to streamline their processes for applying and issuing consents to establish & operate, sharing of information with applicants on the compliance requirements and standardizing procedures emerges as a key opportunity for most states. For increasing awareness on compliance issues and instituting standardized procedures, the states may consider the following:

- Develop a comprehensive information sharing mechanism with industries/ industry associations on requirements for obtaining pollution clearances; document standard operating procedures for inspection process in pollution control to increase transparency and efficiency of the process
- Develop and implement a common application form catering to various environment related acts.
- Develop standard operating procedures for inspection processes related to Consent to Operate which could be shared transparently with the applicants.
- For states in the middle and bottom 33.33 percentile, there is a need for development and implementation of IT enabled consent management systems for providing entrepreneurs the facility of online application and tracking the status of applications submitted. Such a system will improve transparency as well as accountability within the concerned departments as the approval process can be monitored through the system.

8. Other Business Regulatory Compliances

Other Business Regulatory Compliances

Other business regulatory compliances cover the following:

- Time taken and effectiveness of process for registration for Entrepreneur's Memorandum (EM I & EM II)
- Effectiveness of process for Single Window Clearance Mechanism in terms of departments being covered, presence of Common Application Form, tracking mechanism and provision for deemed approval/ guaranteed service

Top 33.33 percentile States

9 states viz. Andhra Pradesh, Gujarat, Kerala, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal feature in this category (please refer table below)

State	EM			Single Window (SW)	
	Time	Process	EM Score	Process	SW Score
Andhra Pradesh	●	●	●	●	●
Gujarat	●	●	●	●	●
Kerala	●	●	●	●	●
Maharashtra	●	●	●	●	●
Punjab	●	●	●	●	●
Rajasthan	●	●	●	●	●
Tamil Nadu	●	●	●	●	●
Uttar Pradesh	●	●	●	●	●
West Bengal	●	●	●	●	●

Rating on 5 point scale ● Rating > 3.5 ● 1.5 < Rating <= 3.5 ● Rating <= 1.5

Key characteristics of states placed in top 33.33 percentile:

- Online filing of EM I & EM II resulting in positive user experience
- Average time taken for EM I registration is less than a week for most states, whereas for EM II, it is within 15 days.
- Presence of Single Window Mechanism with online monitoring mechanism

- All states in this category have the provision for online filing of EM I & EM II forms. Majority of the respondents expressed satisfaction with the process of obtaining EM I & EM II.
- The time taken for getting an EM I is less than a week except for Maharashtra where it takes about 3 weeks; time taken for getting an EM II is within 15 days except for Maharashtra and West Bengal where it takes about a month. Most respondents expressed satisfaction with the time taken to obtain both EM I & EM II except Maharashtra (both EM-I and EM-II) and West Bengal (EM II).
 - Feedback from industry associations and industries in Maharashtra indicated that awareness about the online facility for filing EM is low. It was also indicated that in Maharashtra the DIC accepts both online and manual applications.
 - Feedback from industry associations and industry in West Bengal indicated that after the forms for EM II have been submitted online, the application has to be printed, relevant documents attached and submitted at the DIC office.
- All the states in this category have an institutional mechanism for providing single window clearances for industries. States like Gujarat, Maharashtra, Uttar Pradesh and Rajasthan have implemented an online monitoring mechanism for implementing the single window mechanism in the state. Uttar Pradesh and Rajasthan do not have a common application form for their single window system. Majority respondents across all the states in this category expressed satisfaction with the single window clearance mechanism.

Middle 33.33 percentile States

10 states viz. Assam, Bihar, Chhattisgarh, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Madhya Pradesh, Odisha and Uttarakhand feature in this category (please refer table below)

State	EM			Single Window	
	Time	Process	EM Score	Process	Single Window Score
Assam	●	●	●	●	●
Bihar	●	●	●	●	●
Chhattisgarh	●	●	●	●	●
Haryana	●	●	●	●	●
Himachal Pradesh	●	●	●	●	●
Jammu & Kashmir	●	●	●	●	●
Karnataka	●	●	●	●	●
Madhya Pradesh	●	●	●	●	●
Odisha	●	●	●	●	●
Uttarakhand	●	●	●	●	●

Rating on 5 point scale ● Rating > 3.5 ● 1.5 < Rating <= 3.5 ● Rating <= 1.5

Key characteristics of states placed in middle 33.33 percentile:

- Manual or Online filing of EM I & EM II
 - Average time taken for EM I registration is less than 9 days for most states, whereas for EM II it is around 16 days
 - Presence of Single Window Mechanism with limited monitoring / tracking
- Except for Assam, Karnataka, Odisha and Uttarakhand, none of the other states viz. Bihar, Chhattisgarh, Haryana, Himachal Pradesh, Jammu & Kashmir and Madhya Pradesh have an online EM form filing facility. However, majority of the respondents expressed satisfaction with the time taken to obtain EM I & EM II.
 - The time taken for getting an EM I is less than 9 days except for Odisha where it takes about 2 weeks; time taken for getting an EM II is around 16 days except for Assam, Karnataka, and Odisha where it takes more than 20 days.
 - Feedback from industry associations and industries in Odisha indicated that awareness about the online facility for filing EM I & EM II was low since it was introduced during the last year. Despite the time taken being higher than other states, majority of the respondents in Assam indicated their satisfaction with the response time. Feedback from industry associations and industries in Jammu & Kashmir and Bihar indicated that multiple visits to the DIC were required for getting an EM registration
 - Except Assam and Haryana, all the other states viz. Bihar, Chhattisgarh, Himachal Pradesh, Jammu & Kashmir, Karnataka, Madhya Pradesh, Odisha and Uttarakhand placed in this category have an institutional framework/ mechanism for providing single window clearances for industries. However, Haryana has set up an “Investment Promotion Centre” in New Delhi and Chandigarh to act as Single Point Contact Agency to provide information & support to prospective entrepreneurs particularly with regards to various clearances/ approvals required for implementation of the large/mega projects. Bihar has implemented a monitoring mechanism to effectively implement the single window mechanism in the state; however it doesn’t have a common application form. Additionally, Uttarakhand also did not have a Common Application Form (CAF). In all states in this category, the key departments are covered as part of single window mechanism excepting Himachal Pradesh and Jammu & Kashmir.
 - Feedback from Industry Associations and Industries in these states indicate single window mechanism are primarily acting as coordinating agencies with the approvals being granted at respective line departments

Bottom 33.33 percentile States

9 states viz. Arunachal Pradesh, Goa, Jharkhand, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura feature in this category (please refer table below)

State	EM			Single Window	
	Time	Process	EM Score	Process	Single Window Score
Arunachal Pradesh	●	●	●	●	●
Goa	●	●	●	●	●
Jharkhand	●	●	●	●	●
Manipur	●	●	●	●	●
Meghalaya	●	●	●	●	●
Mizoram	●	●	●	●	●
Nagaland	●	●	●	●	●
Sikkim	●	●	●	●	●
Tripura	●	●	●	●	●

Rating on 5 point scale ● Rating > 3.5 ● 1.5 < Rating ≤ 3.5 ● Rating ≤ 1.5

Key characteristics of states placed in bottom 33.33 percentile:

- Manual filing of EM I & EM II
 - Average time taken for EM I and EM II was less than 20 days for most states.
 - Absence of a Single Window Mechanism
- Except Jharkhand (for EM I & EM II) and Manipur (for EM I), none of the other states viz. Arunachal Pradesh, Goa, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura have an online EM form filing facility. Most of the respondents across states except in Goa expressed their satisfaction with the process involved.
 - The time taken for getting an EM I is less than 20 days for states in this category except for Jharkhand, Sikkim and Tripura where it takes more than three weeks; Time taken for getting an EM II is less than 20 days except Jharkhand and Arunachal Pradesh where it takes about 2 months. Almost all respondents from Jharkhand expressed low satisfaction on the time taken for getting EM registrations.
 - Based on discussions with industry associations and industries, it is understood that in Jharkhand the awareness level of the online system was low and entrepreneurs still followed the manual process. It was further indicated that that multiple visits were required to be made to DIC, lack of information and capacity constraints of DICs were primary reasons for the time taken.
 - Feedback from manufacturing units in Arunachal Pradesh, Goa and Tripura indicate that multiple visits to the DIC were required for getting an EM registration.
 - None of the states placed in this category have an institutional framework/ mechanism for providing single window clearances for industries. The entrepreneurs in these states have to individually approach the respective departments to get the required approvals/ clearances.

Innovative / Good Practices

A number of innovative/ good practices were observed related to “Other Regulatory Compliances” in areas like access to information, institutional mechanism and processes. Key innovative/ good practices observed are highlighted below:

Access to Information on Business Regulatory Compliances

- The Department of Micro & Small Scale Enterprises & Textiles, Govt. of West Bengal has introduced a website (<http://myenterprise.wb.gov.in/>) which has simplified & summarized versions of all applicable Acts & Laws and has an interactive feature which enables SMEs to identify the incentives they can avail.
- Maharashtra and Andhra Pradesh has developed a “Doing business” brochure for providing guidance to investors on various business regulatory compliance requirements for starting a business. The brochure has all the required information in terms of list of all the mandatory approvals/ clearances required for starting a business, process involved, details of forms to be filled, nodal departments/ agencies for various clearances/ approvals etc.
- For reaching out to micro enterprises iNDEXTb in Gujarat has set up Kiosks at 26 district industries centres. These kiosks are equipped with infrastructure facilities such as internet connectivity, printer and scanner.
- Jigyasha (+91 612-2233333) – a call centre has been set up by Government of Bihar which enables getting information on various services provided by the government including business regulation related information.

Institutional Mechanism

- Through a State Government notification, Punjab Bureau of Investment Promotion was established in December 2013 to provide one stop clearance for new investment proposals. The Bureau has been empowered to provide approvals/ permits till the stage of commencement of operations related to Pollution Control; Excise & Taxation, Labour, Power; Factory & Building clearances, etc. Also, senior level officers of these departments are deputed to this institution so that approvals can be processed from a single office. This measure is expected to significantly reduce the time taken for approvals and improve investor experience in the State.
- Uttarakhand has divided its Single Window Mechanism (SWM) into two parts with the objective to address dependencies across line departments in the clearance process. Part 1 of the SWM deals with clearances before the establishment of a unit, while Part 2 deals with clearances after the establishment of a unit. This enables the units at various stages of establishment to understand, obtain and comply with clearances/ regulations/ approvals in accordance with the stage they are in.

Policy

- Some states have implemented Acts which guarantees providing services including approvals/ clearances required for starting/ continuing a business within stipulated timeframe. For example
 - Right to Public Services Act, 2011 in Bihar guarantees providing services within stipulated timeframe. Along with other services, the Act covers certain business related clearances like land registration, trade license issuance/renewal, land mutation, VAT registration, etc. For each of these services, there are dedicated citizen service centres wherein information is made available on the supporting documents to be furnished and application is accepted on submission of all requisite documents with generation of a date / time stamp on the receipt. This receipt facilitates tracking of time taken for approving / providing feedback on the respective application.
 - Madhya Pradesh has implement ‘Lok Seva Guarantee Adhiniyam’. The Act contains stipulated timelines, details of the nominated appellate officials in processing applications and provision for imposing penalty on the officials who have defaulted in processing the applications without adequate justification.

Process Improvement

- Some states have implemented an online application status checking facility under the Single Window Mechanism. For example:
 - Kerala has a provision for online status checking under the Single Window Mechanism which helps entrepreneurs keep track of their applications
 - Rajasthan has implemented “Entrepreneur Application Status” facilitating the entrepreneurs to track online the current status of their applications. It provides the following information (a) Status of application using symbols/ colour coding (b) Due date for clearance (c) Action taken by the nodal agency (d) Date on which action was taken by the nodal agency

- Nivesh Mitra is the online portal for facilitating single window clearance for industries in Uttar Pradesh. The portal provides the nodal agency a dashboard with colour coding, which can be used by the officials to identify applications on which action has not been taken within stipulated time frame. Moreover, applicants are kept informed about their application status through communication over SMS.
- iNDEXTb is a nodal agency under the Industries Commissionerate, Government of Gujarat for providing hand-holding support to entrepreneurs. Investor Facilitation Portal (IFP) (<http://www.ifpgujarat.gov.in/portal/index.jsp>) developed by iNDEXTb facilitates monitoring of investment proposals by generating MIS reports, which can be used by the officials to identify applications on which action has not been taken within stipulated time frame.
- MIDC's online single window portal provides the facility for the entrepreneurs to see any comments / issues raised during application scrutiny. Applicants can also respond to these comments online.
- Reminder for Trade License renewal is mailed to respective entrepreneurs by Kolkata Municipal Corporation in West Bengal and they make the payment at banks and receive a receipt. This receipt along with the mail for trade license renewal comprises the renewed trade license.

Recommendations

A large number of states have leveraged information technology to streamline their processes for EM I & EM II registration. However, states in the bottom 33.33 percentile need to make this transition. Adoption of an online system of EM filings is expected to decrease in time taken to issue EMs, streamline the process through reducing the interface between the government and entrepreneurs and improve transparency and accountability in the concerned departments.

Improving the effectiveness of the single window clearance mechanism through policy and process streamlining initiatives emerges as a key opportunity for improvement for most states. For improving the institutional mechanism and streamlining the single window clearance process the states may consider the following:

- Framing requisite policies for ensuring time bound decision making with provisions for deemed approvals for applications on which suitable action is not taken within prescribed time limits. In case of rejection/ deficiencies in f applications, specific reasons should be provided to the concerned applicant to enable the units comply with such regulations. This measure would significantly improve accountability and transparency in the system.
- Implementing single window mechanism for States, especially those placed in bottom 33.33 percentile, along with a monitoring mechanism to facilitate single point on time clearances/ approvals for entrepreneurs in the state.
 - The single window mechanism should be backed by an Act/ government order defining an institutional mechanism including nodal agency, district level (micro & small industries) and state level approval committees (medium and large industries)
 - Develop a Common Application Form covering all the departments under single window mechanism
 - Implement an IT based system facilitating (a) online submission of forms and tracking of application status by the entrepreneurs (b) monitoring of applications by the nodal agency
- Support in terms of facilitating filling of forms (for example sample completed forms; FAQ including list of key reasons for rejections) and dealing with other procedures may be provided through facilitation centres (especially for MSMEs)/ website/ toll free helpline number.

Annexure A – Evaluation Framework and Methodology

Evaluation Framework

The following six parameters were identified as part of the evaluation framework: (i) Finance & tax related compliances, (ii) Labour law related compliances, (iii) Infrastructure & utility related compliances, (iv) Land & building related compliances, (v) Environmental clearance and (vi) Other business regulatory compliances.

Highlights of each of the parameters are presented below:

- **Finance & Tax related compliances** essentially capture policies & practices as well as end user experience in registration and payment of applicable state VAT, Excise, Entry Tax, Professional Tax, etc. as well as receipt of incentives wherever provided as per the state's industrial policy
- **Labour law related compliances** covering registration / compliance under various labour related policies/ regulations like Employees State Insurance Act, Contract Labour (Regulation and Abolition) Act, Payment of Wages Act, Minimum Wages Act, Industrial Disputes Act, applicable provisions of the Factories Act etc.
- **Infrastructure & Utility related approvals** covering new connections for water, power, sewerage as well as compliance requirements for obtaining fire license
- **Land & Building related approvals** essentially aim to capture policies & practices and industry / user experience in (a) availing land for setting up manufacturing units in Government owned land banks/ Industrial estates, (b) conversion of agricultural land to industrial end-use and (c) getting approvals for building plans.
- **Environment Clearances** attempts to cover policies & practices as well as user experience in obtaining requisite clearances from the state pollution control boards in terms of consent to establish and consent to operate
- **Other business regulatory compliances**, which addresses policy & process maturity levels, user experience in registration of EMs. Additionally, experience of the entrepreneurs with single window clearance mechanism, wherever applicable, at time of establishment of business was also evaluated as part of this parameter

For each of the above parameters, a set of sub-parameters were identified based on the key regulatory compliance requirements that were applicable for most manufacturing units. The figure below highlights the sub-parameters considered for rating:



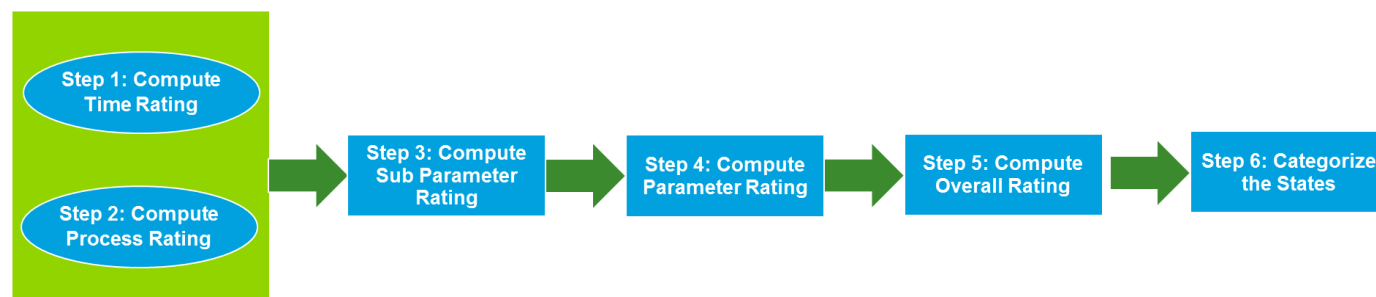
Rating Framework

Based on the above evaluation framework, a questionnaire to be administered through a survey was developed (please refer Annexure B) for obtaining feedback of manufacturing units on individual sub-parameters in terms of time taken for approval (wherever applicable) and on end user experience of the process (whether it was IT enabled, adequacy of information / guidance, number of visits required for compliance, objectivity of compliance process etc.).

In the questionnaire, statements were framed against the respective sub parameters on dimensions of time and process and respondents were requested to record their experiences against each statement, as applicable to them, on a four point scale viz. Strongly Disagree, Disagree, Agree & Strongly Agree.

Against the time dimension respondents were also requested to state the number of days it took to obtain the clearances/ approvals/ registrations/ licenses, as applicable. In terms of process, the level of automation of processes as applicable, for the respective sub parameters was obtained through interactions with State government officials and Industry Associations.

The figure below highlights the steps used to compute the rating for parameter and sub parameter:



Step 1 - Compute Time Rating for Sub Parameter**(a) Rating based on time taken**

Respondents were requested to provide the time taken to get a clearance/ approval/ registration/ license in the state. For responses received for that particular question from respondents from the same state, the average time was computed. This was validated with inputs received from interactions with industry associations and government officials of respective states.

Next, the distribution of the average number of days from all states against that sub parameter was divided into 5 equal brackets i.e. 0 – 20 percentile³, 20 – 40 percentile, 40 – 60 percentile, 60 – 80 percentile & 80 – 100 percentile⁴ and ratings on a scale of 1-5 (where 5 is the best) were awarded based on the bracket in which the state falls as illustrated below:

#	State	Number of days	Percentile Range
1	Andhra Pradesh	180	80-100
2	Arunachal Pradesh	104	80-100
3	Assam	50	20-40
4	Bihar	78	40-60
5	Chhattisgarh	110	80-100
6	Goa	15	0-20
7	Gujarat	100	80-100
8	Haryana	88	60-80
9	Himachal Pradesh	50	20-40
10	Jammu and Kashmir	103	80-100
11	Jharkhand	90	80-100
12	Karnataka	78	40-60
13	Kerala	23	0-20
14	Madhya Pradesh	68	40-60
15	Maharashtra	60	20-40
16	Manipur	35	20-40
17	Meghalaya	35	20-40
18	Mizoram	31	0-20
19	Nagaland	30	0-20
20	Orissa	70	40-60
21	Punjab	55	20-40
22	Rajasthan	74	40-60
23	Sikkim	30	0-20
24	Tamil Nadu	90	60-80
25	Tripura	88	60-80
26	Uttar Pradesh	100	80-100
27	Uttarakhand	160	80-100
28	West Bengal	79	40-60

**Rating Methodology**

#	Percentile Range	Corresponding number of Days	Rating
1	0 - 20	Below 34	5
2	20 - 40	35 - 65	4
3	40 - 60	66 - 80	3
4	60 - 80	81 - 100	2
5	80 - 100	More than 100	1

**Ratings**

States	Rating
Goa, Kerala, Mizoram, Nagaland, Sikkim,	5
Assam, Himachal Pradesh, Maharashtra, Meghalaya, Punjab, Manipur	4
Bihar, Karnataka, Madhya Pradesh, Orissa, Rajasthan, West Bengal	3
Haryana, Jharkhand, Tamil Nadu, Tripura	2
Andhra Pradesh, Arunachal Pradesh, Chhattisgarh, Gujarat, Jammu & Kashmir, Uttar Pradesh, Uttarakhand	1

³ A percentile is a statistical measure indicating the value below which a given percentage of data in a dataset will be placed. For example, the top 33.33 percentile will represent the points which are above 2/3rd of the complete data set i.e. top 33.33 percentile states will represent the states which are placed above 2/3rd of all states evaluated for the particular parameter. Similarly, middle 33.33 percentile of states will represent those states which are placed in between the top 1/3rd and bottom 1/3rd of all states evaluated for the parameter.

⁴ The higher limit being considered in the next slab

(b) Rating based on reasonability of time

Respondents from each state were asked to comment on their experience on the time taken to get a clearance/ approval/ registration/ license against the statement, “whether time taken was reasonable” on a four point scale (Strongly Disagree, Disagree, Agree & Strongly Agree). Based on responses received, aggregate percentage of the respondents who strongly disagreed or disagreed was computed. Points were awarded to each state based on the above computed percentage on a 5 point rating scale as illustrated below:

#	State	% of the respondents who Disagreed or Strongly disagreed
1	Andhra Pradesh	80%
2	Arunachal Pradesh	88%
3	Assam	50%
4	Bihar	90%
5	Chhattisgarh	100%
6	Goa	50%
7	Gujarat	50%
8	Haryana	17%
9	Himachal Pradesh	67%
10	Jammu and Kashmir	100%
11	Jharkhand	100%
12	Karnataka	40%
13	Kerala	30%
14	Madhya Pradesh	100%
15	Maharashtra	100%
16	Manipur	0%
17	Meghalaya	0%
18	Mizoram	0%
19	Nagaland	100%
20	Orissa	100%
21	Punjab	33%
22	Rajasthan	50%
23	Sikkim	50%
24	Tamil Nadu	25%
25	Tripura	100%
26	Uttar Pradesh	100%
27	Uttarakhand	40%
28	West Bengal	0%

Rating Methodology

#	% of the respondents who Strongly Disagreed or Disagreed*	Rating
1	0 - 20	5
2	20 - 40	4
3	40 - 60	3
4	60 - 80	2
5	80 - 100	1
6	100	0

*Higher limit being considered in the next slab

Rating

States	Rating
Haryana, Meghalaya, Mizoram, Nagaland, Manipur	5
Kerala, Rajasthan, Tripura	4
Assam, Gujarat, Karnataka, Sikkim, Tamil Nadu, West Bengal	3
Himachal Pradesh	2
Andhra Pradesh, Arunachal Pradesh, Bihar	1
Chhattisgarh, Jammu & Kashmir, Jharkhand, Madhya Pradesh, Maharashtra, Orissa, Punjab, Uttar Pradesh, Uttarakhand	0

Once (a) & (b) had been completed, total time rating was calculated for the respective states for that sub parameter with a weight of 70% assigned on rating based on time taken (a) and 30% weight assigned on user response on reasonability of time (b). Any exception to this has been highlighted subsequently.

Step 2 – Compute Process Rating for Sub Parameter**(a) Rating based on automation of process**

The process dimension for the sub parameter was assessed in terms of use of information technology for application processing and monitoring as determined through industry association/ state government interactions.

(b) Rating based on effectiveness of process

Respondents were requested to state their experience on the process through rating the statement, “they are satisfied with the process involved⁵ in getting a clearance/ approval/ registration/ license”, on a four point scale (Strongly Disagree, Disagree, Agree & Strongly Agree). Next, aggregate percentage of the respondents who strongly disagreed or disagreed was computed.

⁵ Includes availability of information, simplicity & no. of forms to be filled, objectivity of the procedures, visits required to the concerned department/ agency, inspection process

Points on a 5 point rating scale were awarded to each state for the respective sub parameter based on (a) usage of information technology for streamlining the process (50% weight) and (b) computed percentage of user experience as illustrated below (50% weight). Any exception to this has been highlighted subsequently.

#	State	% of respondents who Strongly Disagreed or	IT process enabled	Tracking/ Monitoring system
1	Andhra Pradesh	50%	No	Yes
2	Arunachal Pradesh	33%	No	No
3	Assam	50%	No	No
4	Bihar	28%	Yes	Yes
5	Chhattisgarh	50%	Yes	Yes
6	Goa	50%	No	No
7	Gujarat	50%	Yes	No
8	Haryana	11%	Yes	Yes
9	Himachal Pradesh	22%	Yes	Yes
10	Jammu and Kashmir	67%	Yes	Yes
11	Jharkhand	100%	No	No
12	Karnataka	28%	No	No
13	Kerala	22%	No	No
14	Madhya Pradesh	46%	No	No
15	Maharashtra	50%	Yes	No
16	Manipur	33%	No	No
17	Meghalaya	33%	No	No
18	Mizoram	33%	No	No
19	Nagaland	33%	No	No
20	Orissa	50%	Yes	Yes
21	Punjab	96%	Yes	Yes
22	Rajasthan	17%	No	No
23	Sikkim	50%	No	No
24	Tamil Nadu	50%	Yes	Yes
25	Tripura	34%	No	No
26	Uttar Pradesh	67%	Yes	Yes
27	Uttarakhand	89%	No	No
28	West Bengal	18%	Yes	No

Total Rating

State	Total Ratings	State	Ratings
Andhra Pradesh	2.5	Maharashtra	3.0
Arunachal Pradesh	2.0	Manipur	2.0
Assam	1.5	Meghalaya	2.0
Bihar	4.5	Mizoram	2.0
Chhattisgarh	4.0	Nagaland	4.0
Goa	1.5	Orissa	3.0
Gujarat	3.0	Punjab	2.5
Haryana	5.0	Rajasthan	1.5
Himachal Pradesh	4.5	Sikkim	4.0
Jammu and Kashmir	3.5	Tamil Nadu	2.0
Jharkhand	0.0	Tripura	3.5
Karnataka	2.0	Uttar Pradesh	0.5
Kerala	2.0	Uttarakhand	4.0
Madhya Pradesh	1.5	West Bengal	2.0

Rating Methodology

#	% of respondents who Strongly Disagreed or	Ratings (b)
1	0 - 20	5
2	20 - 40	4
3	40 - 60	3
4	60 - 80	2
5	80 - 100	1
6	100	0

*Higher limit being considered in the next slab

#	Usage of Information technology	Ratings (a)
1	Online system with tracking	5
2	Online system	3
3	Manual Process	0

$$\text{Total Rating} = (a) \times 1/2 + (b) \times 1/2$$

Step 3 – Compute Sub Parameter Rating

After the ratings for each of the dimensions had been computed, rating for the sub parameters were arrived at as per the assigned weights illustrated below:

$$\text{Sub Parameter Rating} = (\text{Time Rating}) \times 40\% + (\text{Process Rating}) \times 60\%$$

State	Time Rating	Process Rating	Overall Rating
Andhra Pradesh	2.0	4.0	3.2
Arunachal Pradesh	4.3	2.0	2.9
Assam	3.7	2.0	2.7
Bihar	2.7	4.5	3.8
Chhattisgarh	3.0	4.0	3.6
Goa	3.0	2.0	2.4
Gujarat	1.9	5.0	3.8
Haryana	3.6	5.0	4.4
Himachal Pradesh	2.7	4.5	3.8
Jammu and Kashmir	0.7	3.5	2.4
Jharkhand	0.7	0.5	0.6
Karnataka	2.3	4.5	3.6
Kerala	5.0	2.5	3.5
Madhya Pradesh	3.8	1.5	2.4
Maharashtra	4.0	3.5	3.7
Meghalaya	4.4	2.0	3.0
Mizoram	4.7	2.0	3.1
Nagaland	4.0	2.0	2.8
Orissa	2.3	4.5	3.6
Punjab	1.0	3.5	2.5
Rajasthan	3.0	2.0	2.4
Sikkim	4.7	2.5	3.4
Tamil Nadu	2.0	4.0	3.2
Tripura	2.0	1.5	1.7
Uttar Pradesh	3.4	3.5	3.5
Uttarakhand	1.3	1.0	1.1
West Bengal	1.3	3.5	2.6
Manipur	4.7	2.0	3.1

Step 4 – Compute Parameter Rating

Once the rating for the all the sub parameters had been computed as explained in the previous step, the rating for the respective parameters were arrived at as per the weights assigned to the sub parameters as illustrated below

1. **Finance and Tax related compliances Rating** = (Tax Registration rating)*1/4 + (Tax Payment rating)*1/4 + (Incentives rating)*1/2
2. **Labour law related compliance Rating** = Factories Act and Other Labour Law Compliance *1
3. **Infrastructure and Utilities related approvals Rating**= (Power connection rating)*1/3 + (Water connection rating)*1/3 + (Fire NOC rating)*1/3
4. **Land and Building related approvals Rating** = (Conversion of land rating)*1/3 + (Industrial Estates rating)*1/3 + (Building Plan Approval rating)*1/3
5. **Environment Clearances** = (Consent to establish rating)*1/2 + (Consent to operate rating)*1/2
6. **Other regulatory compliances Rating** = (EM/ IEM Registration rating)*1/2 + (Single Window Clearances rating)*1/2

Step 5 – Compute Overall Rating

Once the rating of all the parameters had been computed the final rating was calculated as per the assigned weights as illustrated below:

Overall Business Investment Climate Rating = (Finance and Tax related compliance rating)*1/6 + (Labour law related compliance rating)*1/6+ (Infrastructure and Utilities related approvals rating)*1/6 + (Land & Building related approvals rating)*1/6 + (Environmental Clearance rating)*1/6 + (Other regulatory compliances rating)*1/6

The underlying rationale for assigning equal weights for the six parameters was to ensure ratings for individual states were agnostic to other key factors that impact the performance of manufacturing units like quality of infrastructure, availability of natural resources, market linkages, labour & skill availability, access to finance, etc. which have not been covered in the current study.

To minimize impact of sampling related anomalies, wherever possible, higher weights have been assigned to objectively verifiable parameters like existing policies and processes/ practices adopted for regulatory compliance (for example, IT enabled application process for land allotment in Industrial Estates; actual number of days to obtain clearances/ approvals/ registrations/ licenses, etc.)

The weights used across dimensions, sub parameters and parameters are summarized in the table below:

Parameter (weight)	Sub Parameter ## (weight)	Time (Weight)			Process (Weight)		
		Combined Time	Actual Time taken	User Experience on reasonable-ness of time	Combined Process	Automation (Yes/ No)	User Experience on process effectiveness
Tax and Finance related compliances (1/6)	Tax Registration (1/4)	40%	70%	30%	60%	50%	50%
	Tax Payment (1/4)	40%	100%		60%	50%	50%
	Incentives (1/2)	40%		100%	60%	50%	50%
Labour approvals (1/6)	Factories Act* & other labour law compliances	40%	70%	30%	60%	50%	50%
Infrastructure and Utilities related approvals (1/6)	Power Connection (1/3)	40%	70%	30%	60%	50%	50%
	Water Connection (1/3)	40%	70%	30%	60%	50%	50%
	Fire NOC (1/3)	40%	70%	30%	60%	50%	50%
Land and Building related approvals (1/6)	Conversion of Land (1/3)	40%	70%	30%	60%		100%
	Industrial Estates (1/3)	40%	70%	30%	60%	50%	50%
	Building Plan Approvals (1/3)	40%	70%	30%	60%	50%	50%
Environmental Clearances (1/6)	Consent to Establish (1/2)	40%	70%	30%	60%	50%	50%
	Consent to Operate (1/2)	40%	70%	30%	60%	50%	50%

Other regulatory compliances (1/6)	EM/ IEM Registration (1/2)	40%	70%	30%	60%	50%	50%
	Single Window Clearance (1/2)#	NA			NA		

* For Factories Act and Other Labour Law Compliance, responses on process related to only Factories Act was considered given that this was the only Labour related Act which was applicable to the sample across most of the states. Respondents' experience on time was considered for compliance of labour laws (including Factories Act) applicable to the manufacturing unit.

For Single Window Clearance Mechanism 100% weight has been assigned to process. Detailed methodology for rating this sub parameter has been presented later in this section

in case data is not applicable/ available for one of the sub-parameter within a parameter; the weightage for that sub-parameter has been distributed to the other sub-parameters for that parameter uniformly

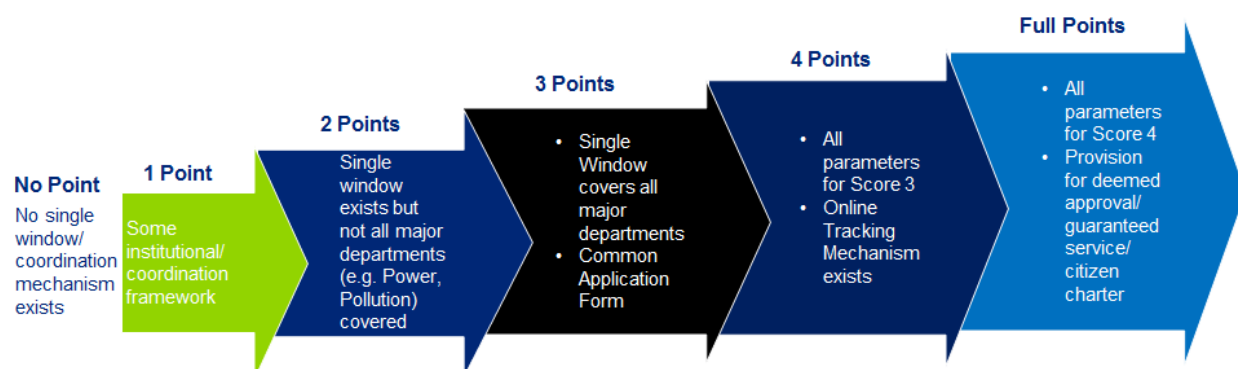
Step 6 – Categorize the States

Based on the overall ratings on business regulatory environment for the respective parameters computed for each state in the previous step, for the purpose of analysis, the states were grouped into the following 3 categories/ clusters:

- Category 1 – states belonging to the top 33.33 percentile
- Category 2 – states belonging to the middle 33.33 percentile
- Category 3 – states belonging to the bottom 33.33 percentile

Single Window Clearance Rating

As mentioned earlier the rating for the sub parameter single window clearance under the other regulatory compliances parameter a different methodology was used. A rating of 1 was assigned if the state had “some institutional/ coordination framework” for providing clearances/ approvals for establishing a manufacturing unit and subsequently, incremental rates were awarded to the state for added functionalities as per the framework highlighted below:



Application of the framework is illustrated below:

#	State	Coordination Mechanism/ framework	Single Window Mechanism	All departments covered	Major Application Form	Tracking Mechanism	Deemed Approval / guaranteed service	Rating
1	Andhra Pradesh	Yes	Yes	Yes	Yes	No	No	3
2	Arunachal Pradesh	No	No	No	No	No	No	0
3	Assam	No	No	No	No	No	No	0
4	Bihar	No	Yes	Yes	No	Yes	No	3
5	Chhattisgarh	Yes	Yes	Yes	Yes	No	No	3
6	Goa	No	No	No	No	No	No	0
7	Gujarat	Yes	Yes	Yes	Yes	Yes	No	4
8	Haryana	Yes	No	No	No	No	No	1
9	Himachal Pradesh	No	Yes	No	Yes	No	No	2
10	Jammu and Kashmir	Yes	Yes	No	Yes	No	No	2
11	Jharkhand	Yes	No	No	No	No	No	1
12	Karnataka	No	Yes	Yes	Yes	No	No	3
13	Kerala	Yes	Yes	Yes	Yes	No	No	3
14	Madhya Pradesh	No	Yes	Yes	Yes	No	No	3
15	Maharashtra	Yes	Yes	Yes	Yes	Yes	No	4
16	Meghalaya	No	No	No	No	No	No	0
17	Mizoram	No	No	No	No	No	No	0
18	Nagaland	No	No	No	No	No	No	0
19	Orissa	Yes	Yes	Yes	Yes	No	No	3
20	Punjab	Yes	Yes	Yes	Yes	No	No	3
21	Rajasthan	Yes	Yes	Yes	No	Yes	No	3
22	Sikkim	No	No	No	No	No	No	0
23	Tamil Nadu	Yes	Yes	Yes	Yes	No	No	3
24	Tripura	No	No	No	No	No	No	0
25	Uttar Pradesh	Yes	Yes	Yes	No	Yes	No	3
26	Uttarakhand	Yes	Yes	Yes	No	No	No	2
27	West Bengal	No	Yes	Yes	Yes	No	No	3
28	Manipur	No	No	No	No	No	No	0

Annexure B – Questionnaires and Interaction Tools

Questionnaire

Survey of Business Environment for Manufacturing, 2013

<For units set up or expanded in the last three years>

Planning Commission of India, in collaboration with leading Chambers of Commerce, is undertaking a study to assess the business regulatory factors impacting manufacturing competitiveness across states in India. Through this questionnaire survey the Planning Commission intends to capture the experience of companies across the country on a number of regulatory compliance requirements spread across their life cycle, covering land and building, environment, infrastructure and utilities, fiscal incentives, taxes etc. This questionnaire survey is arranged in seven sections as mentioned below.

- *General Information*
- *Business Regulatory Experiences*
- *Finance and Tax Related Regulations*
- *Labour Related Compliances*
- *Infrastructure and Utilities Related Regulations*
- *Land and Building Related Regulations*
- *Environment Related Compliances*

Please find enclosed the letter from Planning Commission of India, requesting the industries to participate in this questionnaire survey.

The findings of this questionnaire survey will form an input to the strategy to be developed by the Planning Commission for improving the business regulatory environment for the manufacturing sector in India.

The estimated time for filling this survey will be around 25 - 30 minutes. In case you are not able to complete the survey in one sitting, there is a provision of saving the responses and retrieving it later. In case of any clarification, please feel free to contact

- *Ms. Madhusree Dasgupta*
Phone: 033 6612 1000
Email: inpcresponse@deloitte.com

All outputs from this survey will be reported on a “No Name” basis.

1. General Information

	Instructions
Name of the company*:	Please mention the name of your company
Name of the unit*:	In case of a multi-unit company, please mention the name of your unit in the state. In case of a single unit company, the name of the company and the unit will be same
State*:	
District*:	
Address:	Please provide the full address of the unit in the your state
Which category do you belong to?* ⁶ :	Choose from the following list: Large, Medium, Small or Micro
Ownership*:	Choose from the following list: <ul style="list-style-type: none"> ○ public sector undertaking, ○ private sector undertaking, ○ individual promoter/sole-proprietorship, ○ partnership, ○ co-operative undertaking, ○ joint sector undertaking, ○ others
Key sector(s)*:	Please choose from the following list: Iron & Steel, Petroleum and Coal Products, Primary Metal, Fabricated Metal, Furniture, Paper and Paper Products, Food Manufacturing, Beverage and Tobacco, Textile, Apparel, Leather and Allied Products, Wood Product, Printing and Related Support Activities, Chemicals, Plastic and Rubber Products, Non Metallic Mineral Products, Machinery, Computer and Electronic Products, Electrical Equipment and Appliances, Transportation Equipment, Bamboo, Others (Please specify)
Year in which the unit was set up*:	
Please indicate the status of your unit*:	Please choose from the following list: <ul style="list-style-type: none"> ○ Unit set-up in last 3 years ○ Unit expanded in last 3 years at site
Does your company have multiple ⁷ manufacturing units?*	Please indicate Yes or No
Name of respondent*:	
Designation*:	
Phone No 1*:	
Email Id*:	

⁶ Large scale indicates capital investment in plant and machinery, over Rs. 10 crore; Medium Scale indicates capital investment in plant and machinery, between Rs. 5 crore to Rs. 10 crore; Small scale indicates capital investment in plant and machinery, between Rs 25 lakh to Rs. 5 crore. ; Micro indicates capital investment in plant and machinery of less than Rs. 25 lakhs

⁷ A multiple unit company has its operations in more than one location

* Mandatory information requirement

2. Business Regulatory Experiences (Please rate your experience of the business regulatory atmosphere in your state and the quality of state delivered services. **Please fill in and tick (mark ‘Y’) where appropriate.)**)

A. EM ⁸ / IEM Part B ⁹				
• Approximate number of days required for approval of EM 1				
• Approximate number of days required for approval of EM 2 / IEM Part B				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience for filing of EM / IEM Part B applications is satisfactory				
• Time taken for approval of EM 1 application is reasonable				
• Time taken for inspection prior to EM 2 / IEM Part B approval is reasonable				
• Inspection process for EM 2 / IEM Part B approval is objective and based on well-defined procedures				
• Time taken for approval of EM 2 / IEM Part B applications is reasonable				
• Costs incurred for obtaining EM 1 approval is in line with the prescribed fees as per state's policies				
• Costs incurred for obtaining EM 2 / IEM Part B approval is in line with the prescribed fees as per state's policies				
• Forms / information on procedures pertaining to EM1 are easily available				
• Forms / information on procedures pertaining to EM 2 / IEM Part B are easily available				
• Forms to be filled for filing EM 1 application are simple and self-explanatory				
• Process for availing EM /IEM approvals is clearly laid down				
• Forms to be filled for filing EM 2 / IEM Part B application are simple and self-explanatory				
• Number of departments visited for obtaining approvals is not too many				
• Number of visits to various departments for obtaining approvals is not too many				
B. SINGLE WINDOW CLEARANCE MECHANISM				
• Is there a Single Window Clearance Mechanism in the state? #	Yes		No	
• #(if yes) Is there a common application form?				
• #(if yes) Approximate number of days taken for approval through the single window clearance mechanism in the state				
• #(if yes) Approximate number of departments / agencies at the state level from which clearances are required				
• #(if yes) Approximate number of forms to be filled for clearances				

⁸ For MSMEs only

⁹ For Large Enterprises & MSMEs

	Strongly Disagree	Disagree	Agree	Strongly Agree
#(if yes) Overall experience of the Single Window Clearance Mechanism in the state is satisfactory				
• Time taken for application processing / providing clearances through the Single Window Clearance Mechanism is reasonable				
• Costs incurred for availing services under the Single Window Clearance Mechanism were in line with the prescribed fees as per state's policies				
• Forms / information pertaining to availing the services of the Single Window Clearance Mechanism is easily available				
• Forms to be filled for availing the services of the Single Window Clearance Mechanism are simple and self-explanatory				
• Process for availing clearances, approvals through the Single Window Clearance Mechanism is clearly laid down				
• Number of departments visited for obtaining approvals / clearances is not too many				
• Number of visits to various departments for obtaining approvals / clearances is not too many				
• #(if no) Approximate Number of days taken for obtaining all approvals in the absence of the single window clearance mechanism in the state				
• #(if no) Approximate Number of departments / agencies at the state level from which clearances are required				
• #(if no) Approximate Number of forms to be filled for clearances				
C. APPROVALS / CLEARANCES				
• Please highlight the approvals / clearances / acts applicable for your unit	<ul style="list-style-type: none"> • Factories Act / Rules • Weights & Measures Act • Shops and Establishment Act • Trade License • Others (Please fill in) 			
FACTORIES ACT / RULES				
• Approximate number of days required for issue / renewal of license under Factories Act / Rules				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of availing / renewal of license under Factories Act / Rules is satisfactory				
• Time taken for issue / renewal of license under Factories Act is reasonable				
• Costs incurred as fees charged for issue / renewal of license is in line with the prescribed fees as per state's policies				
• Process for inspection of factory premises prior to issue / renewal of license is objective and based on well-defined procedures				
• Forms to be filled for availing / renewal of license is simple and self-explanatory				
• Forms / information pertaining to availing /renewal of license is easily available				

<ul style="list-style-type: none"> Please highlight the top three areas under the Factories Act / Rules where user experience pertaining to inspection / compliance requirement can be further improved 	<ul style="list-style-type: none"> Site Permit Factory Plan Health Safety Welfare Working Hour Employment of Young Persons Annual Leave with Wages Others (Please fill in) 			
WEIGHTS AND MEASURES ACT				
<ul style="list-style-type: none"> Approximate number of days required for approval / renewal of approval under Weights & Measures Act 				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of availing approval / renewal under Weights and Measures Act is satisfactory				
<ul style="list-style-type: none"> Time taken for approval / renewal of approval is reasonable 				
<ul style="list-style-type: none"> Costs incurred as fees charged for approval / renewal of approval is in line with the prescribed fees as per state's policies 				
<ul style="list-style-type: none"> Forms to be filled for availing the approval / renewal of approval are simple and self-explanatory 				
<ul style="list-style-type: none"> Forms / information pertaining to availing the registration / approval or renewal is easily available 				
SHOPS AND ESTABLISHMENT ACT				
<ul style="list-style-type: none"> Approximate number of days required for registration / renewal of registration under Shops and Establishment Act 				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of availing registration / renewal of registration under Shops and Establishment Act is satisfactory				
<ul style="list-style-type: none"> Time taken for registration / renewal of registration is reasonable 				
<ul style="list-style-type: none"> Costs incurred as fees charged for registration / renewal of registration is in line with the prescribed fees as per state's policies 				
<ul style="list-style-type: none"> Forms to be filled for the registration / renewal of registration are simple and self-explanatory 				
<ul style="list-style-type: none"> Forms / information pertaining to the registration / renewal of registration is easily available 				
TRADE LICENSE				
<ul style="list-style-type: none"> Approximate number of days required for issue / renewal of trade license 				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of availing / renewal of trade license is satisfactory				
<ul style="list-style-type: none"> Time taken for availing / renewal of trade license is reasonable 				
<ul style="list-style-type: none"> Costs incurred as fees charged for availing / renewal of trade license is in line with the prescribed fees as per state's policies 				

• Forms to be filled for availing / renewal of trade license are simple and self-explanatory				
• Forms / information pertaining to availing / renewal of the trade license is easily available				
OTHERS				
• Approximate number of days required for issue / renewal of other license				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of availing/ renewal of the approval / license / registration is satisfactory				
• Time taken for availing / renewal of the approval / license / registration is reasonable				
• Costs incurred as fees charged for availing / renewal of the approval / license / registration is in line with the prescribed fees as per state's policies				
• Forms to be filled for availing / renewal of the approval / license / registration are simple and self-explanatory				
• Forms / information pertaining to availing / renewal of the approval / license / registration is easily available				
D. DEPARTMENT OF INDUSTRY / DEPARTMENT OF MSME				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of Department of Industry / Department of MSME and the District Industry Centers is satisfactory				
• Time taken for responding to queries is reasonable				
• Forms / information pertaining to regulations / registration / approval / license etc. is easily available				
• Forms / information pertaining to regulations / registration / approval / license etc. is easily understandable and self-explanatory				
• Number of visits to the department for obtaining approvals / registration / license is not too many				

Other Suggestions (Please indicate any other comments / suggestions you may have and that have not been captured above)

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3. Financial and Tax Related Regulations (Please rate your experience of the financial and tax related regulations in your state and the quality of state delivered services. **Please fill in and tick (mark 'Y') where appropriate.**)

E. TAX REGISTRATION				
• Please highlight the registrations applicable for your unit	<ul style="list-style-type: none"> • State Excise • VAT • Entry Tax • Professional Tax 			
STATE EXCISE REGISTRATION				
• Approximate number of days required for state excise registration				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of the state excise registration procedures in the state is satisfactory				
• Information on the procedures to be followed are easily available				
• Time taken for registration is reasonable				
• Number of forms to be filled for registration are not too many				
• Forms to be filled are simple and self- explanatory				
• Process for applying/ tracking/ obtaining communication related to tax registration is clearly laid down				
• Costs incurred for obtaining registration were in line with the prescribed fees as per state's policies				
VAT REGISTRATION				
• Approximate number of days required for VAT registration				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of the VAT registration procedures in the state is satisfactory				
• Information on the procedures to be followed are easily available				
• Time taken for registration is reasonable				
• Number of forms to be filled for registration are not too many				
• Forms to be filled are simple and self- explanatory				
• Process for applying/ tracking/ obtaining communication related to tax registration is clearly laid down				
• Costs incurred for obtaining registration were in line with the prescribed fees as per state's policies				
ENTRY TAX REGISTRATION				
• Approximate number of days required for entry tax registration				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of the entry tax registration procedures in the state is satisfactory				
• Information on the procedures to be followed are easily available				
• Time taken for registration is reasonable				
• Number of forms to be filled for registration are not too many				
• Forms to be filled are simple and self- explanatory				

• Process for applying/ tracking/ obtaining communication related to tax registration is clearly laid down				
• Costs incurred for obtaining registration were in line with the prescribed fees as per state's policies				
PROFESSIONAL TAX REGISTRATION				
• Approximate number of days required for professional tax registration				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of the professional tax registration procedures in the state is satisfactory				
• Information on the procedures to be followed are easily available				
• Time taken for registration is reasonable				
• Number of forms to be filled for registration are not too many				
• Forms to be filled are simple and self- explanatory				
• Process for applying/ tracking/ obtaining communication related to tax registration is clearly laid down				
• Costs incurred for obtaining registration were in line with the prescribed fees as per state's policies				
F. TAX PAYMENT				
	Strongly Disagree	Disagree	Agree	Strongly Agree
STATE EXCISE				
Overall experience of state excise payment procedures in the state is satisfactory				
• Information on the procedures to be followed for state excise payment are easily available				
• Number of times state excise payment needs to be made in a year is not too many				
• State excise payment processes are easy to comply to				
• Documentation for compliance requirement is simple				
• Process for excise payment is clearly laid down				
VAT				
Overall experience of VAT payment procedures in the state is satisfactory				
• Information on the procedures to be followed for VAT payment are easily available				
• Number of times VAT payment needs to be made in a year is not too many				
• VAT payment processes are easy to comply to				
• Documentation for compliance requirement is simple				
• Process for filing tax returns & payment is clearly laid down				
ENTRY TAX				
Overall experience of entry tax payment procedures in the state is satisfactory				
• Information on the procedures to be followed for entry tax payment are easily available				
• Number of times entry tax payment needs to be made in a year is not too many				
• Entry tax payment processes are easy to comply to				
• Documentation for compliance requirement is simple				
• Process for filing entry tax returns and payment is clearly				

laid down				
PROFESSIONAL TAX				
Overall experience of professional tax payment procedures in the state is satisfactory				
• Information on the procedures to be followed for professional tax payment are easily available				
• Number of times professional tax payment needs to be made in a year is not too many				
• Professional tax payment processes are easy to comply to				
• Documentation for compliance requirement is simple				
• Process for filing tax returns and payment is clearly laid down				
G. INCENTIVES				
• Are you availing any subsidy/ reimbursement from the state government? (For example, VAT reimbursement, interest subsidy, capital subsidy, power duty exemption, stamp duty exemption etc.)	Yes		No	
	Strongly Disagree	Disagree	Agree	Strongly Agree
#(if yes) Overall process for availing subsidies/ incentives / refund from the state government is satisfactory				
• Information on the procedures to be followed for availing subsidies/ reimbursements are easily available				
• Time taken for availing incentives is reasonable				
• Number of forms to be filled for availing incentives are not too many				
• Forms to be filled for availing incentives are simple and self-explanatory				
• Processes for availing subsidies/ reimbursements are simple and easy to follow				
• Process for applying/ tracking/ obtaining communication related to tax registration is online/IT enabled				
• Number of visits to concerned departments / institutions for obtaining incentives is not too many				
• Please highlight the top three processes for availing subsidies/ incentives / refund from the state government where user experience can be further improved	<ul style="list-style-type: none"> • VAT reimbursement • Interest subsidy • Capital subsidy • Power duty exemption • Stamp duty subsidy • R&D subsidy • Others (Please fill) 			

Other Suggestions (Please indicate any other comments / suggestions you may have and that have not been captured above)

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4. Labour Related Compliances (Please rate your experience pertaining to labour related compliances in your state and the quality of state delivered services **Please fill in and tick (mark 'Y') where appropriate.**)

H. REGISTRATION				
• Approximate number of days required for obtaining registration under Employees State Insurance Act				
• Approximate number of days required for obtaining registration under Contract Labour (Regulation and Abolition) Act				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience pertaining to the efficiency and ease of registration under labour laws in the state is satisfactory				
• Information on the registration procedures are easily available				
• Time taken for registration is reasonable				
• Number of forms to be filled for registration are not too many				
• Forms to be filled are simple and self-explanatory				
• Processes/ procedures for registration are clearly laid down				
• Process for applying/ tracking/ obtaining communication related to registration is online / IT enabled				
• Costs incurred for obtaining registration are in line with the prescribed fees as per state's policies				
• Please highlight the priority acts pertaining to registration where user experience can be further improved (<i>please highlight at-least one</i>)	<ul style="list-style-type: none"> • Employees State Insurance Act, • Contract Labour (Regulation and Abolition) Act, • Inter State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, • Others (Please specify) 			
I. COMPLIANCE				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience pertaining to efficiency and ease of ensuring compliance under the labour laws is satisfactory				
• Please highlight the top three acts pertaining to compliance where user experience can be further improved	<ul style="list-style-type: none"> • Payment of Wages Act, • Minimum Wages Act, • Industrial Disputes Act, • Maternity Benefit Act, • Apprentices Act, • Payment of Bonus Act, • Equal Remuneration Act, • Representation of the People Act, • Employee Compensation Act, • Labour Welfare Fund Act, • Factories & Establishment (National and 			

	Festival and Other Holidays) Act, • Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, • Contract Labour Act, • Payment of Gratuity Act, • Personal Injuries Act, • Others (please specify)			
	Strongly Disagree	Disagree	Agree	Strongly Agree
• Information on procedures for compliance is easily available				
• Information on the processes for compliance is adequate				
• Time taken for ensuring compliance is reasonable				
• Time taken for inspection of compliance related documents is reasonable				
• Number of forms / returns to be filled are not too many				
• Number of times returns/ forms are filled is not too many				
• Documentation requirements are simple				
• Inspection process is objective and based on well-defined procedures				

Other Suggestions *(Please indicate any other comments / suggestions you may have and that have not been captured above)*

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5. Infrastructure & Utilities Related Regulations *(Please rate your experience of the infrastructure and utilities related regulations in your state and the quality of state delivered services **Please fill in and tick (mark 'Y') where appropriate.***

J. NEW UTILITY CONNECTIONS (WATER, SEWERAGE, POWER)				
WATER CONNECTION				
• Approximate number of days required to get a new water connection				
• Approximate number of forms required to be filled for a new water connection				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of the processes and systems for obtaining the utility service is satisfactory				
• Time taken for obtaining new connection is reasonable				
• Time taken for inspection prior to obtaining new connection is reasonable				
• Inspection process is objective and based on well-defined procedures				
• Costs incurred for obtaining new connection is in line with the prescribed fees as per state's policies				
• Forms / information pertaining to obtaining new connections / inspection processes are easily available				
• Forms to be filled for are simple and self-explanatory				
• Number of visits to concerned departments / institutions for obtaining new connection is not too many				
• Process for availing clearances, approvals etc.is clearly laid down				
SEWERAGE CONNECTION				
• Approximate number of days required to get a new sewerage connection				
• Approximate number of forms required to be filled for a new sewerage connection				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of the processes and systems for obtaining the utility service is satisfactory				
• Time taken for obtaining new connection is reasonable				
• Time taken for inspection prior to obtaining new connection is reasonable				
• Inspection process is objective and based on well-defined procedures				
• Costs incurred for obtaining new connection is in line with the prescribed fees as per state's policies				
• Forms / information pertaining to obtaining new connections / inspection processes are easily available				
• Forms to be filled for are simple and self-explanatory				
• Number of visits to concerned departments / institutions for obtaining new connection is not too many				
• Process for availing clearances, approvals etc.is clearly laid down				

POWER CONNECTION				
• Approximate number of days required to get a new power connection				
• Approximate number of forms required to be filled for a new power connection				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of the processes and systems for obtaining the utility service is satisfactory				
• Time taken for obtaining new connection is reasonable				
• Time taken for inspection prior to obtaining new connection is reasonable				
• Inspection process is objective and based on well-defined procedures				
• Costs incurred for obtaining new connection is in line with the prescribed fees as per state's policies				
• Forms / information pertaining to obtaining new connections / inspection processes are easily available				
• Forms to be filled for are simple and self-explanatory				
• Number of visits to concerned departments / institutions for obtaining new connection is not too many				
• Process for availing clearances, approvals etc. is clearly laid down				
K. FIRE NOC AND LICENSE RENEWAL				
• Approximate number of days required to get a new Fire NOC & license / renewal				
• Approximate number of forms required to be filled for a new fire NOC & license / renewal				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of the processes and systems for obtaining / renewing Fire NOC & License is satisfactory				
• Time taken for obtaining new license / renewal is reasonable				
• Time taken for inspection prior to obtaining new license / renewal is reasonable				
• Inspection process is objective and based on well-defined procedures				
• Costs incurred for obtaining new license / renewal is in line with the prescribed fees as per state's policies				
• Forms / information pertaining to obtaining new license / renewal processes are easily available				
• Forms to be filled are simple and self-explanatory				
• Number of visits to concerned departments / institutions for obtaining new license / renewal is not too many				
• Process for availing license / renewal is clearly laid down				

Other Suggestions (Please indicate any other comments / suggestions you may have and that have not been captured above)

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6. Land & Building Related Regulations (Please rate your experience of the land and building related regulations in your state and the quality of state delivered services **Please fill in and tick (mark 'Y') where appropriate.**)

L. AVAILING LAND				
<ul style="list-style-type: none"> Please highlight the category you belong to 	<ul style="list-style-type: none"> Land availed from land bank Land availed in industrial estate Others 			
LAND BANK				
<ul style="list-style-type: none"> Approximate number of days required for acquiring land, from land bank in the state 				
	Strongly Disagree	Disagree	Agree	Strongly Agree
<ul style="list-style-type: none"> Overall experience pertaining to acquisition of land from land bank was satisfactory 				
<ul style="list-style-type: none"> Time taken to acquire land from land bank was reasonable 				
<ul style="list-style-type: none"> Costs incurred for availing land is in line with the prescribed fees as per state's policies 				
<ul style="list-style-type: none"> Forms / information pertaining to availing land is easily available 				
<ul style="list-style-type: none"> Forms to be filled for are simple and self-explanatory 				
<ul style="list-style-type: none"> Process for availing land is clearly laid down 				
<ul style="list-style-type: none"> Number of departments visited for availing land is not too many 				
<ul style="list-style-type: none"> Number of visits to various departments for availing land is not too many 				
INDUSTRIAL ESTATE				
<ul style="list-style-type: none"> Approximate number of days required for allotment of land in industrial estates 				
	Strongly Disagree	Disagree	Agree	Strongly Agree
<ul style="list-style-type: none"> Overall experience pertaining to allotment of land in industrial estates was satisfactory 				
<ul style="list-style-type: none"> Time taken for allotment of land in industrial estates was reasonable 				
<ul style="list-style-type: none"> Costs incurred for availing land is in line with the prescribed fees as per state's policies 				
<ul style="list-style-type: none"> Forms / information pertaining to availing land is easily available 				
<ul style="list-style-type: none"> Forms to be filled for are simple and self-explanatory 				
<ul style="list-style-type: none"> Process for availing land is clearly laid down 				
<ul style="list-style-type: none"> Number of departments visited for availing land is not too many 				
<ul style="list-style-type: none"> Number of visits to various departments for availing land is not too many 				
OTHER SOURCES				
<ul style="list-style-type: none"> Approximate number of days required for acquiring land from other sources in the state 				

	Strongly Disagree	Disagree	Agree	Strongly Agree
• Overall experience pertaining to acquisition of land from other sources was satisfactory				
• Time taken to acquire land from other sources was reasonable				
• Cost incurred for acquisition of land from other sources was reasonable				
• Costs incurred for availing land is in line with the prescribed fees as per state's policies				
• Forms / information pertaining to availing land is easily available				
• Forms to be filled for are simple and self-explanatory				
• Process for availing land is clearly laid down				
• Number of departments visited for availing land is not too many				
• Number of visits to various departments for availing land is not too many				
M. CONVERSION OF LAND				
• Approximate number of days required for conversion of land for industrial use				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of conversion of land for industrial purposes is satisfactory				
• Time taken for conversion of land is reasonable				
• Costs incurred for conversion of land is in line with the prescribed fees as per state's policies				
• Forms / information pertaining for conversion of land is easily available				
• Forms to be filled for are simple and self-explanatory				
• Process for conversion of land is clearly laid down				
• Number of departments visited for conversion of land is not too many				
• Number of visits to various departments for conversion of land is not too many				
N. MUTATION OF LAND				
• Approximate number of days required for mutation of land				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of the mutation process is satisfactory				
• Time taken for mutation of land is reasonable				
• Costs incurred for mutation of land is in line with the prescribed fees as per state's policies				
• Forms / information pertaining for mutation of land is easily available				
• Forms to be filled are simple and self-explanatory				
• Process for mutation of land is clearly laid down				
• Number of departments visited for mutation of land is not too				

many				
• Number of visits to various departments for mutation of land is not too many				
O. REGISTRATION OF LAND				
• Approximate number of days required for registration of land				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of the registration process is satisfactory				
• Time taken for registration of land is reasonable				
• Costs incurred for registration of land is in line with the prescribed fees as per state's policies				
• Forms / information pertaining for registration of land is easily available				
• Forms to be filled are simple and self-explanatory				
• Process for registration of land is clearly laid down				
• Number of departments visited for registration of land is not too many				
• Number of visits to various departments for registration of land is not too many				
P. APPROVALS WITH RESPECT TO BUILDING				
• Approximate number of days required for approval of building plan				
• Approximate number of days required for availing notice of occupancy / occupancy certificate				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of obtaining approvals is satisfactory				
• Time taken for obtaining building clearance/ occupancy certificate is reasonable				
• Costs incurred for obtaining building clearance/ occupancy certificate is in line with the prescribed fees as per state's policies				
• Forms / information pertaining for obtaining building clearance/ occupancy certificate is easily available				
• Forms to be filled are simple and self-explanatory				
• Process for obtaining building clearance is clearly laid down				
• Number of visits to concerned departments for obtaining building clearance / occupancy certificate is not too many				
• Number of departments visited for obtaining building clearance/ occupancy certificate is not too many				
• Time taken for inspection prior to obtaining building clearance/ occupancy certificate is reasonable				
• Inspection process prior to obtaining building clearance/ occupancy certificate is objective and based on well-defined procedures				

Other Suggestions (Please indicate any other comments / suggestions you may have and that have not been captured above)

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7. Environment Related Compliances (Please rate your experience related to the environment related compliances in your state and the quality of state delivered services. **Please fill in and tick (mark ‘Y’) where appropriate.**)

Q. CONSENT TO ESTABLISH				
• Approximate number of days required to get the consent				
• Approximate number of forms required to be filled				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of the processes and systems for obtaining the Consent to Establish is satisfactory				
• Time taken for obtaining Consent to Establish is reasonable				
• Costs incurred for Consent to Establish is in line with the prescribed fees as per state's policies				
• Forms / information pertaining for obtaining Consent to Establish is easily available				
• Forms to be filled are simple and self-explanatory				
• Number of visits to concerned departments / institutions for obtaining Consent to Establish is not too many				
• Process for obtaining Consent to Establish is clearly laid down				
• Time taken for inspection prior to obtaining Consent to Establish is reasonable				
• Inspection process prior to obtaining Consent to Establish is objective and based on well-defined procedures				
R. CONSENT TO OPERATE				
• Approximate number of days required to get the consent				
• Approximate number of forms required to be filled				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of processes and systems of obtaining the Consent to Operate is satisfactory				
• Time taken for obtaining Consent to Operate is reasonable				
• Costs incurred for Consent to Operate is in line with the prescribed fees as per state's policies				
• Forms / information pertaining for obtaining Consent to Operate is easily available				
• Forms to be filled are simple and self-explanatory				
• Process for obtaining Consent to Operate is clearly laid down				
• Number of visits to concerned departments / agencies for obtaining Consent to Operate is not too many				
• Time taken for inspection prior to obtaining Consent to Operate is reasonable				
• Inspection process prior to obtaining Consent to Operate is objective and based on well-defined procedures				

Other Suggestions (Please indicate any other comments / suggestions you may have and that have not been captured above)

Thank you for your participation!

Questionnaire

Survey of Business Environment for Manufacturing, 2013

<For units set up at-least 3 years ago and requiring on-going compliance only >

Planning Commission of India, in collaboration with leading Chambers of Commerce, is undertaking a study to assess the business regulatory factors impacting manufacturing competitiveness across states in India. Through this questionnaire survey the Planning Commission intends to capture the experience of companies across the country on a number of regulatory compliance requirements spread across their life cycle, covering land and building, environment, infrastructure and utilities, fiscal incentives, taxes etc. This questionnaire survey is arranged in seven sections as mentioned below.

- *General Information*
- *Business Regulatory Experiences*
- *Finance and Tax Related Regulations*
- *Labour Related Compliances*
- *Infrastructure and Utilities Related Regulations*
- *Land and Building Related Regulations*
- *Environment Related Compliances*

Please find enclosed the letter from Planning Commission of India, requesting the industries to participate in this questionnaire survey.

The findings of this questionnaire survey will form an input to the strategy to be developed by the Planning Commission for improving the business regulatory environment for the manufacturing sector in India.

The estimated time for filling this survey will be around 25 - 30 minutes. In case you are not able to complete the survey in one sitting, there is a provision of saving the responses and retrieving it later. In case of any clarification, please feel free to contact

- *Ms. Madhusree Dasgupta*
Phone: 033 6612 1000
Email: inpcresponse@deloitte.com

All outputs from this survey will be reported on a “No Name” basis.

8. General Information

	Instructions
Name of the company*:	<i>Please mention the name of your company</i>
Name of the unit*:	<i>In case of a multi-unit company, please mention the name of your unit in the state. In case of a single unit company, the name of the company and the unit will be same</i>
State*:	
District*:	
Address:	<i>Please provide the full address of the unit in the your state</i>
Which category do you belong to?* ¹⁰ :	<i>Choose from the following list: Large, Medium, Small or Micro</i>
Ownership*:	<i>Choose from the following list:</i> <ul style="list-style-type: none"> ○ public sector undertaking, ○ private sector undertaking, ○ individual promoter/sole-proprietorship, ○ partnership, ○ co-operative undertaking, ○ joint sector undertaking, ○ others
Key sector(s)*:	<i>Please choose from the following list: Iron & Steel, Petroleum and Coal Products, Primary Metal, Fabricated Metal, Furniture, Paper and Paper Products, Food Manufacturing, Beverage and Tobacco, Textile, Apparel, Leather and Allied Products, Wood Product, Printing and Related Support Activities, Chemicals, Plastic and Rubber Products, Non Metallic Mineral Products, Machinery, Computer and Electronic Products, Electrical Equipment and Appliances, Transportation Equipment, Bamboo, Others (Please specify)</i>
Year in which the unit was set up*:	
Does your company have multiple ¹¹ manufacturing units*:	<i>Please indicate Yes or No</i>
Name of respondent*:	
Designation*:	
Phone No 1*:	
Email Id*:	

¹⁰ Large scale indicates capital investment in plant and machinery, over Rs. 10 crore; Medium Scale indicates capital investment in plant and machinery, between Rs. 5 crore to Rs. 10 crore; Small scale indicates capital investment in plant and machinery, between Rs 25 lakh to Rs. 5 crore. ; Micro indicates capital investment in plant and machinery of less than Rs. 25 lakhs

¹¹ A multiple unit company has its operations in more than one location

* Mandatory information requirement

2. Business Regulatory Experiences (Please rate your experience of the business regulatory atmosphere in your state and the quality of state delivered services. **Please fill in and tick (mark 'Y') where appropriate.)**)

S. APPROVALS / CLEARANCES				
<ul style="list-style-type: none"> Please highlight the approvals / clearances / acts applicable for your unit 	<ul style="list-style-type: none"> Factories Act / Rules Weights & Measures Act Shops and Establishment Act Trade License Others (Please fill in) 			
FACTORIES ACT / RULES				
<ul style="list-style-type: none"> Approximate number of days required for issue / renewal of license under Factories Act / Rules 				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of availing / renewal of license under Factories Act / Rules is satisfactory				
<ul style="list-style-type: none"> Time taken for issue / renewal of license under Factories Act is reasonable 				
<ul style="list-style-type: none"> Costs incurred as fees charged for issue / renewal of license is in line with the prescribed fees as per state's policies 				
<ul style="list-style-type: none"> Process for inspection of factory premises prior to issue / renewal of license is objective and based on well-defined procedures 				
<ul style="list-style-type: none"> Forms to be filled for availing / renewal of license is simple and self-explanatory 				
<ul style="list-style-type: none"> Forms / information pertaining to availing /renewal of license is easily available 				
<ul style="list-style-type: none"> Please highlight the top three areas under the Factories Act / Rules where user experience pertaining to inspection / compliance requirement can be further improved 	<ul style="list-style-type: none"> Site Permit Factory Plan Health Safety Welfare Working Hour Employment of Young Persons Annual Leave with Wages Others (Please fill in) 			
WEIGHTS AND MEASURES ACT				
<ul style="list-style-type: none"> Approximate number of days required for approval / renewal of approval under Weights & Measures Act 				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of availing approval / renewal under Weights and Measures Act is satisfactory				
<ul style="list-style-type: none"> Time taken for approval / renewal of approval is reasonable 				
<ul style="list-style-type: none"> Costs incurred as fees charged for approval / renewal of approval is in line with the prescribed fees as per state's policies 				
<ul style="list-style-type: none"> Forms to be filled for availing the approval / renewal of 				

approval are simple and self-explanatory				
• Forms / information pertaining to availing the registration / approval or renewal is easily available				
SHOPS AND ESTABLISHMENT ACT				
• Approximate number of days required for registration / renewal of registration under Shops and Establishment Act				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of availing registration / renewal of registration under Shops and Establishment Act is satisfactory				
• Time taken for registration / renewal of registration is reasonable				
• Costs incurred as fees charged for registration / renewal of registration is in line with the prescribed fees as per state's policies				
• Forms to be filled for the registration / renewal of registration are simple and self-explanatory				
• Forms / information pertaining to the registration / renewal of registration is easily available				
TRADE LICENSE				
• Approximate number of days required for issue / renewal of trade license				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of availing / renewal of trade license is satisfactory				
• Time taken for availing / renewal of trade license is reasonable				
• Costs incurred as fees charged for availing / renewal of trade license is in line with the prescribed fees as per state's policies				
• Forms to be filled for availing / renewal of trade license are simple and self-explanatory				
• Forms / information pertaining to availing / renewal of the trade license is easily available				
OTHERS				
• Approximate number of days required for issue / renewal of other license				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of availing/ renewal of the approval / license / registration is satisfactory				
• Time taken for availing / renewal of the approval / license / registration is reasonable				
• Costs incurred as fees charged for availing / renewal of the approval / license / registration is in line with the prescribed fees as per state's policies				
• Forms to be filled for availing / renewal of the approval / license / registration are simple and self-explanatory				
• Forms / information pertaining to availing / renewal of the approval / license / registration is easily available				

T. DEPARTMENT OF INDUSTRY / DEPARTMENT OF MSME				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of Department of Industry / Department of MSME and the District Industry Centers is satisfactory				
• Time taken for responding to queries is reasonable				
• Forms / information pertaining to regulations / registration / approval / license etc. is easily available				
• Forms / information pertaining to regulations / registration / approval / license etc. is easily understandable and self-explanatory				
• Number of visits to the department for obtaining approvals / registration / license is not too many				

Other Suggestions *(Please indicate any other comments / suggestions you may have and that have not been captured above)*

3. Financial and Tax Related Regulations *(Please rate your experience of the financial and tax related regulations in your state and the quality of state delivered services. Please fill in and tick (mark 'Y') where appropriate.)*

U. TAX PAYMENT				
• Please highlight the payments applicable for your unit	<ul style="list-style-type: none"> • State Excise • VAT • Entry Tax • Professional Tax 			
• Approximate number of days required for state excise payment				
• Approximate number of days required for VAT payment				
• Approximate number of days required for entry tax payment				
• Approximate number of days required for professional tax payment				
	Strongly Disagree	Disagree	Agree	Strongly Agree
STATE EXCISE				
Overall experience of state excise payment procedures in the state is satisfactory				
• Information on the procedures to be followed for state excise payment are easily available				
• Number of times state excise payment needs to be made in a year is not too many				
• State excise payment processes are easy to comply to				
• Documentation for compliance requirement is simple				
• Process for excise payment is clearly laid down				
VAT				
Overall experience of VAT payment procedures in the state is satisfactory				
• Information on the procedures to be followed for VAT payment are easily available				
• Number of times VAT payment needs to be made in a year is not too many				
• VAT payment processes are easy to comply to				
• Documentation for compliance requirement is simple				
• Process for filing tax returns and payment is clearly laid down				

ENTRY TAX				
Overall experience of entry tax payment procedures in the state is satisfactory				
• Information on the procedures to be followed for entry tax payment are easily available				
• Number of times entry tax payment needs to be made in a year is not too many				
• Entry tax payment processes are easy to comply to				
• Documentation for compliance requirement is simple				
• Process for filing entry tax returns and payment is clearly laid down				
PROFESSIONAL TAX				
Overall experience of professional tax payment procedures in the state is satisfactory				
• Information on the procedures to be followed for professional tax payment are easily available				
• Number of times professional tax payment needs to be made in a year is not too many				
• Professional tax payment processes are easy to comply to				
• Documentation for compliance requirement is simple				
• Process for filing tax returns and payment is clearly laid down				
V. INCENTIVES				
• Are you availing any subsidy/ reimbursement from the state government? (For example, VAT reimbursement, interest subsidy, capital subsidy, power duty exemption, stamp duty exemption etc.)	Yes		No	
	Strongly Disagree	Disagree	Agree	Strongly Agree
##(if yes) Overall process for availing subsidies/ incentives / refund from the state government is satisfactory				
• Information on the procedures to be followed for availing subsidies/ reimbursements are easily available				
• Time taken for availing incentives is reasonable				
• Number of forms to be filled for availing incentives are not too many				
• Forms to be filled for availing incentives are simple and self-explanatory				
• Processes for availing subsidies/ reimbursements are simple				

and easy to follow				
• Process for applying/ tracking/ obtaining communication related to tax registration is online/IT enabled				
• Number of visits to concerned departments / institutions for obtaining incentives is not too many				
• Please highlight the top three processes for availing subsidies/ incentives / refund from the state government where user experience can be further improved	<ul style="list-style-type: none"> • VAT reimbursement • Interest subsidy • Capital subsidy • Power duty exemption • Stamp duty subsidy • R&D subsidy • Others (Please fill) 			

Other Suggestions *(Please indicate any other comments / suggestions you may have and that have not been captured above)*

4. Labour Related Compliances (Please rate your experience pertaining to labour related compliances in your state and the quality of state delivered services **Please fill in and tick (mark 'Y') where appropriate.**)

W. COMPLIANCE				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience pertaining to efficiency and ease of ensuring compliance under the labour laws is satisfactory				
<ul style="list-style-type: none"> Please highlight the top three acts pertaining to compliance where user experience can be further improved 	<ul style="list-style-type: none"> Payment of Wages Act, Minimum Wages Act, Industrial Disputes Act, Maternity Benefit Act, Apprentices Act, Payment of Bonus Act, Equal Remuneration Act, Representation of the People Act, Employee Compensation Act, Labour Welfare Fund Act, Factories & Establishment (National and Festival and Other Holidays) Act, Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, Contract Labour Act, Payment of Gratuity Act, Personal Injuries Act, Others (please specify) 			
	Strongly Disagree	Disagree	Agree	Strongly Agree
• Information on procedures for compliance is easily available				
• Information on the processes for compliance is adequate				
• Time taken for ensuring compliance is reasonable				
• Time taken for inspection of compliance related documents is reasonable				
• Number of forms / returns to be filled are not too many				
• Number of times returns/ forms are filled is not too many				
• Documentation requirements are simple				
• Inspection process is objective and based on well-defined procedures				

Other Suggestions (Please indicate any other comments / suggestions you may have and that have not been captured above)

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5. Infrastructure & Utilities Related Regulations *(Please rate your experience of the infrastructure and utilities related regulations in your state and the quality of state delivered services **Please fill in and tick (mark 'Y') where appropriate.***

X. FIRE NOC AND LICENSE RENEWAL				
• Approximate number of days required to get a new Fire NOC & license / renewal				
• Approximate number of forms required to be filled for a new fire NOC & license / renewal				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of the processes and systems for obtaining / renewing Fire NOC & License is satisfactory				
• Time taken for obtaining new license / renewal is reasonable				
• Time taken for inspection prior to obtaining new license / renewal is reasonable				
• Inspection process is objective and based on well-defined procedures				
• Costs incurred for obtaining new license / renewal is in line with the prescribed fees as per state's policies				
• Forms / information pertaining to obtaining new license / renewal processes are easily available				
• Forms to be filled are simple and self-explanatory				
• Number of visits to concerned departments / institutions for obtaining new license / renewal is not too many				
• Process for availing license / renewal is clearly laid down				

Other Suggestions *(Please indicate any other comments / suggestions you may have and that have not been captured above)*

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6. Environment Related Compliances *(Please rate your experience related to the environment related compliances in your state and the quality of state delivered services **Please fill in and tick (mark ‘Y’) where appropriate.**)*

Y. CONSENT TO OPERATE				
• Approximate number of days required to get the consent				
• Approximate number of forms required to be filled				
	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall experience of processes and systems of obtaining the Consent to Operate is satisfactory				
• Time taken for obtaining Consent to Operate is reasonable				
• Costs incurred for Consent to Operate is in line with the prescribed fees as per state's policies				
• Forms / information pertaining for obtaining Consent to Operate is easily available				
• Forms to be filled are simple and self-explanatory				
• Process for obtaining Consent to Operate is clearly laid down				
• Number of visits to concerned departments / agencies for obtaining Consent to Operate is not too many				
• Time taken for inspection prior to obtaining Consent to Operate is reasonable				
• Inspection process prior to obtaining Consent to Operate is objective and based on well-defined procedures				

Other Suggestions *(Please indicate any other comments / suggestions you may have and that have not been captured above)*

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Thank you for your participation!

Survey of Business Environment for Manufacturing, 2013

Interaction tool - Government Department Stakeholders

General

1. Area of focus for the State in terms of any particular industry sector which they are keen to attract
2. Steps/ initiatives taken to attract industries in the focus sector in terms of improving the business regulatory environment (*collect any literature available in the department for the consumption of the applicants interested to set up a new industrial set up*)

New Industry/ expansion related clearances

3. Institutional framework for facilitating setting up of industry within the state with their scope of functions and powers (eg. Udyog Mitra in Bihar) – how do they provide regulatory clearances to manufacturing industries?
4. Is there a single window clearance mechanism in the state? If yes
 - a. From what investment threshold value is it valid?
 - b. Is it backed by a policy/ act having provision of deemed approvals?
 - c. Is action taken within a stated number of days?
 - d. Do they have a common application form which enables applicant to submit details and all relevant documentation at a single point?
 - e. Is there any mechanism for informing applicant on status of application?
 - f. What is the effectiveness of the system in terms of reducing the period of clearance, reducing the number of visits of the applicant? Any feedback from the industries on the effectiveness of the system.
 - g. Any bottleneck/ constraint faced with respect to implementing single window clearance system
5. Any separate clearance system for small industries/ specific sectors? If yes, details on the same
6. Any other initiatives taken by the State government to facilitate the applicant for new industries eg. web enabled online application etc (*please provide the website link*).
7. Typical number and name of state government departments/ agencies involved in the clearance process and the typical time taken for the clearance by each agencies.
8. Mechanisms/ forum for collaborating with GoI ministries/ agencies on regulatory approvals
9. Level of coordination/ monitoring eg. Industry Secretary/ Chief Secretary/ Chief Minister etc.
10. Mechanism for monitoring the process of clearances eg. formal monitoring committee set up to periodically monitor the process of clearances and backlogs. If there is any special mechanism:
 - a. Whether there is a fixed date every month for High level committee/ State Level committee meeting for clearing applications received within the intervening period
 - b. What type of reports are generated and its frequency & distribution list.- any specific report on pending approvals past due date with reasons, etc.
 - c. What are the key constraints / bottlenecks that are being faced which if rectified can further reduce time
11. Any feedback from industries on the business regulatory environment in terms of the issues faced by the entrepreneurs planning to set up new industry
12. Any good practice (*collect documents, reports, photographs, etc.*) – areas include labour, land & building, subsidy administration, registration processes, environment, infrastructure and tax administration (*web links of on line service provided, if any*)

Policy Initiatives and the overview of incentives

13. Overview of any industrial policy available in the state includes any sector specific policy such as manufacturing policy, food processing policy etc. (*Collect a copy of the industrial policy of the state and any sector specific policy such as manufacturing policy, food processing policy etc.*)
14. Overview of incentives for the new industries and the role of the industries department in facilitating the award of the same (*in terms of whether the application for the incentive is forwarded to the concerned department by industries department or whether the application has to be made directly to the concerned department*)
15. Whether any single window system/ simplified system is available for enabling of processing of the incentives
16. Role of the department in facilitating the industries in availing the incentives
17. Any feedback from the industries in terms of the time taken in getting the incentives and desirability of specific incentives
18. Any new policy level initiatives on the anvil for the state government
19. Policy for availing land from land banks/ industrial estates – especially for small industries?
20. Any key bottlenecks/ constraints in incentive policies/ industry policies, providing clearances, (Example – policies, coordination, organizational capacity, systems and processes, etc)
21. Any good practice (collect documents, reports, photographs, etc.)
22. Any issue that comes from specific areas based on analysis of survey results.

Check list documents to be collected (if not available through desk research):

1. State Industrial Policy
2. Application forms for starting/ expanding manufacturing units
3. Documents on good practices
4. Doing business documents of the state, if any
5. Incentive policies
6. Facilitation centers/ Help line numbers, if any – documentation on the same

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Questionnaire Checklist for Industry Associations

- Name of Respondent:
 - Designation:
 - Name of Industry Association
1. What are the key supports provided by the Industry Association to entrepreneurs in setting up manufacturing inputs with respect to regulatory compliance?
 2. What are the key concerns (top three) pertaining to manufacturing setups in the state that are raised on a regular basis in the Industry Association with respect to regulatory compliance and other inspection related issues.
 3. Please provide your inputs on the following aspects (Key elements – Capacity of the departments, coordination between departments and Time, Cost and Quality of services):
 - a. Time and cost taken for registration of units in the state (Eg: with respect to EM1, EM2, IEM and others mentioned in the industry questionnaire)
 - b. Ease of availing land in the state. Are there land banks or industrial parks from where ready land is available at a competitive price?
 - c. Is there a Single Window Clearance Mechanism in the state?
 - Effectiveness of the Single Window Clearance Mechanism in the state – time taken, presence of a Common Application Form (CAF), length and conciseness of the CAF, number of interactions required / coordination required for obtaining clearance through the SWCM, ease of filling the CAF
 - In the absence of a SWCM, time and taken for obtaining clearances / approvals; also the number of interactions required / coordination required for obtaining clearance
 - Specific inputs on ease of compliance for manufacturing units of small scale
 - If the above two answers are in the negative, what is the key reason for the dissatisfaction and what can be done to improve the process
 - d. For obtaining approvals for Factories Act, Weights & Measures Act, Shops and Establishment Act, Trade License, Employees State Insurance Act, Contract Labor Act, Inter State Migrant Workmen Act, Other Approvals (Please Specify) very complicated? *If yes, please indicate which part of the process is complicated or dissatisfactory.*
 - e. For obtaining regular renewals or for ensuring compliance on a regular basis, what are the processes for tax compliance (VAT, Excise, Entry Tax, Professional Tax), renewal of Factories Act, Weights & Measures Act, Shops and Establishment Act, Trade License, compliance to labour laws, obtaining renewal of fire NOC, consent to operate etc.
 - f. Please comment on the processes, on the above mentioned regulatory compliances (this will include – information sharing, no of forms to be filled up, number of visits to be made, number of departments to be visited, complexity of the forms to be filled and presence of IT systems.)
 4. Please comment on any good practice that the state has implemented with respect to regulatory compliances.
 5. How helpful is the Government/ Industry department in setting up manufacturing units in areas like information sharing, regular communication, etc.?
 - a. What are the key policies / regulatory support provided by the Departments?
 - b. What are the key issues in policy implementation, if any?
 6. What is the nature of interaction between the Industry Association and the Department?

- a. What is the mechanism, if any, through which industry association views are sought during related policy formulation
7. In the association's view what are the key reasons for bottlenecks/ constraints faced in business regulatory compliances – what are the top 3 measures in your view that the State Govt should adopt to overcome these bottlenecks/ constraints
8. Please share any other concern you may have pertaining to regulatory compliance, registration and inspections requirements of manufacturing units in the state
9. Please suggest means for improving the manufacturing regulatory environment in the state in terms of simplifying compliance procedures
10. Please share the following documents:
 - a. Sector Profile / Industry Profile
 - b. Knowledge paper / white paper on the manufacturing sector/ sector of the industry association (for sector specific industry associations), regulatory environment in the state
 - c. Good practices
 - d. Any other publications on business regulatory environment of the state

Annexure C – Ready reckoner for high level strategies for consideration of states

The current maturity levels of individual states in each of the regulatory compliance environment dimensions have been highlighted in the charts below. The chart also serves as a ready reckoner for high level strategies to be adopted by a particular state for moving to the next level of regulatory compliance maturity.

Please note that a state has been placed in top, middle or bottom 33.33 percentile of states for a particular parameter based on its overall rating achieved for that parameter. The overall rating for a parameter is based on the composite rating of the set of sub parameters comprising that parameter (kindly refer annexure A for the details on rating methodology). Please refer sections 3 through 8 of this report for a state's relative performance on respective sub parameters.

Given that the categorization as top, middle or bottom 33.33 percentile of states has been done for each of the 6 parameters comprising the business regulatory environment, certain exceptions were observed for some state's placement in a particular category against the respective sub parameter. The reasons for such exception have also been highlighted in the chart.

Finance and tax related compliances

Sub Parameters	Top 33.33 percentile	Middle 33.33 percentile	Bottom 33.33 percentile
States	<ul style="list-style-type: none"> Chhattisgarh Gujarat Haryana Himachal Pradesh Karnataka Kerala Maharashtra Tamil Nadu Uttarakhand 	<ul style="list-style-type: none"> Andhra Pradesh Assam Bihar Goa Madhya Pradesh Meghalaya Odisha Punjab Rajasthan Sikkim 	<ul style="list-style-type: none"> Arunachal Pradesh Jammu & Kashmir Jharkhand Manipur Mizoram Nagaland Tripura Uttar Pradesh West Bengal
VAT Registration	<p>Online system for VAT registration with average time taken of around 15 days</p> <ul style="list-style-type: none"> Online system in all states other than Haryana. However, in Haryana, average time taken is about a week and majority of the respondents expressed satisfaction on their experience with VAT registration Average time taken exceeds 15 days for Chhattisgarh & Maharashtra. However, majority of the respondents in these states expressed satisfaction on their experience with VAT registration 	<p>Online system for VAT registration with average time taken of around 20 days</p> <ul style="list-style-type: none"> Online system in all states other than Assam. However, majority of the respondents in Assam expressed satisfaction on their experience with VAT registration Average time taken exceeds 20 days in Meghalaya & Odisha. However, majority of the respondents in these states expressed satisfaction on their experience with VAT registration 	<p>Online system for VAT registration with average time taken of around 30 days</p> <ul style="list-style-type: none"> Average time taken exceeds 30 days in Arunachal Pradesh, Tripura & West Bengal

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VAT Payment	<p>Online system for VAT payment with average time taken of around 1-2 days</p> <ul style="list-style-type: none"> Average time taken is about a week for Uttarakhand and Tamil Nadu. However, majority of respondents in these states expressed satisfaction on their VAT payment experience 	<p>Online system for VAT payment with average time taken of around 1-2 days</p> <ul style="list-style-type: none"> Average time taken exceeds 2 days in Assam, Madhya Pradesh & Rajasthan. However, majority of respondents in these states expressed satisfaction with the VAT payment experience 	<p>Online system for VAT payment with average time taken of around 2-9 days</p> <ul style="list-style-type: none"> Average time taken exceeds 9 days in Mizoram & Manipur
<p><i>Please note that for the sub parameter VAT Payment, there is not much difference on common characteristics of states placed in top 33.33 percentile and middle 33.33 percentile; the placement of the states in these categories is on account of the ratings achieved in the other 2 sub parameters, viz. VAT registration and Incentive administration</i></p>			
Incentive Administration	<p>Manual process of disbursement of incentive with average time taken in the range of 3-6 months</p> <ul style="list-style-type: none"> Online process in Gujarat & Tamil Nadu 	<p>Manual process of disbursement of incentive with average time taken in the range of 6-12 months</p> <ul style="list-style-type: none"> Online process in Assam & Andhra Pradesh. However, majority of the respondents in these states expressed low satisfaction with the time taken for disbursement of incentives Average time taken for disbursement of incentives is more than a year in Assam & Sikkim[#] 	<p>Manual process of disbursement of incentive with average time taken more than a year</p>
Note:	<p>[#] Sikkim is placed in middle 33.33 percentile of states for sub parameter incentive administration on account of its overall rating for the parameter finance & tax compliances achieved largely due to better ratings against the other 2 sub parameters viz. VAT registration and VAT payment</p>		

Labour law related compliances

Sub Parameters	Top 33.33 percentile	Middle 33.33 percentile	Bottom 33.33 percentile
States	<ul style="list-style-type: none"> Andhra Pradesh Haryana Karnataka Madhya Pradesh Manipur Mizoram Nagaland Punjab Rajasthan Uttar Pradesh 	<ul style="list-style-type: none"> Arunachal Pradesh Chhattisgarh Himachal Pradesh Jammu & Kashmir Meghalaya Odisha Tripura West Bengal 	<ul style="list-style-type: none"> Assam Bihar Goa Gujarat Jharkhand Kerala Maharashtra Tamil Nadu Uttarakhand
Registration/ Renewal under Factories Act & Other labour law compliances	<p>Manual/ online system for registration/ renewal under Factories Act with average time taken of around 1 month</p> <ul style="list-style-type: none"> Online process in Haryana, Karnataka, Rajasthan & Uttar Pradesh Average time taken exceeds 1 month in Andhra Pradesh, Karnataka and Rajasthan. However, majority of the respondents in these states expressed satisfaction with regards to process for registration/ renewal 	<p>Manual system for registration/ renewal under Factories Act with average time taken of around 1-2 months</p> <ul style="list-style-type: none"> Online process in West Bengal, however, majority of the respondents in West Bengal expressed low satisfaction on time taken which exceeds 2 months Average time taken exceeds 2 months in Arunachal Pradesh; However, majority of the respondents expressed satisfaction with their experience on registration/ renewal 	<p>Manual system for registration/ renewal under Factories Act with average time taken of around 1.5 -3 months</p> <ul style="list-style-type: none"> Average time taken exceeds 3 months in Maharashtra, Assam & Jharkhand Average time taken is less than 1.5 months in Uttarakhand. However, many of the respondents expressed low satisfaction level with time taken & process for registration/ renewal on account of (i) excessive documentation requirements & (ii) inspections not being based on standard objective procedures

Infrastructure & utility related approvals

Sub parameter	Top 33.33 percentile	Middle 33.33 percentile	Bottom 33.33 percentile
States	<ul style="list-style-type: none"> Chhattisgarh Gujarat Haryana Madhya Pradesh Maharashtra 	<ul style="list-style-type: none"> Nagaland Rajasthan Tamil Nadu Uttarakhand 	<ul style="list-style-type: none"> Andhra Pradesh Arunachal Pradesh Bihar Himachal Pradesh Jammu & Kashmir Kerala Meghalaya Mizoram Odisha Punjab Assam Goa Jharkhand Karnataka Manipur Sikkim Tripura Uttar Pradesh West Bengal
Power Connection	<p>Online application system with tracking facility; average time taken for obtaining new connection being less than 3 months</p> <ul style="list-style-type: none"> Online application in all states other than Nagaland and Tamil Nadu. However, majority of the respondents in Nagaland and Tamil Nadu expressed satisfaction with the process Average time taken is around 3-5 months for Nagaland and Uttarakhand. However, majority of the respondents in these states expressed satisfaction with the time taken 	<p>Manual application system with average time taken ranging between 2-4 months</p> <ul style="list-style-type: none"> Average time is more than 9 months in Jammu & Kashmir and Meghalaya[#] Average time taken is around 1.5 months in Kerala. However, majority of the respondents expressed low satisfaction with the time taken 	<p>Manual application system with average time taken for allotment more than 3 months; most respondents' expressed low satisfaction on time taken as well as process effectiveness</p> <ul style="list-style-type: none"> Online application in Uttar Pradesh. However, majority of the respondents expressed low satisfaction with the process mainly on account of multiple visits required to be made to the concerned department Average time taken in Karnataka, Sikkim and West Bengal ranges between 2 – 3 months. However, majority of the respondents in these states expressed low satisfaction with the time taken
Note:	[#] Jammu & Kashmir and Meghalaya is placed in middle 33.33 percentile of states for sub parameter power connection on account of its overall rating for the parameter infrastructure & utilities related approvals achieved largely due to better ratings against the other 2 sub parameters viz. water connection and fire license		
Water Connection*	<p>Online application system with tracking facility; average time taken for obtaining new connection less than 1.5 months</p> <ul style="list-style-type: none"> Manual process in Chhattisgarh, Rajasthan and Uttarakhand. However, majority of the respondents in these states expressed satisfaction with the process Average time taken for Maharashtra is around 3 months[#] 	<p>Manual application system with average time taken for obtaining new connection less than 2 months</p> <ul style="list-style-type: none"> Manual process in all states other than Odisha^{##} Average time taken in Arunachal Pradesh is more than 2 months. However, majority of the respondents expressed satisfaction with the process 	<p>Manual application system with average time taken for obtaining new connection ranging between 1-4 months; most respondents' expressed low levels of satisfaction on time taken</p> <ul style="list-style-type: none"> Online process in Karnataka. However, majority of the respondents expressed low satisfaction with the process mainly on account of (i) complex documentation requirements, (ii) delays in conducting inspections and (iii) need for multiple visits to the concerned department/

			agency • Average time taken in Tripura ^{###} is less than a month
Note:	[#] Maharashtra is placed in top 33.33 percentile of states for sub parameter water connection on account of its overall rating for the parameter infrastructure & utilities related approvals achieved largely due to better ratings against the other 2 sub parameters viz. power connection and fire license ^{##} Odisha is placed in middle 33.33 percentile of states for sub parameter water connection on account of its overall rating for the parameter infrastructure & utilities related approvals achieved largely due to lower ratings against the other 2 sub parameters viz. power connection and fire license ^{###} Tripura is placed in bottom 33.33 percentile of states for sub parameter water connection on account of its overall rating for the parameter infrastructure & utilities related approvals achieved largely due to lower ratings against the other 2 sub parameters viz. power connection and fire license		
Fire License*	Manual Processing with average time taken up to 1.5 months • Online application in Maharashtra, with average time taken being around 2 months	Manual Processing with average time taken up to 1.5 months • Online tracking in Andhra Pradesh [#]	Manual Processing with average time taken ranging between 1-2 months; most respondents' expressed low levels of satisfaction on process effectiveness • Average time taken is more than 2 months in West Bengal and Jharkhand • Average time taken in Assam & Sikkim is less than a month ^{##}
Note:	[#] Andhra Pradesh is placed in middle 33.33 percentile of states for sub parameter fire license on account of its overall rating for the parameter infrastructure & utilities related approvals achieved largely due to lower ratings against the sub parameter power connection ^{##} Assam and Sikkim is placed in bottom 33.33 percentile of states for sub parameter fire license on account of its overall rating for the parameter infrastructure & utilities related approvals achieved largely due to lower ratings against the sub parameter power connection		

* Responses on (i) water connection from Madhya Pradesh, Nagaland, Tamil Nadu and Manipur were not received as respondents in these states have not availed of water connection from the local Government body and were using their own bore wells, accordingly they had not provided any rating on their experience on obtaining water connections and (ii) fire license/ NOC from Chhattisgarh, Mizoram and Manipur were not received as respondents in these states have not applied for fire license and accordingly they had not provided any rating on their experience on applying for a fire license/ NOC

Land & building related approvals

Sub Parameters	Top 33.33 percentile	Middle 33.33 percentile	Bottom 33.33 percentile
States	<ul style="list-style-type: none"> Andhra Pradesh Gujarat Madhya Pradesh Nagaland Rajasthan Tamil Nadu Tripura Uttarakhand West Bengal 	<ul style="list-style-type: none"> Arunachal Pradesh Bihar Chhattisgarh Haryana Jammu & Kashmir Kerala Meghalaya Mizoram Odisha Sikkim 	<ul style="list-style-type: none"> Assam Goa Himachal Pradesh Jharkhand Karnataka Maharashtra Manipur Punjab Uttar Pradesh
Industrial Estates*	<p>Online application system with average time taken for allotment ranging between 1-3 months</p> <ul style="list-style-type: none"> Online processing in all states other than Madhya Pradesh, Nagaland, Tripura and West Bengal. However, majority of the respondents in these states expressed satisfaction with the process Average time taken is around 3-5 months in Gujarat, Uttarakhand and Rajasthan. However, majority of the respondents in these states expressed satisfaction with the process 	<p>Manual application system with average time taken for allotment around 2.5-4 months</p> <ul style="list-style-type: none"> Average time taken is around 5-6 months in Bihar and Odisha. However, majority of the respondents in these states expressed satisfaction with the process 	<p>Manual application system with average time taken for allotment being more than 6 months</p> <ul style="list-style-type: none"> Manual processing in all states other than Maharashtra. However, majority of the respondents in Maharashtra expressed low level of satisfaction with the process on account of (i) excessive documentation requirements and (ii) need for multiple visits to the concerned agency Average time taken is around 3-4 months in Goa and Punjab. However, majority of the respondents in these states expressed low satisfaction with the time taken & process on account of (i) complex documentation requirements and (ii) need for multiple visits to the concerned department/ agency
Land End Use Conversion*	<p>Average time taken for land end use conversion ranging between 3-5 months</p> <ul style="list-style-type: none"> Average time taken is around 6-7 months in West Bengal[#] and Rajasthan. However, majority of the respondents in Rajasthan expressed satisfaction with the process Average time taken is around 1.5 months in Madhya Pradesh 	<p>Average time taken for land end use conversion around 5-6 months with low levels of satisfaction on time taken as well as process effectiveness</p> <ul style="list-style-type: none"> Average time taken is around 8-9 months in Haryana. However, majority of respondents in the state expressed satisfaction with the process Average time taken is less than 3 months in Bihar^{##} and Kerala. with majority of respondents in Kerala expressing low satisfaction with the time taken 	<p>Average time taken for land end use conversion more than 6 months</p> <ul style="list-style-type: none"> Average time taken is around 4-5 months in Karnataka and Himachal Pradesh. However, majority of the respondents in these states expressed low level of satisfaction with the time taken & process mainly on account of excessive documentation requirements

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Note:	<p>[#] West Bengal is placed in top 33.33 percentile of states for sub parameter land end use conversion on account of its overall rating for the parameter land & building related approvals achieved largely due to better ratings against the other 2 sub parameters viz. industrial estates and building plan approval</p> <p>^{###} Bihar is placed in middle 33.33 percentile of states for sub parameter land end use conversion on account of its overall rating for the parameter land & building related approvals achieved largely due to lower ratings against the other 2 sub parameters viz. industrial estates and building plan approval</p>		
Building Plan Approval*	<p>Online application with tracking facility; average time taken for building plan approvals less than 2 months</p> <ul style="list-style-type: none"> Manual processing in Andhra Pradesh, Nagaland and Uttarakhand. However, majority of the respondents in these states expressed satisfaction with the process 	<p>Manual application process with average time taken for building plan approvals around 1-2 months</p> <ul style="list-style-type: none"> Online application with tracking facility in Chhattisgarh, Haryana and Odisha[#] Average time taken is around 3 months in Bihar. However, majority of the respondents in Bihar indicated satisfaction with time taken and process Average time taken is less than a month in Sikkim^{##} 	<p>Manual application process with average time taken for building plan approvals around 2-3 months, most respondents' expressed low levels of satisfaction on process effectiveness</p> <ul style="list-style-type: none"> Online processing in Karnataka and Maharashtra. However, majority of the respondents in these states expressed low level of satisfaction with the process mainly on account of multiple visits required to be made to the concerned department Average time taken is around a month in Punjab^{###} & Goa, and more than 3 months in Assam, Himachal Pradesh & Manipur. Most respondents in Goa expressed low satisfaction on the process on account of (i) excessive documentation requirements and (ii) need for multiple visits to the concerned department
Note:	<p>[#] Haryana, Odisha & Chhattisgarh features in the middle 33.33 percentile of states for sub parameter building plan approval on account of its overall rating for the parameter land & building related approvals achieved largely due to lower ratings against the other 2 sub parameters viz. industrial estates (for Odisha) and land end use conversion (for Haryana & Chhattisgarh)</p> <p>^{##} Sikkim features in the middle 33.33 percentile of states for sub parameter building plan approval on account of its overall rating for the parameter land & building related approvals achieved largely due to lower ratings against the sub parameter industrial estates</p> <p>^{###} Punjab features in the bottom 33.33 percentile of states for sub parameter building plan approval on account of its overall rating for the parameter land & building related approvals achieved largely due to lower ratings against the sub parameter industrial estates and land end use conversion</p>		

* Responses on (i) industrial estates from Arunachal Pradesh, Kerala & Tamil Nadu were not received as respondents in these states were not located in industrial estates. Accordingly, they had not rated their experience on allotment of land in industrial estates

(ii) land end use conversion from Arunachal Pradesh, Goa, J&K, Jharkhand, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Sikkim, Tamil Nadu, Tripura, Uttarakhand were not received as the respondents from these states did not have any experience in acquiring farm land and applying for conversion to industry end use and

(iii) Building plan approval from Jharkhand and Meghalaya were not received as respondents from these states did not have any experience related to approving building plans for their units and consequently could not rate the experience

Environmental clearances

Sub Parameters	Top 33.33 percentile	Middle 33.33 percentile	Bottom 33.33 percentile
States	<ul style="list-style-type: none"> • Bihar • Chhattisgarh • Haryana • Himachal Pradesh • Karnataka • Kerala • Maharashtra • Odisha • Tamil Nadu 	<ul style="list-style-type: none"> • Andhra Pradesh • Gujarat • Manipur • Meghalaya • Mizoram • Nagaland • Punjab • Rajasthan • Sikkim • Uttar Pradesh • West Bengal 	<ul style="list-style-type: none"> • Arunachal Pradesh • Assam • Goa • Jammu & Kashmir • Jharkhand • Madhya Pradesh • Tripura • Uttarakhand
Consent Establish	<p>to Online processing having tracking facility with average time taken ranging between 1-3 months</p> <ul style="list-style-type: none"> • Online processing in all states other than Kerala; tracking feature not there in Maharashtra • Average time taken is more than 3 months in Chhattisgarh. However, majority of the respondents expressed satisfaction with the process • Average time taken is less than a month in Kerala 	<p>Manual processing with average time taken ranging between 1-3 months</p> <ul style="list-style-type: none"> • Online processing in Gujarat, Punjab, Uttar Pradesh and West Bengal. However, majority of the respondents expressed low satisfaction with the time taken • Average time taken in Uttar Pradesh and Gujarat is around 3 – 4 months and in case of Andhra Pradesh it is around 6 months (while Andhra Pradesh has an online status tracking facility, processes are largely manual) 	<p>Manual processing with average time taken ranging between 1.5-4 months</p> <ul style="list-style-type: none"> • Online processing in Jammu and Kashmir. However, majority of the respondents expressed low satisfaction with the process on account of (i) need for multiple visits to the Pollution Control Board and (ii) inspection process not following standard objective procedures • Average time taken in Uttarakhand is around 5-6 months • Average time taken is less than a month in Goa. However, majority of the respondents expressed low satisfaction with the time taken and process on account of need for multiple visits to the Pollution Control Board
Consent Operate	<p>to Online processing having tracking facility with average time taken ranging between 1-3 months</p> <ul style="list-style-type: none"> • Online processing in all states other than Kerala; tracking feature not there in Maharashtra. Majority of the respondents in Maharashtra expressed satisfaction with the process and time taken • Average time taken is less than a month in Kerala 	<p>Manual or online processing with average time taken ranging between 1-4 months</p> <ul style="list-style-type: none"> • Online processing in Andhra Pradesh, Gujarat[#], Punjab, Uttar Pradesh and West Bengal. However, majority of the respondents in Andhra Pradesh, Punjab, Uttar Pradesh and West Bengal expressed low satisfaction with the time taken 	<p>Manual processing with average time taken being around 2-6 months</p> <ul style="list-style-type: none"> • Online processing in Jammu & Kashmir. However, majority of the respondents expressed low satisfaction with the process on account of (i) need for multiple visits to the Pollution Control Board and (ii) inspection process not following standard objective procedures • Average time taken in Jharkhand is more than 6 months • Average time taken in Arunachal Pradesh^{##} and Madhya Pradesh is less than 1.5 months. However, majority of the respondents in Madhya Pradesh expressed low level of satisfaction with the time taken

which was primarily on account of (i) delays in conducting inspections, (ii) inspections not based on standard objective procedures and (iii) complex documentation requirements

Note: [#] Gujarat is placed in middle 33.33 percentile of states for sub parameter consent to operate on account of its overall rating for the parameter environmental clearances achieved largely due to lower ratings against the sub parameter consent to establish
^{##} Arunachal Pradesh features in bottom 33.33 percentile of states for sub parameter consent to operate on account of its overall rating for the parameter environmental clearances achieved largely due to lower ratings against the sub parameter consent to establish

Other business regulatory compliances

Sub Parameters	Top 33.33 percentile	Middle 33.33 percentile	Bottom 33.33 percentile
States	<ul style="list-style-type: none"> Andhra Pradesh Gujarat Kerala Maharashtra Punjab 	<ul style="list-style-type: none"> Rajasthan Tamil Nadu Uttar Pradesh West Bengal 	<ul style="list-style-type: none"> Assam Bihar Chhattisgarh Haryana Himachal Pradesh Jammu & Kashmir Karnataka Madhya Pradesh Odisha Uttarakhand Arunachal Pradesh Goa Jharkhand Manipur Meghalaya Mizoram Nagaland Sikkim Tripura
Note:	<ul style="list-style-type: none"> Even though Assam does not have a single window mechanism, it is placed in middle 33.33 percentile of states on account of its overall rating for the parameter other business regulatory compliances achieved largely due to better ratings for sub parameters EM I & EM II registrations Manipur is placed in bottom 33.33 percentile of states for sub parameter EM I registration on account of its overall rating for the parameter other business regulatory compliances achieved largely due to lower ratings against the other 2 sub parameter viz. EM II registration and single window mechanism (Manipur does not have a single window mechanism) 		
EM I Registration	<p>Online system with tracking for EM I registration with average time taken up to 7 days</p> <ul style="list-style-type: none"> Average time taken is more than 7 days in Maharashtra. However, majority of the respondents expressed satisfaction with the time taken & process 	<p>Manual system for EM I registration with average time taken up to 9 days</p> <ul style="list-style-type: none"> Online system in Assam, Karnataka, Odisha & Uttarakhand[#]. Majority of the respondents in Karnataka expressed low satisfaction with time taken and process largely on account of need for multiple visits to the concerned department Average time taken is more than 9 days in Odisha 	<p>Manual system for EM I registration with average time taken of up to 20 days</p> <ul style="list-style-type: none"> Online system in Jharkhand & Manipur. Majority of the respondents in Jharkhand expressed low level of satisfaction with time taken and process mainly on account of (i) need for multiple visits to the DIC and (ii) lack of information on filing process Average time taken is more than 20 days in Tripura, Sikkim & Jharkhand
Note:	[#] Uttarakhand features in middle 33.33 percentile of states for sub parameters EM I & EM II registrations on account of its overall rating for the parameter other business regulatory compliances achieved largely due to lower ratings against sub parameter, single window mechanism		

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EM II Registration	<p>Online system with tracking for EM II registration with average time taken less than 15 days</p> <ul style="list-style-type: none"> Average time taken is more than 15 days in Maharashtra and West Bengal. However, majority of the respondents expressed satisfaction with the process 	<p>Manual system for EM II registration with average time taken of around 16 days</p> <ul style="list-style-type: none"> Online system in Assam, Karnataka, Odisha[#] & Uttarakhand. Majority of the respondents in Assam & Karnataka expressed low satisfaction with process primarily on account of need for multiple visits to the DIC Average time taken exceeds 20 days in Assam, Karnataka & Odisha. However, majority of the respondents in Assam & Karnataka expressed satisfaction with time taken 	<p>Manual system for EM II registration with average time taken of around 20 days</p> <ul style="list-style-type: none"> Online system in Jharkhand with majority of the respondents expressing low satisfaction with time taken on account of i) need for multiple visits to the DIC and (ii) lack of information on filing process Average time taken is around 60 days in Arunachal Pradesh & Jharkhand
Note:	<p>[#] Odisha features in middle 33.33 percentile of states for sub parameters EM II registrations on account of its overall rating for the parameter other business regulatory compliances achieved largely due to lower rating against sub parameter on EM I registration and better rating on sub parameter single window mechanism</p>		
Single Window Mechanism	<p>Single Window Mechanism covering all major departments; Common Application Form (CAF) and Tracking Mechanism</p> <ul style="list-style-type: none"> CAF in all states other than Rajasthan & Uttar Pradesh Tracking Mechanism in all states other than Andhra Pradesh, Punjab, Tamil Nadu & West Bengal 	<p>Single Window Mechanism with all major departments covered and Common Application Form (CAF)</p> <ul style="list-style-type: none"> Single Window Mechanism in all states other than Haryana and Assam. However, Haryana has set up an Investment Promotion Centre as single point contact agency for large/ mega projects Presence of tracking mechanism in Bihar All major departments covered in all states other than Himachal Pradesh and Jammu & Kashmir CAF in all states other than Bihar & Uttarakhand 	No Single Window Mechanism

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