

Improving Ease of Doing Business

for MSMEs in Punjab:
A Process Audit



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A Process Audit

CCS in partnership with GAME and Department of Industries and Commerce, Government of Punjab

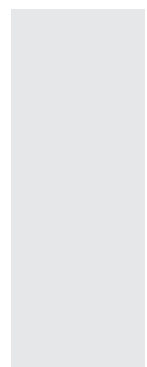


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FOREWORD

This report by the Centre for Civil Society, on Improving the Ease of Doing Business for MSMEs in Punjab comes at a time when a COVID-19 ravaged India faces an unprecedented challenge to conducting business as usual. With the migrant labour crisis, the large-scale unemployment, disruptions in supply chains and restrictions on access to infrastructure, finance and other essential resources, businesses face more barriers than ever before, to achieving their fullest potential. In this environment, studying reforms to existing frameworks to enable the government to collaborate with businesses, to improve the ease of doing business in the State of Punjab, and promote entrepreneurship and investments in MSMEs, has been no easy task. It is commendable therefore, to observe the Centre for Civil Society team going beyond their mandate to deliver a report that will serve as a guiding light to the Government of Punjab.

The past year has been a year of growth and learning for the State administration. Since the start of 2020, the Government of Punjab has undertaken the mammoth task of implementing administrative reforms to ease the plight of industries and entrepreneurs affected by COVID-19. From having fully enforced the DPIIT's Business Reform Action Plan 2019-2020, to overseeing the seamless execution of the State Business Reform Action Plan and the Districts' Business Reform Action Plan, in a span of a few months, the Government of Punjab has endeavoured to make the best use of their personnel and resources to foster an environment conducive to investments and businesses.

The Government of Punjab's commitment to engage with the stakeholders and direct beneficiaries of State policies to better understand challenges to the ease of doing business, and conceptualise mechanisms for the redressal of grievances, has resulted in our collaboration with the Centre for Civil Society. This Report analyses 26 services for MSMEs offered by Punjab's Departments of Labour, Local Government, Industries and Commerce, Housing and Urban Development and the Punjab Pollution Control Board. By conducting a detailed process audit, evaluating inter-Departmental co-operation in the offering of government services and highlighting redundancies in processes, this Report goes beyond the macro, pan-State perspective, and provides the State administration with much needed data about the nitty-gritties of operating businesses in Punjab – from the stage of establishing a business, to regulating its daily affairs and seeking the State Government's support in maximising its potential. Further, direct feedback from 260 beneficiaries of our services has shed light on shortcomings in the implementation of these services and highlighted trends that will be valuable to the Government of Punjab in charting a future course of action.

This Report, with its detailed observations, grounded in empirical analysis and direct engagement with government officials and key beneficiaries of government services, has offered some targeted suggestions for the effective application of the Punjab Transparency and Accountability in Delivery of Public Service Act 2018, and the corresponding Rules. The Government of Punjab remains grateful to the Centre for Civil Society for their expertise, and commitment towards the efficient management of this project. We are hopeful of using these recommendations on improving transparency, accessibility and accountability in the government services, implementing the One Government principle to foster inter-Departmental synergies and successfully initiating administrative reforms in line with the Government of Punjab's robust statutory framework for the ease of doing business.

Going forward, 2021 is bound to be an exciting year for the MSME ecosystem in Punjab. To give further impetus to Start-Ups in the State of Punjab, and provide for the acceleration of MSMEs, the Government in collaboration with the private sector has set up the Punjab Innovation Mission and a Start-Up Fund with a corpus of INR 150 crores, along with an accelerator managed by GAME in Ludhiana. This Report therefore comes at an opportune time, when the Government of Punjab is dedicated to transforming the MSME environment in the State and reaching new heights, to make Punjab a leading destination for cutting edge innovation, entrepreneurship and investments!

Alok Shekhar

Principal Secretary, Department of Industries & Commerce and Investment Promotion

FOREWORD

Over the past five years, India has significantly improved its ranking on the World Bank's Ease of Doing Business Index, going from its 142nd place to 63rd in just the five years preceding 2019. Much of this rise can be credited to the Department for Promotion of Industry and Internal Trade (DPIIT) under the Ministry of Commerce and Industry working with India's states. DPIIT ranks states and nudges them to improve their ease of doing business, currently in 301 areas spread over eight broad reform topics, and then requiring them to upload evidence of their actions on DPIIT's State Reform Action Plan (SRAP) portal. But, as anecdotal reports and emerging research shows, there is often a gap between what is on paper and what is on the ground. This is likely to be particularly true for micro, small, and medium enterprises (MSMEs).

MSMEs form a critical pillar of the Indian economy. Many are informal and unregistered. Over 90% of India's labour force is informal. Yet the operating environment for an MSME remains unclear. Understanding and easing the regulatory burden for MSMEs can go a long way in enhancing India's growth potential and helping create badly needed urban and rural jobs to leverage India's demographic dividend. This is particularly important as India recovers from the 2020 Coronavirus pandemic and its worst economic downturn in its modern history.

Centre for Civil Society (CCS) has always advocated the cause of small businesses and individual entrepreneurs through its livelihood initiatives, be it for street vendors, farmers, bamboo harvesters, or small shop owners. This year, CCS chose to champion the cause of MSMEs in Punjab and understand the regulatory hurdles they faced. It successfully collaborated with the Government of Punjab and the Global Alliance for Mass Entrepreneurship (GAME) to conduct a process audit of 26 services of special relevance to MSMEs provided by five key, business-facing, Punjab Government departments.

This report offers crucial insights into the service delivery for MSMEs by these five departments based on their processing logs for incoming applications and on officer and applicant surveys. It provides in-depth analysis of bottlenecks, and makes recommendations for how Punjab can simplify and rationalise procedures to make its business environment more MSME friendly.

The Government of Punjab has been alert to these possibilities. It formulated a landmark legislation in 2018, the Punjab Transparency and Accountability in Delivery of Public Services Act, to streamline its services. As an example, the Act requires that a public authority or a department should not ask an applicant for a document issued by or submitted earlier to another public authority. This "One Government" principle, if implemented well, could minimise the regulatory back and forth for both applicants and officers, save time, and ease the process of obtaining approvals. The CCS report finds that no Punjab department has enforced this mandate yet in letter or spirit. The Report offers many such eye-opening, practical findings that, if taken on board, can easily lead to significant improvements.

I would like to congratulate the CCS team for their research and contribution towards conducting this important process audit under the difficult pandemic conditions of 2020. On behalf of CCS, my sincere thanks to the Department of Industries and Commerce, Government of Punjab, for their cooperation and for making possible a process audit that will be of value well beyond Punjab. Finally, I would like to acknowledge the support and guidance provided by GAME to CCS in helping steer this project. I sincerely hope that this report paves the way for a better regulatory framework for MSMEs and an efficient service delivery process in Punjab and beyond.

Shekhar Shah

Director General, National Council of Applied Economic Research
Vice Chairman of the Academic Council, Indian School of Public Policy

ACKNOWLEDGEMENTS

Improving Ease of Doing Business for Micro Small and Medium Enterprises in Punjab: A Process Audit is the culmination of efforts from all across India. While some of us worked from home in Delhi, Jaipur, Bangalore, 8 members collected data and visited government offices every day over 10 weeks in Chandigarh and Patiala; all while COVID-19 was at its peak in Chandigarh. They were unable to access public transport, their families were concerned, and COVID-19 cases were on the rise, even within the Government. Yet, they were undeterred. Our research assistants put their heads down and did their part without any hesitation. A big salute to Ishita Aggarwal, Mahima Kaur Bajaj, Iman Bhatti, Simranjyot Kaur, Namrata Pahwa, Taranjot Singh and Deepkamal Thind! Special thanks to Himanshu Dhingra for getting the research assistants on board, navigating difficult discussions and leading the data collection.

Many of us in the private sector have had the privilege of working remotely. But this luxury did not extend to most public officials in the Government of Punjab who attended offices and served citizens during the pandemic. We are thankful to Ms Vini Mahajan IAS, Chief Secretary; Mr Alok Shekhar IAS, Principal Secretary, Industries and Commerce; Mr Sibin C IAS, Director, Industries and Commerce; Mr Vishav Bandhu, Deputy Director PIU, Department of Industries and Commerce; Mr Rajat Agarwal IAS, CEO, Invest Punjab ; Mr Sarabjit Singh, Registrar of Firms and Societies; Mr Sumeet Jarangal, Managing Director, Punjab Small Industries & Export Corporation (PSIEC); Mr Deepak Kumar, Programmer (Estate)/ Estate Officer, PSIEC; Ms Jigyasa Narang, Manager Emp/Estate Officer, PSIEC; Mr Ankur Choudhary, Estate Officer, PSIEC; Mr Krunesh Garg, Member Secretary, Punjab Pollution Control Board (PPCB); Mr Rajiv Goyal, Environmental Engineer, PPCB; Mr Lavneet Dubey, Environmental Engineer, PPCB; Mr Rajnish Wadhwa, Municipal Town Planner, Municipal Corporation; Ms Amanpreet Bal, Senior Town Planner, Department of Local Government; Mr Gautam Kumar, Senior Town Planner, Department of Local Government; Mr Bhupinder Singh, General Manager, IT Wing, Punjab Municipal Infrastructure Development Company (PMIDC); Ms Simarjeet Kaur, Manager, IT Wing, PMIDC; Mr Narinder Singh, Joint Director of Factories, Department of Labour; Mr Vikas Kumar, Assistant Labour Commissioner, Department of Labour; Mr Ravpartap Singh, Senior Software Developer, NIC Team, Department of Labour; and Mr Virender Singh, Senior Town Planner, Department of Housing and Urban Development for their cooperation in sharing the data with us.

Data collection for this report would not have been complete without the help of the Government of Punjab Fellows, particularly Navika Chaudhary, Hubiba Mir, Arnaaz Ameer, and Mounika Bhukya. We are grateful to Tulika Avni Sinha, Lead, Governance, Department of Governance Reforms, for facilitating data sharing and overseeing the coordination with departments.

The partnership and financial support from the Global Alliance for Mass Entrepreneurship (GAME) was instrumental in producing the report. We are ever so grateful to Ravi Venkatesan, Srinivas Rao and Ashwin Chandrasekhar for their faith in our capability to execute such a project during the pandemic.

I take this opportunity to also thank Bhuvana Anand and Ritika Shah, our former colleagues, for leading the initial discussions with GAME and the Government of Punjab. Last but not least, our Centre for Civil Society Research team worked tirelessly to see the report through to the end. For Manasa Pidatala, many roles were new: motherhood, researcher, and project lead. But she navigated through all obstacles coming her way. She coordinated well with the data collection team, contributors, external consultants and the communication team for design. Tarini Sudhakar and Jayana Bedi reviewed and edited the report. Tarini also helped ensure that the report was delivered within time. Meghna Sharma and Arjun Krishnan assisted in analysis and writing sections on two departments. Kieran Lobo's drafting assistance helped finish the report in time.

It is indeed a remarkable achievement to deliver the process audit of 26 public services across 5 departments within 12 weeks, and all credit goes to the team.

Prashant Narang
Centre for Civil Society

18 January 2021

INTRODUCTION

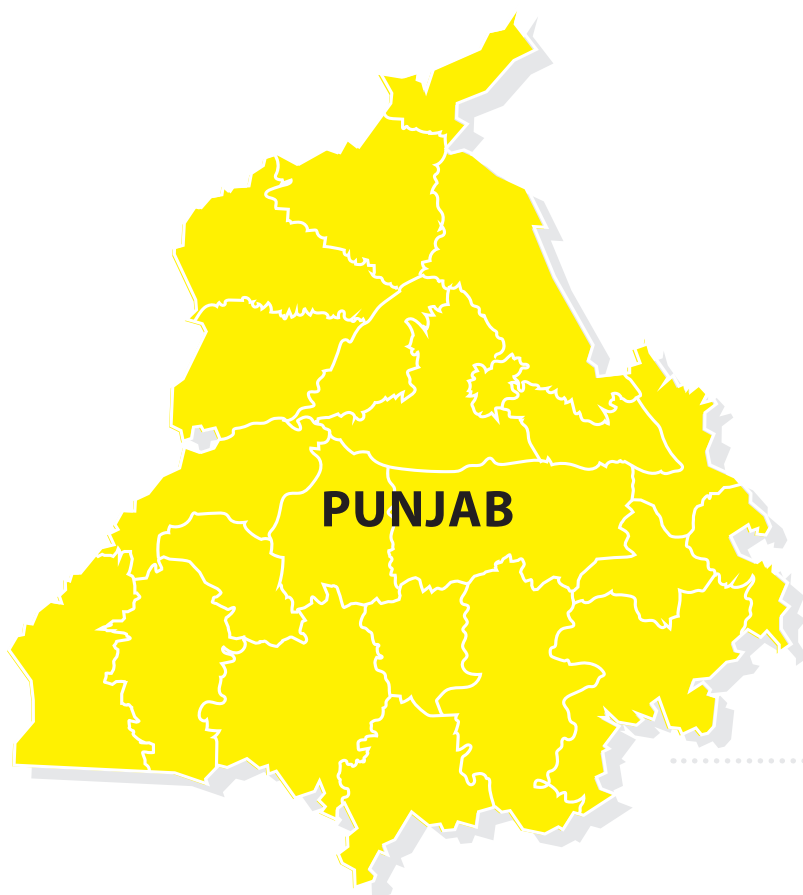
India has jumped up from 142 to 63 between 2014 and 2019 on the World Bank's ease of doing business ranking. The jump is based on improvements across four parameters—starting a business, dealing with construction permits, trading across borders, and resolving insolvency—in Delhi and Mumbai.

Government of India has also encouraged other states to improve bureaucratic processes for attracting investment and generating employment. Since 2015, the Department for Promotion of Industry and Internal Trade (DPIIT), under the Ministry of Commerce and Industry of Government of India, has overseen and ranked states on their ability to encourage growth in enterprises through reforms mentioned in the DPIIT's Business Reform Action Plan (BRAP). Such continuous efforts to improve the ease of doing business in India has set states on a growth track. However, significant scope for improvement exists, especially for smaller businesses and service sector enterprises.

Micro, small, and medium enterprises (MSMEs) are a significant pillar of the Indian economy. Yet, the impact of the current regulatory environment on MSMEs remains unknown. Recent studies and reports do not highlight the challenges that affect small-scale retail enterprises, particularly those yet to be registered or formalised. The Economic Survey 2018–2019 postulates that 93% of the workforce in India is informal. Even in the formal sector, the Indian economy is dominated by dwarfs—firms that do not grow beyond their small size (Economic Survey [2018–2019](#)).

Research is also mostly centered on large businesses that are likely to have access to expert help for registration and compliance, or are engaged in manufacturing activities. But the extent to which the operating environment has improved for an MSME is unclear. In addition, none of the initiatives so far audit the backend administrative processes to demystify what happens after an MSME applies for a licence or an approval.

We, at Centre for Civil Society (CCS), partnered with Government of Punjab and Global Alliance for Mass Entrepreneurship to study the ease of doing business for MSMEs in Punjab. We audited the service delivery systems in the state to identify gaps and bottlenecks and recommend changes to enhance the efficiency of the regulatory environment in Punjab.



Doing business in Punjab

Punjab is home to 2.59 lakh MSMEs that employ 20.29 lakh employees (Directorate of Information and Public Relations, Punjab [2020](#)). Punjab's rank slipped from 12 in 2016 to 20 in 2018–2019, and then improved to 19 in 2019–2020. It was classified as an “average mover,” despite complying 100% with the DPIIT's BRAP 2019–2020 (Department of Industries and Commerce, Government of Punjab [2020](#)). Government of Punjab has overhauled the statutory framework for ensuring the ease of doing business by replacing the Right to Service Act with Punjab Transparency and Accountability in Delivery of Public Services Act 2018 (“PTADPSA 2018”) and enacting the Punjab Right to Business Act 2020. However, these reforms had little impact on the user feedback-based ranking.

Does it mean that the *de jure* commitment has not yet translated into *de facto* action? This is what we, at CCS, intend to study: a process audit of 26 services across 5 departments to find out whether the departments are implementing the key provisions of PTADPSA 2018, and the corresponding rules.

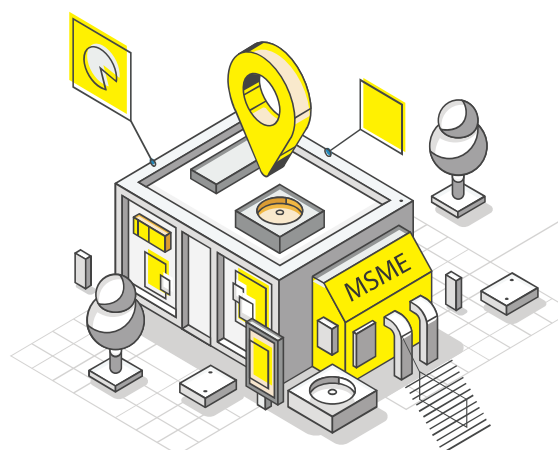
Per PTADPSA 2018, departments must implement the following practices:

- 1. Digitisation.** As per section 5(1), a public authority should deliver all services online by 2021. Government of Punjab launched the “[Invest Punjab Business First](#)” portal, which aims to be a one-stop clearance system for potential investors in the state by providing easy access to 23 out of its 49 departments. This online service has a common application

form for approvals from various departments, allows users to track their application and also provides each applicant with a dedicated relationship manager.

- 2. Time limits for processing applications.** PTADPA 2018 requires all public services to be delivered within the prescribed time. In addition, it mandates each designated officer to maintain a record in the prescribed format of services applied for.
- 3. One Government principle.** A public authority or department should not ask an applicant for a document issued by or submitted earlier to another public authority.
- 4. Bar on raising piecemeal objections.** An officer must convey objections at the first instance and not raise piecemeal objections.
- 5. Checklist of documents to be accessible.** The application form for a service must mention the checklist of documents to be submitted.
- 6. Tatkal option.** The application form should offer an option of an expedited/priority delivery of service for an extra charge.

In addition, a Government of Punjab [notification](#) dated 15 February 2019 mandates: (a) clarification to be raised only once and (b) clarifications to be raised within 7 days from receipt of the application. However, this notification is applicable only to services offered via the Business First portal.



METHODOLOGY

We focused on five departments in Government of Punjab: Labour, Local Government, Industries and Commerce, Housing and Urban Development and Punjab Pollution Control Board. We culled 26 services based on: (a) relevance to MSMEs; (b) inclusion in [State Reforms Action Plan](#) (SRAP) 2020–2021; (c) listing on the Business First portal and departmental websites and (d) the availability of application logs (see Appendix 1 for the list of services).

The study focuses on three aspects of a service: (a) process fidelity, that is conformance to official process flow; (b) efficiency: identifying redundancies and overlaps in process flow and documents required and (c) uniformity: consistency of information across various sources.

The study looked at three data points: *de jure* requirement, *de facto* administrative data and stakeholders' perceptions.

Understanding the *de jure* requirements. We looked at applicable legislation, PTADPSA 2018 and departmental websites to understand official time limits, process flow, costs involved and documents required for each service (see Appendix 2 for the list of documents). This is to spot inconsistencies across different portals.

Analysing the administrative data. To compare *de jure* with *de facto* reforms, we analysed administrative data shared by the department. For each service, we attempted to study a minimum of 10 logs between 1 May 2019 and 30 October 2020 belonging to the “approved beyond time” category. These logs contained data on the officers involved in processing applications, objections raised, officers' comments, and time taken to process applications. We used this data to check process fidelity and identify redundancies.

For five services (Change of Land Use - Department of Local Government; Registration of New Firms and Registration of Boilers – Department of Industries and Commerce; Change of Land Use and Building Plan Approval - Department of Housing and Urban Development), the Governance Fellows extracted 10 log files from the applications between May 2019 to Oct 2020 under “clearance beyond time” category using the excel formula RANDBETWEEN.

For all the services under the Department of Labour and five online services under Punjab Pollution Control Board (PPCB), CCS team worked with one of the IT/ NIC

team members. IT/ NIC extracted 10 randomly selected logs from category “clearance beyond time” and from May 2019 to Oct 2020. For Building Plan Approval under the Department of Local Government, e-naksha team applied the same process as followed by the Department of Labour and PPCB.

For three online services in Department of Local Government (Issue of Trade License, Sanction of Water supply/sewerage connection; and Issue of NOC for Fire Safety), our team followed a manual process for randomisation:

Step 1: Our team printed only application ID on each service after applying the first two conditions: (a) application must be from between May 2019 to October 2020; (b) application must be from “clearance beyond time” category;

Step 2: Nodal officer or government official randomly ticked 10 application IDs on the printed document

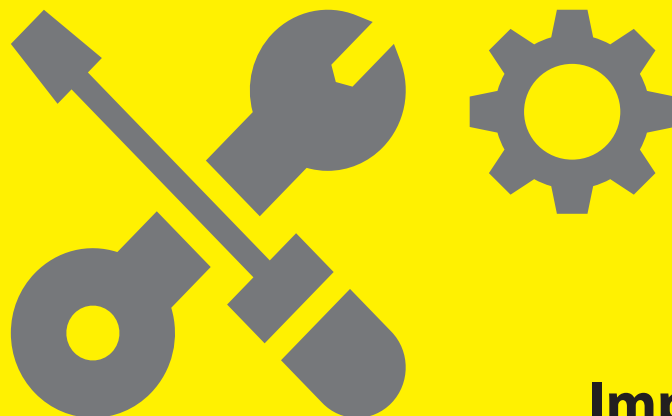
Step 3: Our team worked with the Punjab Municipal Infrastructure Development Company (PMIDC) IT team and extracted log files based on the randomly selected application IDs.

We followed the same manual process for randomisation for offline services from PPCB (Registration of plastic waste recyclers) and Department of Industries and Commerce (five services - NOC/Permission to Sale of Industrial Plot, Issuance of No Due Certificate, Sanction Of Water supply and Sewerage Connection, Conversion from Lease to Freehold, and Allotment of Plots).

Inputs from service providers and applicants. We interviewed nodal officers in each department to gain a deeper understanding of the issues and challenges they face in implementing ease of doing business reforms (see Appendix 3 for the nodal office survey). We also asked questions on issues applicants faced when using a service, difficulties in service delivery, and any recommendations that they had.

We asked applicants to rate their experience of using a service on a scale of 1 to 5 (1: worst; 5: best) and review their experience (see Appendix 4 for the applicant survey). We reached out to 260 applicants who availed of at least one of the services during May 2019 to October 2020. This gave a better picture of issues the applicants faced with the process. This data helped triangulate our observations from the *de jure* and *de facto* data and validate the emerging narrative.

DEPARTMENT OF LABOUR



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DEPARTMENT OF LABOUR

The Department of Labour, Government of Punjab, has three primary functions. It enforces labour laws, maintains industrial peace¹, and ensures health, safety, and welfare of workers. Of the 13 services offered by the Department, we selected 6 for our analysis²:

1. Registration of Establishments Employing Contract Labour under the Contract Labour (Regulation & Abolition) Act, 1970
2. Licence under the Contract Labour (Regulation & Abolition) Act, 1970
3. Application for Registration/Grant of Factory Licence under the Factories Act, 1948
4. Registration of Trade Union under the Trade Union Act, 1926
5. Application for Registration of Establishment, employing workers for building and other construction work, under the Building and Other Construction Work Act, 1996
6. Registration under the Punjab Shops and Commercial Establishments Act, 1958

The Department of Labour provides all these services online through the e-Labour Punjab website³.

1. Registration of Establishment Employing Contract Labour under the Contract Labour (Regulation & Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, [1970](#), was enacted to regulate the employment of contract labourers and applies to all establishments (principal employers) that have employed 20 or more workers as contract labourers within a 12-month period. This Act aims to prevent the exploitation of contract labourers and provide them with better working conditions. It regulates aspects such as wage payments, employer liability, and availability of health facilities, canteens, drinking water, and restrooms.

Under this Act, principal employers have to obtain a Certificate of Registration detailing information such as nature of work being carried out and maximum number of contract labourers employed⁴. This Certificate is valid for 1 year.

2. Licence under the Contract Labour (Regulation & Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, [1970](#), also requires any contractor engaging 20 or more contract labourers to have a licence⁵. A licence under this Act is granted once the applicant fulfils requirements regarding working conditions, payment of wages, and other essential amenities for contract labourers.

1. Industrial peace refers to a state where the employer and the employee maintain cordial relations, ensure the functioning of the enterprise, and do not take actions such as strikes and lockouts.

2. We did not consider services that had fewer than 10 logs with data on movement of applications through the Department. We removed Certificate of Stability, Registration of Motor Transport Workers under the Motor Transport Workers Act, 1961, and Building Plan Approvals (Factories) due to the lack of data. For instance, the Certificate of Stability is included under building approval for building plans under the "Approval of Building Plans and Factory Licence under the Factories Act, 1948". Only two logs were available for this service on the e-labour website. The Invest Punjab Business First portal lists Certificate of Stability as a separate service, but only 5 logs were available. Since this service does not contain any inspections, no inspection logs/reports were available.

3. You may access it on <https://pblabour.gov.in/eLabour/>

4. Applicants have to submit Form II of the [Contract Labour \(Regulation and Abolition\) Act, 1970](#)

5. The Contract Labour (Regulation and Abolition) Act, [1970](#), defines a contractor as "a person who undertakes to produce a given result for the establishment, other than a mere supply of goods or articles of manufacture to such establishment, through contract labour or who supplies contract labourers for any work of the establishment and includes a sub-contractor".

3. Registration/Grant of Factory Licence under the Factories Act, 1948

All factories defined under the [Factories Act, 1948](#), have to obtain the factory licence. These include factories where 10 or more workers have been employed in the preceding 12 months and where the manufacturing process is conducted with the aid of power, or where 20 or more workers have been employed in the previous 12 months and the manufacturing process is conducted without the aid of power. The Act lays down provisions for the approval, registration, and licensing of factories.

4. Registration of Trade Union under the Trade Union Act, 1926

The [Trade Union Act, 1926](#), provides a framework for the registration and regulation of trade unions and their activities in India. To register under the Act, trade unions must have at least seven persons and at least 10% or 100, whichever is less, members employed at an establishment. Members must be 18 years of age unless the trade union prescribes otherwise.

5. Application for Registration of Establishment Employing Workers for Building and other Construction Work, under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

The [Building and Other Construction Workers \(Regulation of Employment and Conditions of Service\) Act, 1996](#), applies to any establishment that has employed 10 or more workers for building and construction work at any point in the preceding 12 months.

The Act regulates the employment and conditions of service for persons employed in building and construction work to ensure their good health, safety, and welfare. Establishments must, within a period of 60 days from when the Act becomes applicable to them, register themselves under the Act.



6. Registration under the Punjab Shops and Commercial Establishments Act, 1958

The Punjab Shops and Commercial Establishments Act, 1958 is a legal framework to regulate the conditions of work and employment in shops and commercial establishments. The Act defines a shop as any establishment where business or trade is conducted and where services are rendered to customers, but it does not include a commercial establishment or a shop attached to a factory. A commercial establishment includes journalistic and printing establishments or premises where businesses related to banking are conducted or places of public entertainment such as hotels, restaurants, and cinema halls.

The Act prescribes maximum daily and weekly working hours, holidays, leaves, wages, rest intervals during a workday, paid leave, and compensation to employees, and also has provisions for inspection of an establishment by government officials.

WHAT DID WE FIND?

Unnecessary documents

The Department of Labour requests documents that may not be necessary for scrutiny. For instance, to register under the Punjab Shops and Commercial Establishments Act, 1958, applicants have to show proof of shop/commercial establishment using a rent deed for the shop⁶, a photo of the shop front, and a photo of the shop interior.

6. In the case of a registered company, applicants need to submit power of attorney, memorandum of association, and a list of directors.

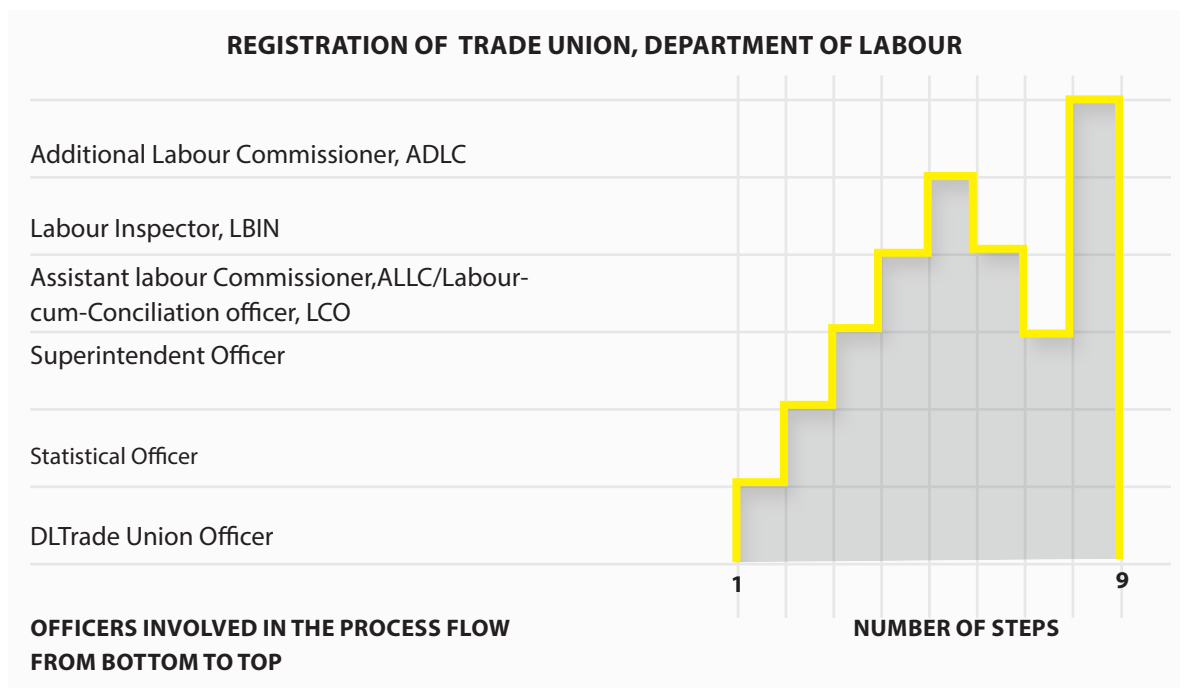
Officials raise objections if photographs are blurred. This step may cause delays in the application process. Applicants are required to submit a proof of establishment as well as upload a self-declaration. Hence, photographs are unnecessary. In the Department of Local Government, issuing a trade licence requires only two documents: ID proof and lease deed or a legal occupancy document. There was no delay in this service as a result of document verification for the applications we studied. Officers verified documents on the same day when applicants submitted the form.

Unnecessary steps

A file goes through unnecessary steps in various stages of process flow, prolonging the application processing.

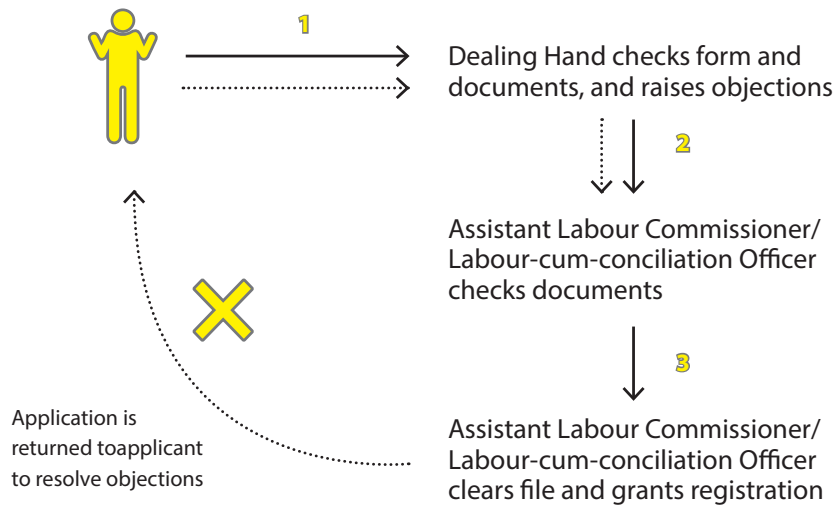
Back and forth between multiple officers for no purpose: Officers involved in processing an application serve no unique function in conducting a service. For instance, six different officers scrutinise an application for registering a trade union. These include Dealing Hand, Statistical Officer, Superintendent, Assistant Labour Commissioner, Labour Inspector, and Additional Labour Commissioner. An application under this service can be handled by two officers, instead of six. In the Department of Labour itself, other services have only two officers.⁷

The Superintendent and the Assistant Labour Commissioner check the documents twice. The Statistical Officer’s role in this process is limited to verifying that the trade union’s name is unique. This can be digitally verified by the Dealing Hand who scrutinises the documents in the first instance. Due to the back and forth in this service, applications may take up to 99 days for clearance.



How an application for Registration of Trade Union moves through the Department of Labour

7. Registration of establishment employing contract labour under the Contract Labour (Regulation & Abolition) Act, 1970, Licence under the Contract Labour (Regulation & Abolition) Act, 1970, Application for Registration of Establishment, employing workers for building and other construction work, under BOCW Act, 1996, and Application for Registration / Grant of Factory Licence under the Factories Act 1948



Redundant steps in process flow: In four services⁸, the Dealing Hand raised an objection and forwarded it to the Assistant Labour Commissioner who then communicated it to the applicant. Once the applicant resolved the issue and resubmitted the file, the application would again go to Dealing Hand instead of the Assistant Labour Commissioner, and pushed forward in the hierarchy.

Objections raised multiple times and cleared without record

We found that officers did not raise objections relating to documents at one go. Instead, they raised objections flagging incorrect or missing documents multiple times. This is contrary to rule 9(2) and rule 10 (3) of the Punjab Transparency and Accountability in Delivery of Public Services Rules, 2018⁹ and further delayed the process.

Officers insisted on filling optional fields. Take for instance, for the Registration of an Establishment Employing Workers for Building and Other Construction Work, the official raised an objection - "father's name not mentioned." This entry, apart from being irrelevant to the service, is listed as optional, and caused a delay of 16 working days.

Officers did not record clearance of objections in several logs. In three applications under

Registration of Establishment Employing Workers for Building and Other Construction Work, under the Building and other Construction Work Act, 1996, officers raised objections and communicated them to the applicant. However, the Department of Labour cleared the applications without any record of officers resolving their objections. The same took place in six applications for registration of establishments under Punjab Shops and Commercial Establishments Act, 1958.

Challenges in accessibility

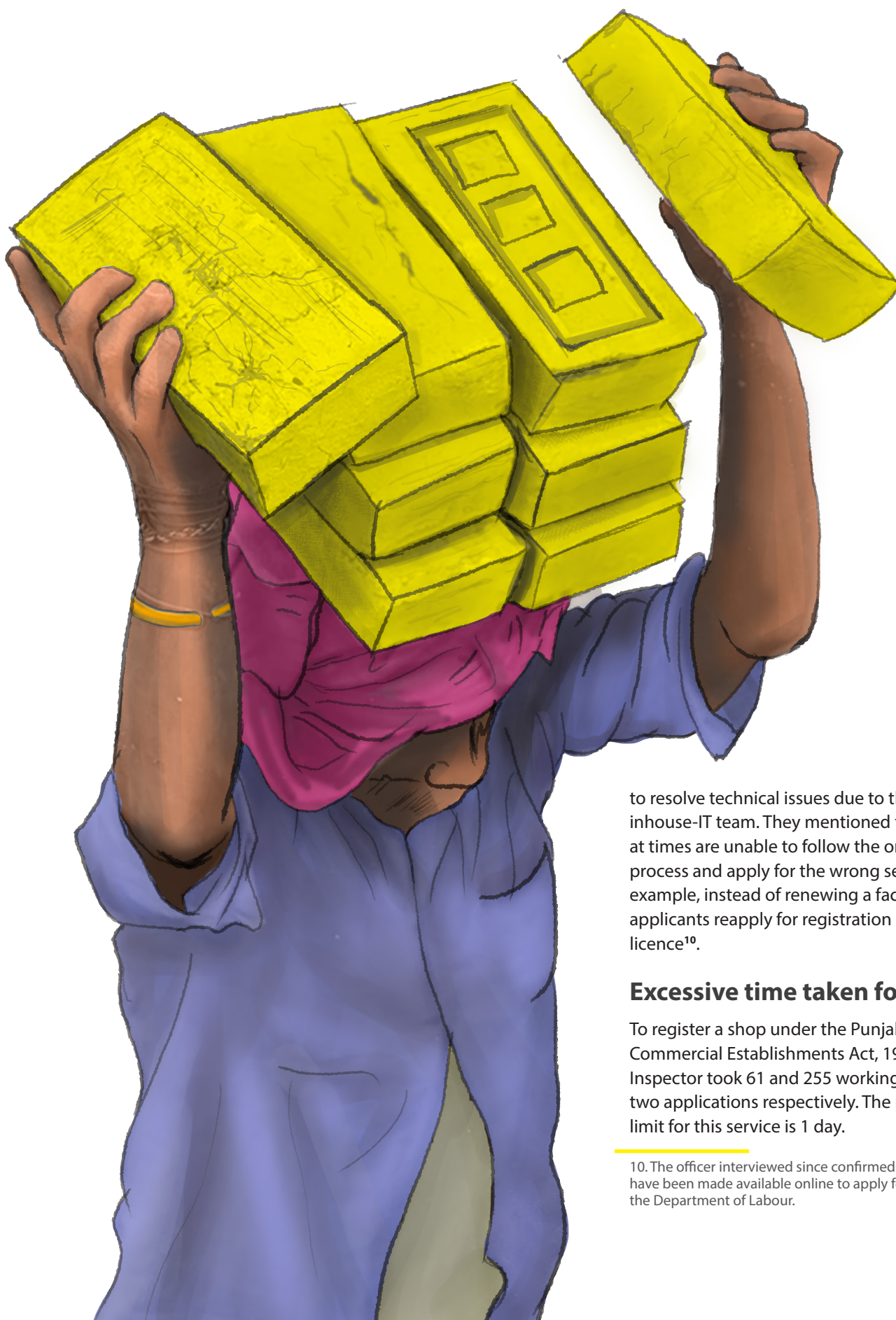
Five of 13 applicants rated the service for registering a trade union 1 out of 5 for lack of assistance. Officials did not raise clear objections and were not available for answering the applicant queries, even when the applicants would personally visit the department offices. Applications remained pending for over six months.

Five applicants across services faced technical issues in uploading forms, receiving a one-time password to register online, and paying application fees. Two applicants who applied under the Building and Other Construction Work Act, 1996, faced challenges with payment and uploading documents.

Department officials mentioned it was difficult

8. Registration of establishment employing contract labour under the Contract Labour (Regulation & Abolition) Act, 1970, Licence under the Contract Labour (Regulation & Abolition) Act, 1970, Application for Registration of Establishment, employing workers for building and other construction work, under BOCW Act, 1996, and Application for Registration / Grant of Factory Licence under the Factories Act 1948

9. Rule 10 (3) states that the designated officer may seek additional information/clarification on the submitted application only once before expiry of the prescribed time limit. Further, rule 9 (2) states that an officer may not raise piecemeal objections.



to resolve technical issues due to the lack of an inhouse-IT team. They mentioned that applicants at times are unable to follow the online application process and apply for the wrong service. For example, instead of renewing a factory licence, applicants reapply for registration of factory licence¹⁰.

Excessive time taken for clearance

To register a shop under the Punjab Shops and Commercial Establishments Act, 1958, the Labour Inspector took 61 and 255 working days to clear two applications respectively. The prescribed time limit for this service is 1 day.

10. The officer interviewed since confirmed that video tutorials have been made available online to apply for services within the Department of Labour.

RECOMMENDATIONS

Based on our study, we have the following recommendations for the Department of Labour.

Enforce the existing transparency and accountability norms

One Government principle. The department must obtain documents or verify such information directly from relevant departments or public authorities concerned electronically wherever possible, instead of burdening the applicants.¹¹ The department continues to ask for documents such as a self attested copy of PAN card that can be verified only through NSDL eGov. Another example is an applicant submitting a number of the same documents again while applying for the License under the Contract Labour Act after having applied for the Registration under the Contract Labour Act. The department should not ask for the same documents submitted earlier.

Bar on raising piecemeal objections. An officer must convey objections at the first instance and not raise piecemeal objections.¹²

To enforce these provisions, the Punjab Transparency and Accountability Commission¹³ must take recourse to rule 20 of PTADPS Rules 2018 and take suo-moto notice of the breach and delays. After inquiry and hearing, it should penalise the concerned officers, if found guilty under the Punjab Transparency and Accountability in Delivery of Public Service Act 2018 ("PTADPSA 2018").

Expedite document scrutiny

Time limit for document scrutiny. The Department of Labour has prescribed an overall time limit for processing applications across the six services we studied. But there is no step-wise limit. For example, the time limit for licence under the Contract Labour Act is 30 days. But if the Dealing Hand takes 25 days for document scrutiny, it is likely to breach the stipulated time-limit. Punjab

Pollution Control Board has prescribed a time limit of 48 hours for document scrutiny for all its services.

Let dealing hand raise objections directly with the applicant. At present, the Dealing Hand scrutinises the submitted documents but does not raise objections directly with the applicant. Instead, they forward them to Assistant Labour Commissioner. This is unnecessary. Documents are also shuffled between officers for no apparent purpose. The Dealing Hand should conduct the preliminary scrutiny of documents and convey any objections directly to the applicant in a timely manner. After all issues have been addressed, the Dealing Hand can forward the application to the next officer.

Prescribe clear time limits for each step

The department does not have a clear time limit for each step. This makes it difficult to define delay at an individual level and hold an official accountable. The department should fix a reasonable time limit for each step, considering the processing time and workload.

Deemed approval

For registration of shops/ commercial establishments, "deemed approval" system should be considered: if the application remains pending with a labour inspector for over a week (prescribed time is one day), the application should be granted "deemed approval" under the concerned labour inspector's name.

11. Section 7(2) of the PTADPSA 2018 and rule 4(5) of Punjab Transparency & Accountability in Delivery of Public Services Rules, 2018.


12. Rule 9(2) and Rule 10(3) of the Punjab Transparency & Accountability in Delivery of Public Services Rules, 2018.

13. Proviso to section 12 of PTADPSA 2018 the Punjab allows the government to entrust the powers and functions of the Commission to the Administrative Secretary in-charge of the Department of Governance Reforms and Public Grievances till the Commission is constituted.

Department of Labour

Registration of establishment employing contract labour under the Contract Labour (Regulation & Abolition) Act, 1970


Applications

 **232** Total number of applications received from May 2019 to October 2020

 **87** Number of applications cleared after time limit

AS PER MANDATE

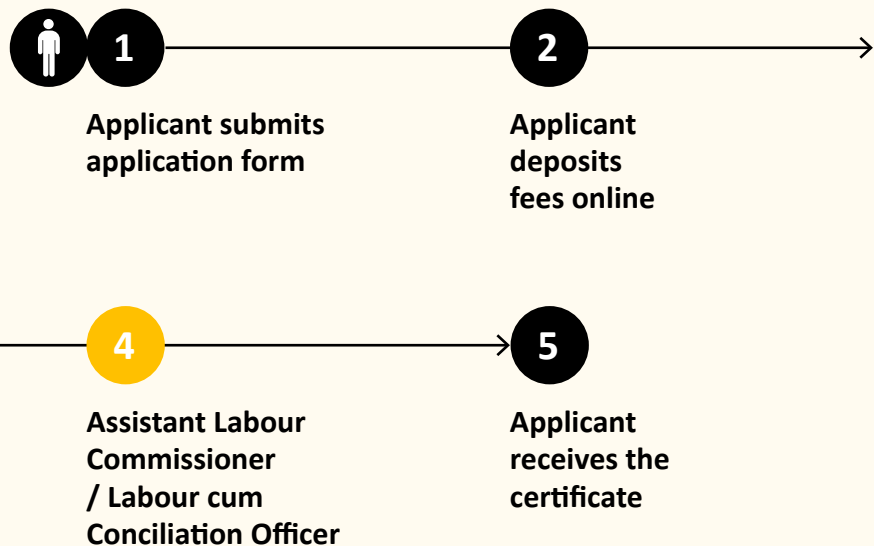
 **02**
Number of officers

 **03**
Number of documents

 **30**
Prescribed time limit

Process flow

● APPLICANT ● OFFICIALS



Observations

 10  10

Application logs Applicants surveyed

Applicants' feedback



1. Lagged responses
2. Technical issues on website

     3.8

Applicants' rating
(out of 5; 1 being the lowest)

Findings

- 1 Objections raised by the Dealing Hand are communicated to the applicant via Assistant Labour Commissioner
- 2 Objections raised in piecemeal manner


Way forward


- 1 Let the Dealing Hand raise objections directly with the applicant
- 2 Prescribe time limit for document scrutiny

Department of Labour

Licence under the Contract Labour (Regulation & Abolition) Act, 1970

Applications

 **273** Total number of applications received from May 2019 to October 2020

 **86** Number of applications cleared after time limit

AS PER MANDATE

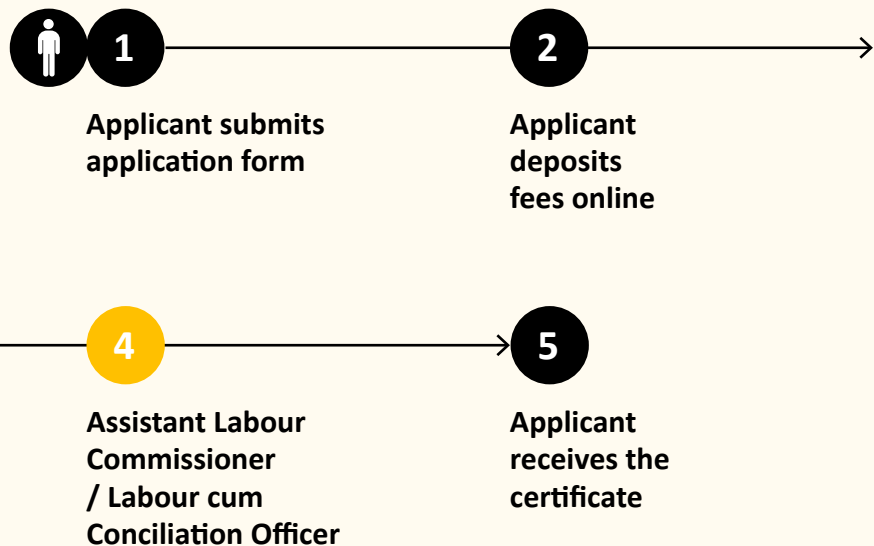
 **02**
Number of officers

 **05**
Number of documents

 **30**
Prescribed time limit

Process flow

● APPLICANT ● OFFICIALS



Observations

 10  11

Application logs Applicants surveyed

Applicants' feedback



1. Lagged responses
2. Applicants had to visit the department for follow up
3. Additional documents were asked

 3.5

Applicants' rating
(out of 5; 1 being the lowest)

Findings

- 1 Objections raised by the Dealing Hand are communicated to the applicant via Assistant Labour Commissioner
- 2 Objections raised in piecemeal manner

Way forward

- 1 Let the Dealing Hand raise objections directly with the applicant
- 2 Prescribe time limit for document scrutiny

Department of Labour

Registration under Punjab Shops and Commercial Establishments Act, 1958


Applications

 **10634** Total number of applications received from May 2019 to October 2020

 **6350** Number of applications cleared after time limit

AS PER MANDATE

 **01**
Number of officers

 **06**
Number of documents

 **01**
Prescribed time limit

● APPLICANT ● OFFICIALS

Process flow



Observations

 10  05

Application logs Applicants surveyed

Applicants' feedback



1. Satisfied with the online user interface

 4.6

Applicants' rating
(out of 5; 1 being the lowest)

Findings

- 1 Unnecessary documents such as shop photographs and ID cards required
- 2 High pendency rate
- 3 Poor record keeping; applications cleared without resolving objections
- 4 Objections raised in piecemeal manner

Way forward

- 1 Department should ask for PAN number instead of PAN card and avail online PAN verification offered by NSDL eGov
- 2 Photographs should be done away with
- 3 Either automate registration subject to ex post verification or grant deemed approval

Department of Labour

Application for Registration of Establishment, employing workers for building and other construction work, under BOCW Act, 1996


Applications

 **599** Total number of applications received from May 2019 to October 2020

 **73** Number of applications cleared after time limit

AS PER MANDATE

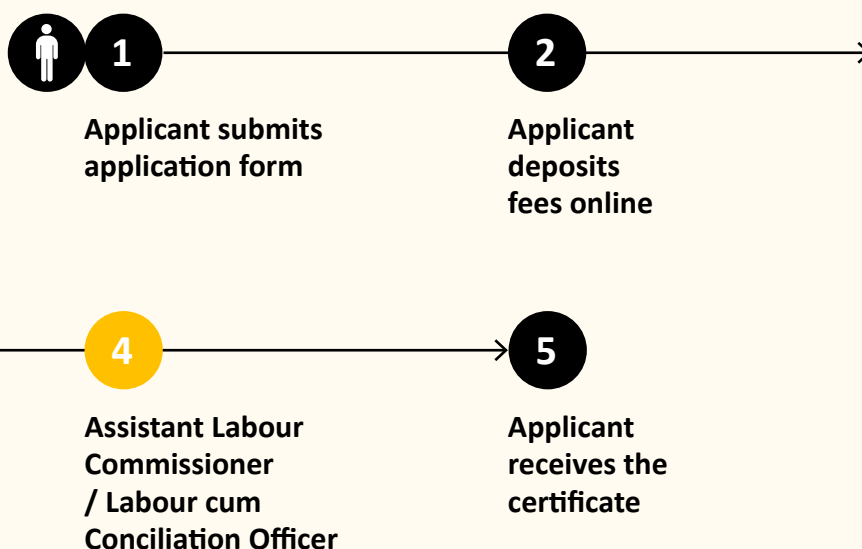
 **02**
Number of officers

 **00**
Number of documents

 **15**
Prescribed time limit

Process flow

● APPLICANT ● OFFICIALS



Observations

 10  14

Application logs Applicants surveyed

Applicants' feedback



1. Lagged responses
2. Technical issues on the website

 3.5

Applicants' rating
(out of 5; 1 being the lowest)

Findings

- 1 Objections raised by the Dealing Hand are communicated to the applicant via Assistant Labour Commissioner
- 2 Officers insisted on filling optional fields
- 3 Some applications cleared without resolving objection/ recording the resolution
- 4 Objections raised in piecemeal manner

Way forward

- 1 Let the Dealing Hand raise objections directly with the applicant
- 2 Prescribe time limit for document scrutiny

Department of Labour

Registration of Trade Union under The Trade Union Act, 1926


Applications

 **69** Total number of applications received from May 2019 to October 2020

 **24** Number of applications cleared after time limit

AS PER MANDATE

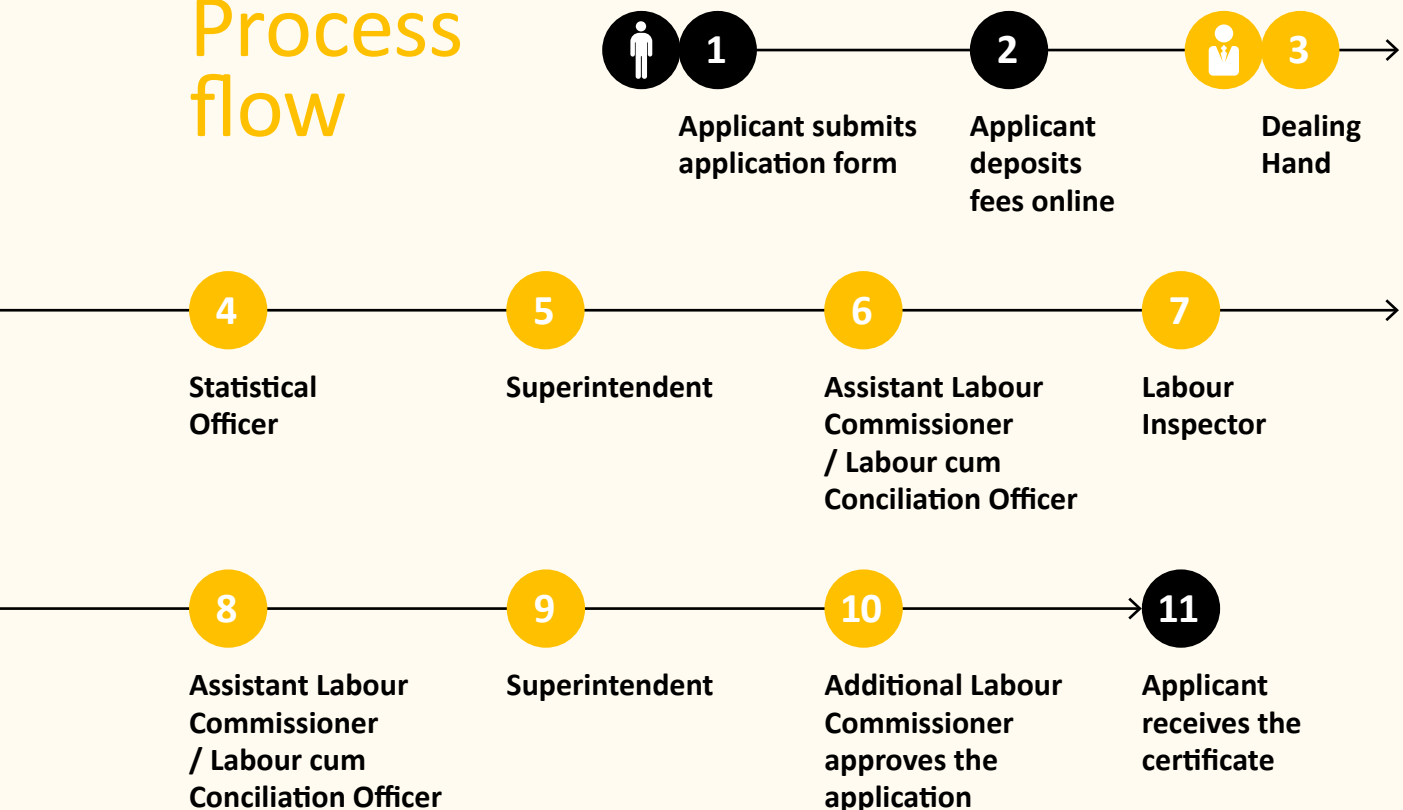
 **06**
Number of officers

 **08**
Number of documents

 **45**
Prescribed time limit

Process flow

● APPLICANT ● OFFICIALS



Observations

 10  13

Application logs Applicants surveyed

Applicants' feedback



1. Lagged responses
2. Application rejected without giving any reason

  3.3

Applicants' rating
(out of 5; 1 being the lowest)

Findings

- 1 Six officers doing what two could accomplish
- 2 Objections raised in piecemeal manner

Way forward

- 1 Digitise the Trade Union Register for automated unique name check
- 2 Redesign the process flow with two officers: Dealing Hand for document scrutiny and another officer for approval and registration
- 3 Prescribe clear time limits for each step

Department of Labour

Application for Registration / Grant of Factory Licence under the Factories Act 1948


Applications

 **432** Total number of applications received from May 2019 to October 2020

 **260** Number of applications cleared after time limit

AS PER MANDATE

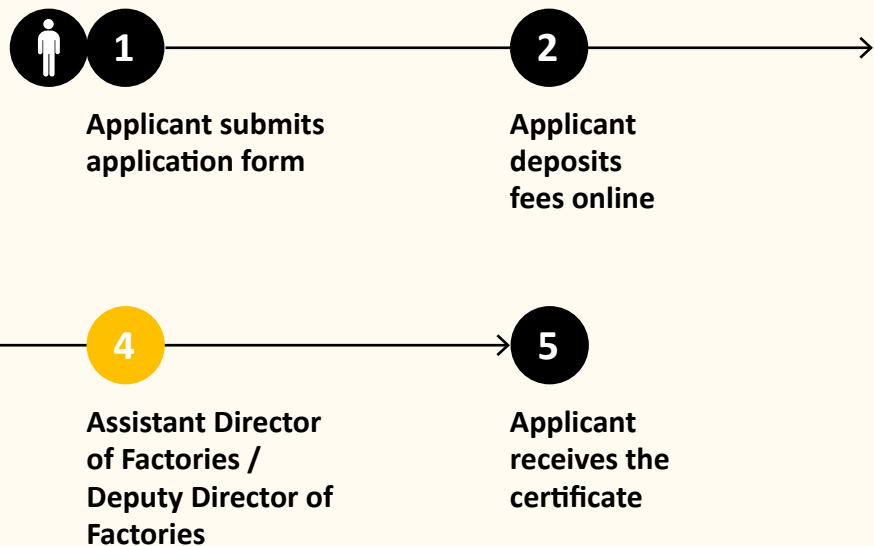
 **02**
Number of officers

 **03**
Number of documents

 **15**
Prescribed time limit

Process flow

● APPLICANT ● OFFICIALS



Observations

 10

Application logs

 24

Applicants surveyed

Applicants' feedback



1. Lagged responses
2. Technical issues on the website

 4.2

Applicants' rating
(out of 5; 1 being the lowest)

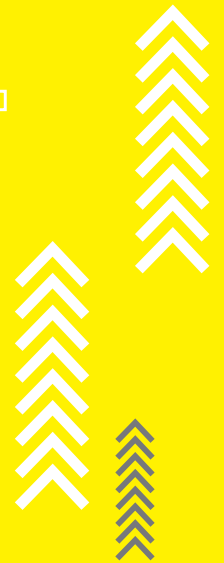
Findings

- 1 Objections raised by the Dealing Hand are communicated to the applicant via Assistant Labour Commissioner
- 2 Objections raised in piecemeal manner

Way forward

- 1 Let the Dealing Hand raise objections directly with the applicant
- 2 Prescribe time limit for document scrutiny
- 3 Grant deemed approval to applications pending for approval beyond stipulated time, provided document scrutiny is clear

**DEPARTMENT
OF
LOCAL
GOVERNMENT**



**Improving
Ease of Doing
Business**

for MSMEs in Punjab:
A Process Audit

DEPARTMENT OF LOCAL GOVERNMENT

The Department of Local Government of Punjab was founded in 1966. Its main functions are to direct, supervise, and control the functioning of local government bodies (municipal corporations, municipal councils, nagar panchayats, and improvement trusts) in Punjab. The Department is also responsible for implementing state and centrally sponsored schemes through these urban local bodies.

We selected 5 services from the 10 services offered by the Department for our analysis¹⁴:

-
1. Issuance of No Objection Certificate (NOC) for Fire Safety
 2. Issue of Trade Licence
 3. Building Plan Approval
 4. Sanction of Water Supply and Sewerage Connection
 5. Change of Land Use
-

1. Issuance of NOC for Fire Safety

An NOC for fire safety is issued by an official from Punjab Fire Services. It verifies that a building is “unlikely” to have any fire-related accidents and abides by the provisions of the [Punjab Fire Prevention and Safety Act, 2004](#). This Act states that buildings/premises must adhere to the minimum requirements mentioned in the [National Building Code of India \(IV\)](#). This covers basic safety provisions such as sprinkler systems, water tanks, first aid, certified fire extinguishers, smoke detectors, and fire lifts. The NOC is valid for a period of 1 year from the date of issue. Applicants can apply for it online via the Department of Local Government website.

2. Issue of Trade Licence

A trade licence for an individual/business certifies that the establishment can conduct business of a specified nature only within the given municipality. Applicants can avail of this service online via the Department of Local Government website. The Punjab Municipal Corporation Act, 1976, lists the eligibility criteria for an establishment to obtain a trade licence. The licence is valid for 1 year from the date of issuance.

3. Sanction of Water Supply and Sewerage Connection

The Water (Prevention and Control of Pollution) Act, 1974, lays down provisions to control the discharge of sewage and other effluents to limit the pollution of surrounding areas. Applicants for this service are expected to be in compliance with the particulars of this Act and can apply for this service via the Department of Local Government website.

4. Building Plan Approval

Buildings sanctioned by the Department of Local Government must conform to the rules and regulations laid out in the [Punjab Municipal Building Bye-Laws](#). The bye-laws include provisions relating to particulars of a building plan, such as floor plans, occupancy level, thickness of walls, and details of materials used in construction, and parking spaces.

14. We did not select services that had less than 10 administrative logs available. We excluded Notice of Completion/Occupancy Certificate, Issue of Plinth Level, Property Tax Payment, and Permission for Communication Tower due to insufficient data. Further, no separate analysis exists for the service issuance of water supply/sewerage connection for MC towns, as application for this service is merged with water and sewerage supply.



Only architects empanelled by the concerned municipal authority can submit an application for this service. Building plan approvals can be obtained via both the e-naksha portal and the Business First portal.

Change of Land Use

As per the [Punjab Regional and Town Planning Act, 1995](#), persons can apply for a change in land use to develop agricultural or vacant undeveloped areas for the first time for urban use. They can also opt to change the existing use of an already-developed land/plot and change the residential use of plots to commercial use. Applicants can avail of this service online via both the e-naksha website and the Business First portal.

WHAT DID WE FIND?

Difficulties in the application form

Questions are repeated. To apply for an NOC for fire safety, the owner has to submit a 53-question long questionnaire. While these questions are necessary, they overlap with the fire NOC application form. In total, 23 points in the application form are repeated in the questionnaire, including details on owner/applicant, building infrastructure and surrounding area.

Document names are not uniform. For Building Plan Approval and Change of Land Use, portals

such as Business First, e-naksha website and the municipal bye-laws list different documents or refer to documents by different names. For example, Punjab Municipal Bye-Laws require an “No objection certificate from the Authority regarding land use as per Master/Zonal Plan”¹⁰. This is the same as the change in land use certificate asked on Business First and e-naksha. Similarly, a fire NOC is mentioned as “No objection certificate from Chief Controller of Explosives, Nagpur and Chief Fire Officer, in case of hazardous buildings” on the e-naksha website. On the Business First portal, the fire NOC is a “No objection certificate/ Approval from the Local Fire Officer, in case of building defined under clause 2.23-i to viii (Except Residential Plots)”.

This is likely why multiple objections were raised in applications processed for Building Plan Approval. We noted objections in five logs for a missing Change of Land Use certificate, and in six logs for a missing fire NOC. Applicants for Building Plan Approval online also mentioned ambiguity in documents required due to inconsistent information available on different portals.

Unnecessary documents. Ownership proof, location plan, and applicable NOCs have to be verified and submitted to obtain a Change of Land Use certificate. These documents are again verified for Building Plan Approval. This is unnecessary, given that a Change of Land Use certificate is a necessary document to apply for Building Plan Approval. As per Section 7(2) of PTADPSA 2018

and rule 4(5) of PTADPSR 2018, a department must obtain documents or verify such information directly from relevant departments concerned electronically wherever possible, instead of burdening the applicants.

The Department also requires hard copies of documents. In one application for Change of Land Use, officers granted technical approval but the file remained pending for 4 months because hard copies were not submitted.

Challenges in compiling the documents. Of 11 applicants who used the service of Issue of NOC for Fire Safety, two found it difficult to compile the necessary documents. One of them had to submit their application thrice before it was finally approved. Department officials also mentioned that applicants who made errors and had to reapply would lose the earlier, non-refundable fee paid, which can range from Rs. 2,000 to Rs. 20,000.

Unreadable documents. Poor IT infrastructure makes it difficult for applicants to upload the documents. IT officials who service applications for Building Plan Approval and Change of Land Use have highlighted that the portal only accepts files of small size and that applicants have to

upload compressed documents. However, compressed documents are often unreadable. As per officials, this poses a challenge in processing the applications.

Time lag in processing applications due to redundant steps

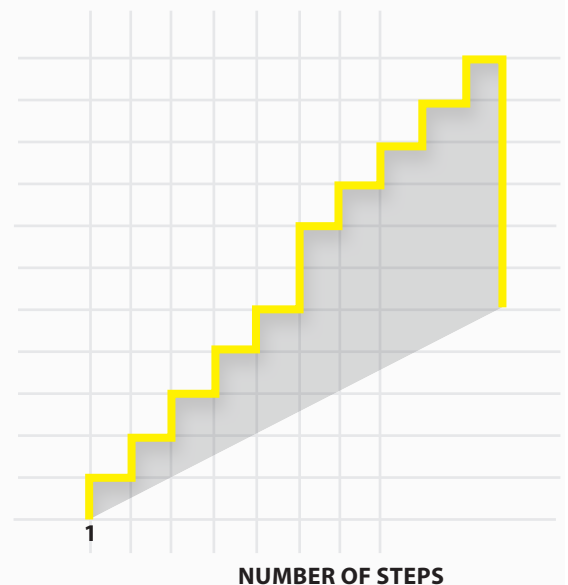
For all services offered by the Department of Local Government, data shows a time lag in forwarding applications from one officer to the other. Of 43 applicants across services, 7 have highlighted lagged response by officials as a challenge.

In all applications for Building Plan Approval, each time an officer raises an objection, it is returned down the process ladder until it reaches the Building Inspector who communicates the issue to the applicant. In one application, an objection raised by the Assistant Town Planner reached the Building Inspector after 15 days after passing through 2 additional officers.

In another application, an objection raised by the Joint Commissioner was passed down and finally reached the Building Inspector after 33 days. There were 3 officers between the two in the hierarchy.

BUILDING PLAN APPROVAL, DEPT OF LOCAL GOVERNMENT

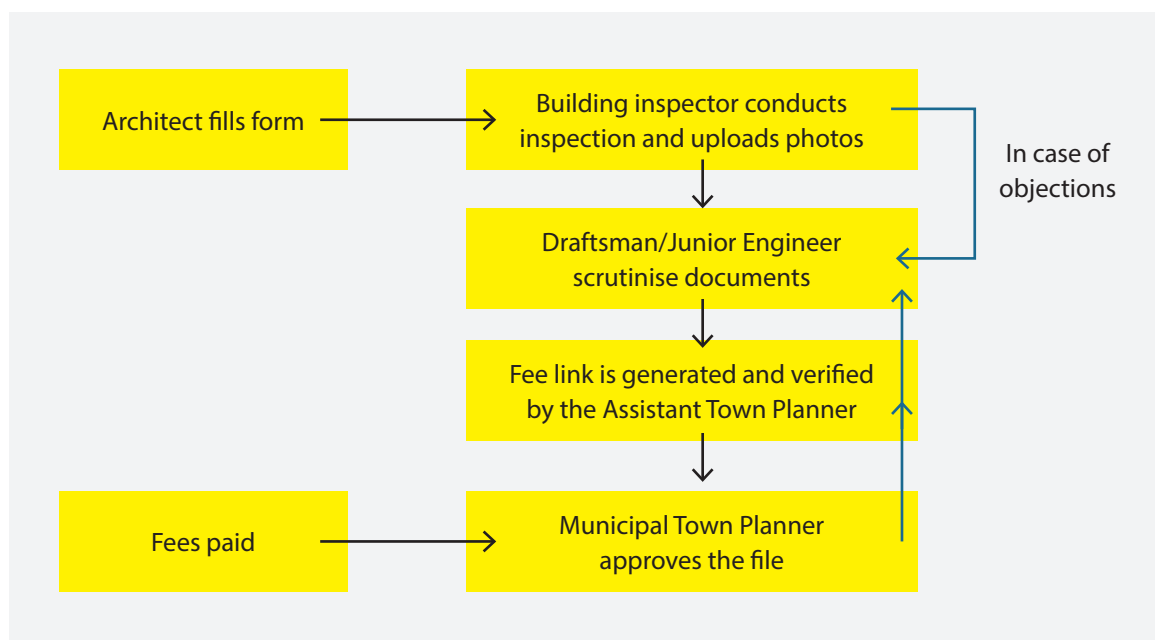
- HEADQUARTERS**
- Local Govt Minister
- Principal Secretary Local Govt
- Director Local Government
- Municipal Town Planner
- Assitant Town Planner
- For Technical Approval
- Municipal Commissioner
- Joint Commissioner
- ULB**
- Municipal Town Planner/Municipal Engineer
- Assitant Town Planner/ Assistant Municipal Engineer
- Draftsman/Head Draftsman
- Building Inspector/ Junior Engineer



OFFICERS INVOLVED IN THE PROCESS FLOW FROM BOTTOM TO TOP

How an application for Building Plan Approval moves through the Department of Local Government

Department officials also highlight this file movement for objections as a reason behind application delay. Files moved through 13 to 63 steps and took 115 to 514 days to process.



Example of communication of objections in Building Plan Approval

Divergence and lack of clarity in the de facto process

The official process flow for the Issue of NOC for Fire Safety mentions an “authorised employee” for document scrutiny and site inspection. But it does not specify the designation of the “authorised employee”. Officers performing document scrutiny and site inspection varied from case to case. In one application, the Fireman conducted the document scrutiny, and in two applications, the Fire Station Officer conducted the document scrutiny. The Fire Station Officer conducted site inspection in two applications and granted final approval in another application. In five applications, the Sub Fire Officer performed all the functions of document scrutiny, site inspection and granting approval.

Moreover, the de jure process states that applications are sent to the Assistant Divisional

Fire Officer for the issuance of NOC. But this took place in only 2 out of 10 applications.

Objections raised in an ad-hoc manner and not within a time limit

For the services of Building Plan Approval and Change of Land Use, we found that an officer raises different objections at different points of time. This is contrary to rule 10(3) and rule 9(2) of the Punjab Transparency and Accountability in Delivery of Public Services Rules, 2018.¹⁵

The 7-day mandate notified by the Government of Punjab—which applies to services available on the Business First portal and the e-naksha website—also mentions that objections must be raised with the applicant within 7 days from the date of submission.¹⁶ In one application of Building Plan Approval, the Draftsman raised

15. Rule 10(3) of PTADPSR 2018 states that an officer may seek additional information/clarification on the submitted application only once before the expiry of the prescribed time limit. Rule 9(2) of PTADPSR 2018 states that an officer may not raise piecemeal objections.

16. As per the GoP notification# dated 15 February 2019, all queries/clarifications related to the investor’s application submitted on the Invest Punjab Business First Portal would be sought only once within 7 days of receipt of the application.



three different objections at three different points of time and eventually forwarded the application to the next officer only after 37 days.¹⁷

RECOMMENDATIONS

Review the document checklist

The Department of Local Government should review and simplify the documents that applicants are required to submit. At present, the Department requires applicants to upload the same information repeatedly. For instance, the application form for the issue of fire NOC repeats questions from the owner's questionnaire. This is redundant and can be done away with.

Applicants have to submit hard copies of documents. In Change of Land Use, an application was delayed by 4 months because the applicant did not share hard copies. This should not be a mandatory requirement. For instance, the requirement of hard copies is eliminated for the service of Registration of New Firms under the Department of Industries and Commerce.

The Department of Local Government has simplified the service for Issue of Trade Licence, which now requires only two documents: ID proof and Lease deed/Legal Occupancy document.¹⁸ In the applications we analysed, there was no delay due to document verification. The documents are verified on the same day as application submission.

17. For granting Building Plan Approval, officers must process the application within 62 days

18. As per SRAP indicator 217.

Implement “One Government” principle

The Department must obtain documents or verify the information directly from relevant departments or concerned public authorities, electronically wherever possible, instead of burdening the applicants.¹⁹ This provision must be enforced.

Have uniform checklists on various portals

Different versions of checklists on various portals may confuse applicants. For Change of Land Use and Building Plan Approval, the municipal bye-laws, Business First portal, and the e-naksha website mention different documents required for each service. To maintain uniformity and consistency across all methods of applying for services, the Department should provide a single list of documents for these services.

Let the Dealing Hand check document readability

For Building Plan Approval and Change of Land Use, documents such as site plan and location plan need to be uploaded online. The file size of these documents may sometimes be more than the maximum space available online. The applicant thus compresses these files and uploads them, which distorts the quality of the file. As a result, officials are occasionally unable to read them and raise objections. To prevent objections at a later stage, it would be better to have a readability check by the Dealing Hand.

Review, clarify, and standardise the process flow

For the Issue of NOC for Fire Safety, officers undertaking document scrutiny, inspections, and final clearance vary across applications. The number of officers involved in the process flow also varies across applications. We observed that one officer is capable of completing all functions. In five applications, the Sub Fire Officer scrutinised documents, conducted inspections, and granted approval. Therefore, there is a need to review and make the process flow for services leaner.

Objections should be raised directly with the applicant

In Building Plan Approval, each time an officer raises an objection, it moves through all the officers in the process ladder until it finally reaches the applicant. To streamline the process flow and clear applications faster, the software should have an option for the concerned officer to raise an issue with the applicant directly.

Specify a time limit for each step

Officers need to be held accountable for the time they take to raise objections and process applications. Since there is no stepwise time limit, we cannot define what a delay is or hold the concerned officer accountable. The Department should notify a stepwise time limit for officers and mandate officers to justify delays.

19. Section 7(2) of the PTADPSA 2018 and rule 4(5) of Punjab Transparency & Accountability in Delivery of Public Services Rules, 2018.

Department of Local Government

Issue of NOC for Fire Safety


Applications

 **18178** Total number of applications received from May 2019 to October 2020

 **2487** Number of applications cleared after time limit

AS PER MANDATE

 **02**
Number of officers

 **05**
Number of documents

 **32**
Prescribed time limit

Observations

 **10**
Application logs

 **11**
Applicants surveyed

Applicants' feedback



 **4.2**

Applicants' rating
(out of 5; 1 being the lowest)

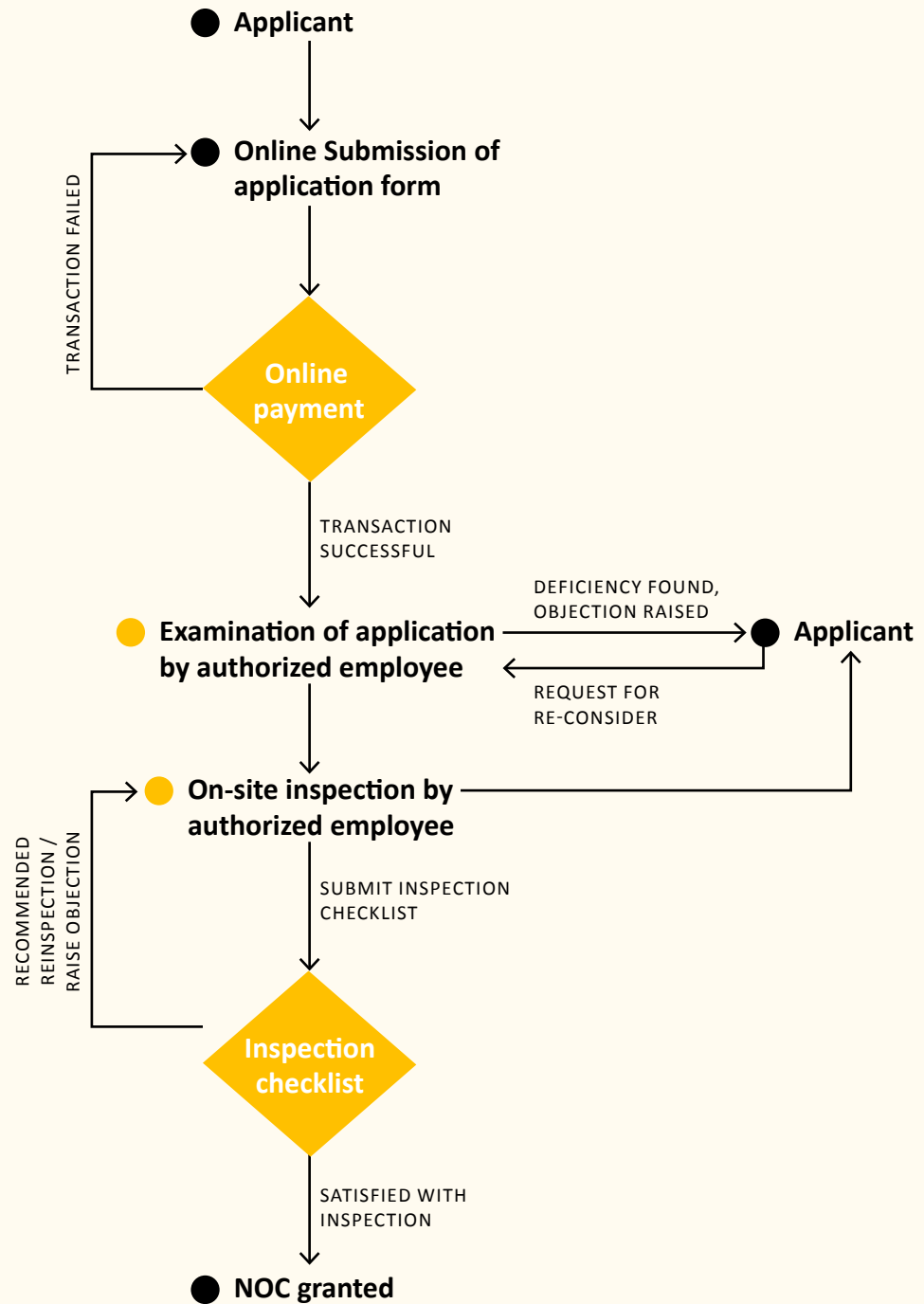
1. Difficulty in compiling documents
2. Technical issues with the website
3. Officials asked for additional documents

Findings

- 1 Application form and the NOC questionnaire overlap; 23 questions in common
- 2 Divergence and lack of clarity in the *de facto* process

Process flow

● APPLICANT ● OFFICIALS



Way forward


- 1 Review the *de facto* process flow
- 2 Prescribe time limit for each step

Department of Local Government

Issuance of Trade License

Applications

 **18867** Total number of applications received from May 2019 to October 2020

 **1946** Number of applications cleared after time limit

AS PER MANDATE

 **04**
Number of officers

 **02**
Number of documents

 **14**
Prescribed time limit

Observations

 **10**
Application logs

 **10**
Applicants surveyed

Applicants' feedback

1. Lagged responses



 **4.4**

Applicants' rating (out of 5; 1 being the lowest)

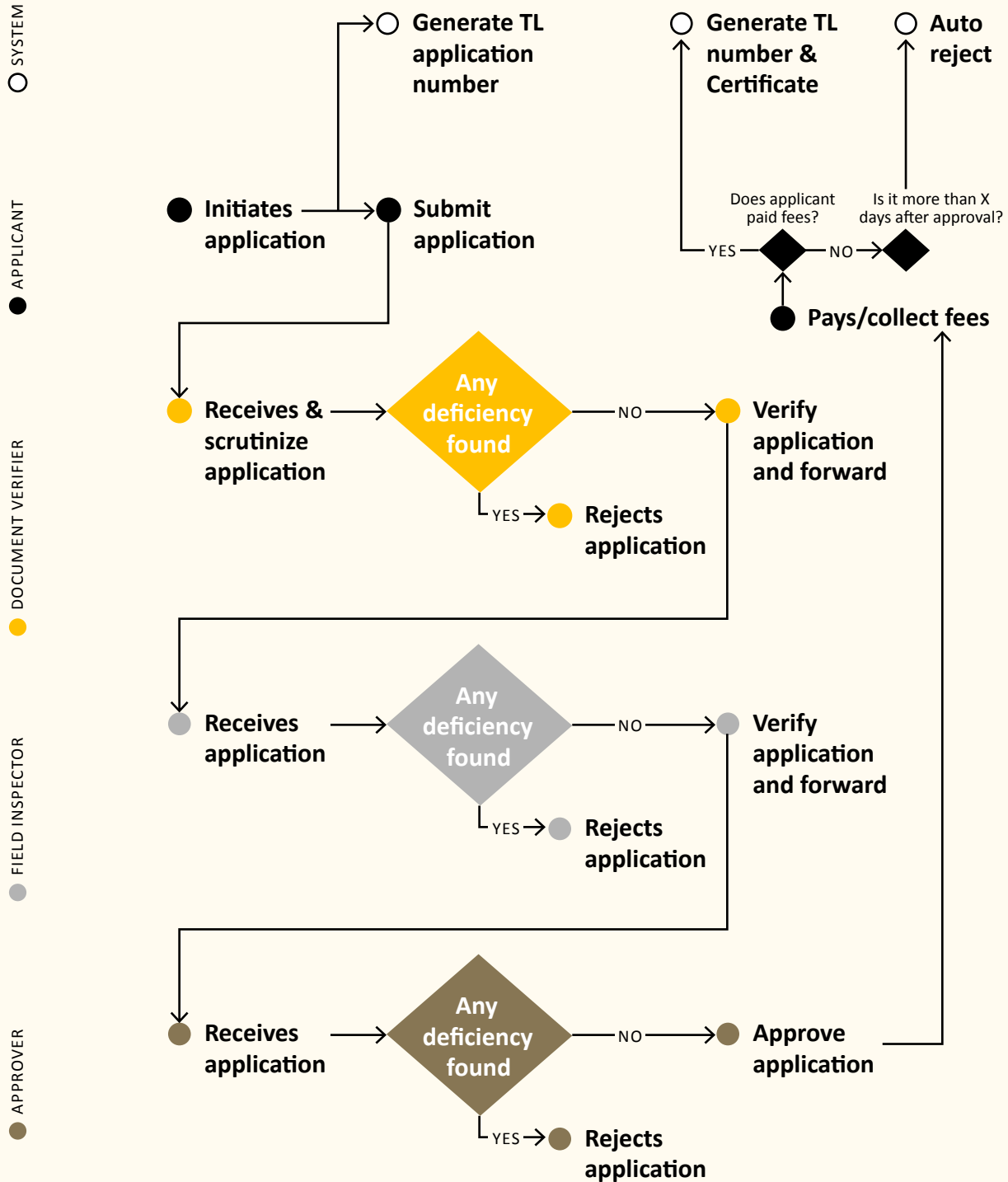
Findings

1 There were no delays due to document verification

Way forward

1 Prescribe time limit for each step

Process flow




Best Practices

- 1 Only two documents are required - ID proof and Lease deed/Legal Occupancy document

Department of Local Government

Building Plan Approval


Applications

 **NA** Total number of applications received from May 2019 to October 2020

 **NA** Number of applications cleared after time limit

AS PER MANDATE

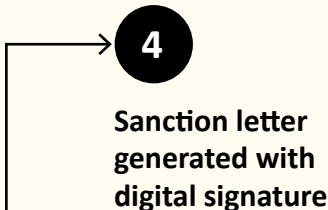
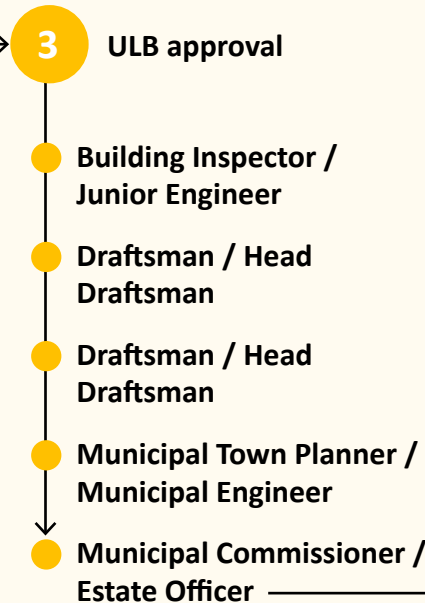
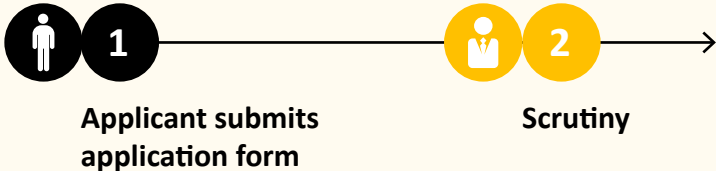
 **09**
Number of officers

 **14**
Number of documents

 **62**
Prescribed time limit

Process flow

● APPLICANT ● OFFICIALS



Observations

 10  09

Application logs Applicants surveyed

Applicants' feedback



1. Technical issues with the website
2. Lagged responses
3. Objections are not clear

 3

Applicants' rating
(out of 5; 1 being the lowest)

Findings

- 1 Different versions of document checklist across different sources such as business first portal, e-naksha website, municipal bye-laws
- 2 Objections raised in piecemeal manner and not within time limit
- 3 Poor IT infrastructure makes it difficult for the applicants to upload the documents
- 4 Time lag in processing applications due to redundant steps
- 5 Overlap of required documents with Change of land use


Way forward

- 1 Review the document checklist and have the same document checklist across various portals
- 2 Prescribe time limit for each step
- 3 Allow objections to be conveyed directly to the applicant instead of following a long chain of communication
- 4 Let the Dealing Hand check document readability

Department of Local Government

Building Plan Approval


Applications

 **NA** Total number of applications received from May 2019 to October 2020

 **NA** Number of applications cleared after time limit

AS PER MANDATE

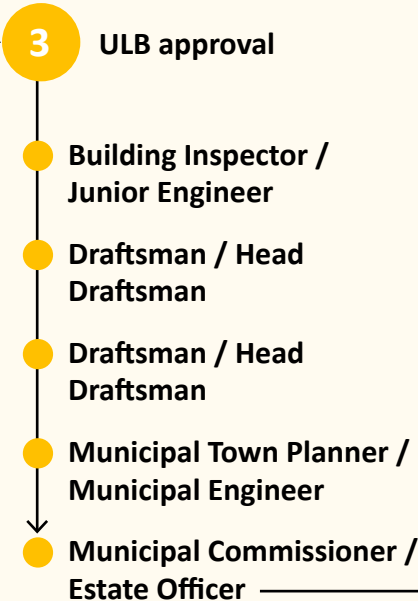
 **16**
Number of officers

 **14**
Number of documents

 **62**
Prescribed time limit

Process flow

● APPLICANT ● OFFICIALS



Observations

 10  09

Application logs Applicants surveyed

Applicants' feedback



1. Technical issues with the website
2. Lagged responses
3. Objections are not clear

 3

Applicants' rating
(out of 5; 1 being the lowest)

Findings

- 1 Different versions of document checklist across different sources such as business first portal, e-naksha website, municipal bye-laws
- 2 Objections raised in piecemeal manner and not within time limit
- 3 Poor IT infrastructure makes it difficult for the applicants to upload the documents
- 4 Time lag in processing applications due to redundant steps
- 5 Overlap of required documents with Change of land use

Way forward

- 1 Review the document checklist and have the same document checklist across various portals
- 2 Prescribe time limit for each step
- 3 Allow objections to be conveyed directly to the applicant instead of following a long chain of communication
- 4 "Follow "One Government" principle i.e Department must obtain documents or verify information directly from relevant departments or public authorities concerned, electronically wherever possible"

Department of Local Government

Sanction of water supply / sewerage connection


Applications

 **2826** Total number of applications received from May 2019 to October 2020

 **765** Number of applications cleared after time limit

AS PER MANDATE

 **03**
Number of officers

 **08**
Number of documents

 **09**
Prescribed time limit

Observations

 **10**
Application logs

 **15**
Applicants surveyed

Applicants' feedback

1. Satisfied with the service



 **4.4**

Applicants' rating
(out of 5; 1 being the lowest)

Findings

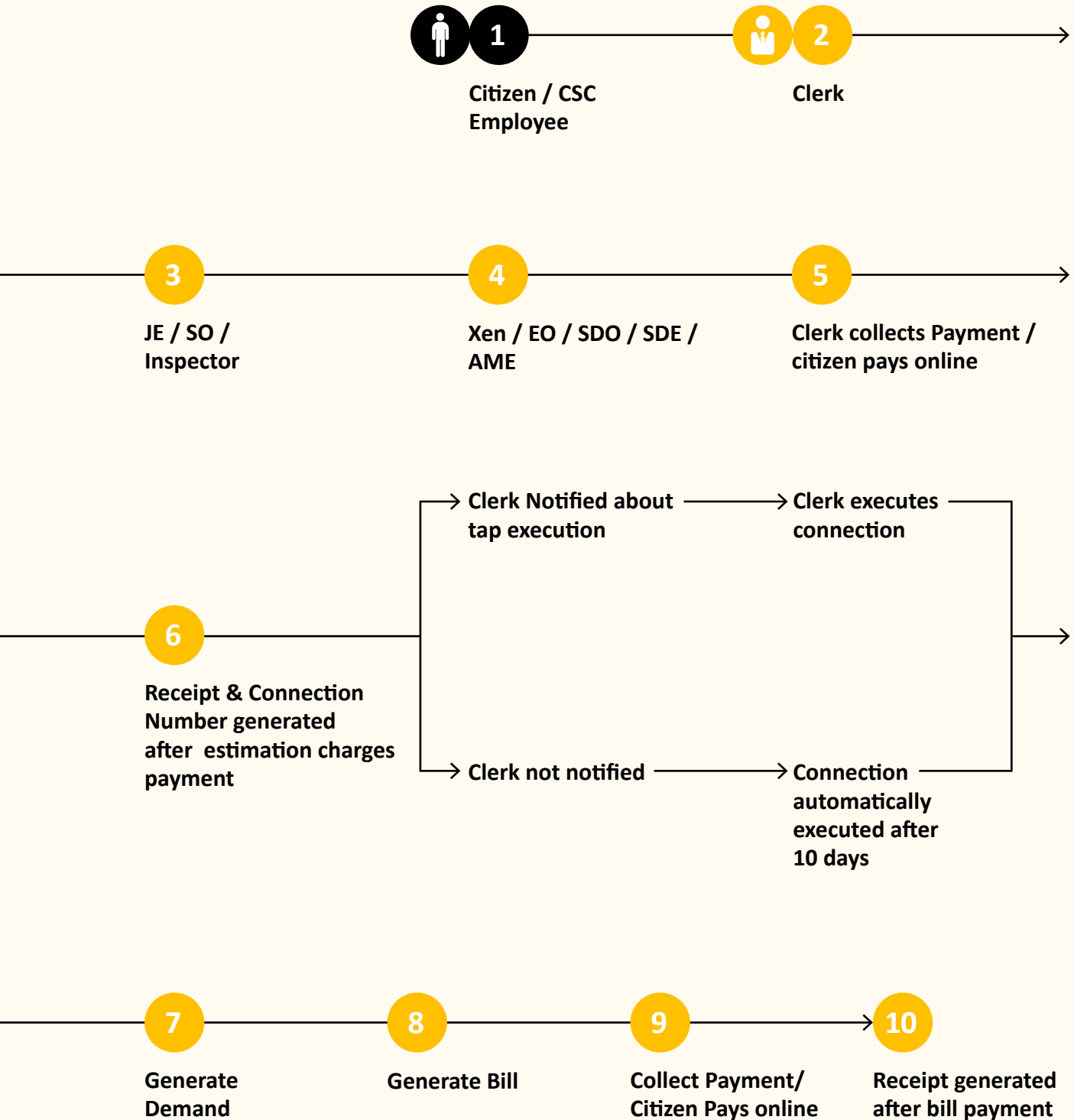
① Time lag in processing applications

Way forward

① Prescribe time limit for each step

Process flow

● APPLICANT ● OFFICIALS



Department of Local Government

Change of Land Use

Applications

 **NA** Total number of applications received from May 2019 to October 2020

 **NA** Number of applications cleared after time limit

AS PER MANDATE

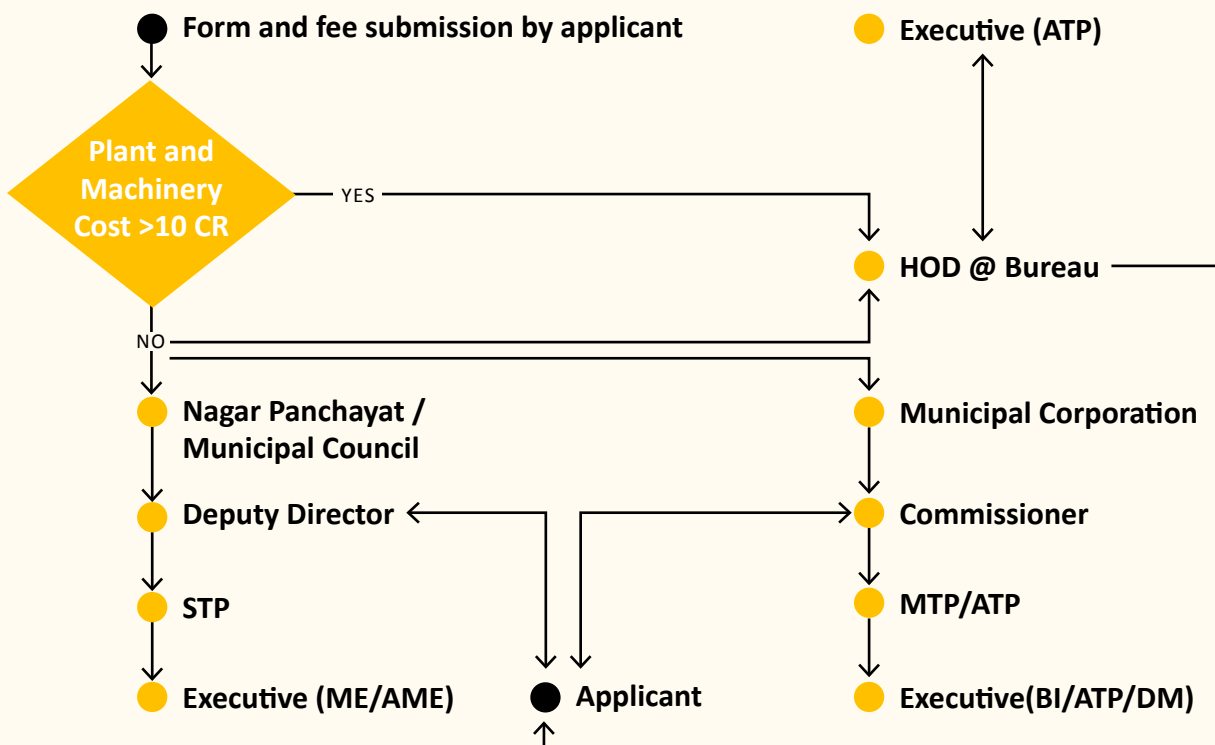
 **05**
Number of officers

 **NA**
Number of documents

 **62**
Prescribed time limit

Process flow

● APPLICANT ● OFFICIALS



Observations

 10  03

Application logs Applicants surveyed

Applicants' feedback



1. Lagged responses
2. Applicants had to meet the department multiple times before obtaining approval

 2.6

Applicants' rating
(out of 5; 1 being the lowest)

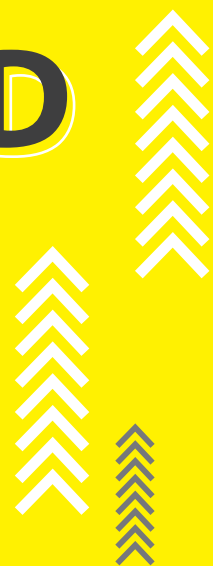
Findings

- 1 Different versions of document checklist across different sources such as business first portal, e-naksha website, municipal bye-laws
- 2 Objections raised in piecemeal manner and not within time limit
- 3 Poor IT infrastructure makes it difficult for the applicants to upload the documents
- 4 Time lag in processing applications due to redundant steps

Way forward

- 1 Review the document checklist and have the same checklist across various portals
- 2 Prescribe time limit for each step
- 3 Objections should be raised timely and directly with the applicant
- 4 Let the Dealing Hand check document readability
- 5 Follow "One Government" principle i.e Department must obtain documents or verify information directly from relevant departments or public authorities concerned, electronically wherever possible

PUNJAB POLLUTION CONTROL BOARD



**Improving
Ease of Doing
Business**
for MSMEs in Punjab:
A Process Audit

PUNJAB POLLUTION CONTROL BOARD

The Punjab Pollution Control Board (PPCB) under the Department of Science, Environment, and Technology of Government of Punjab ensures the implementation of environmental laws, namely the Water (Prevention and Control of Pollution) Act, 1974; the Water (Prevention and Control of Pollution) Cess Act, 1977; and the Air (Prevention and Control of Pollution) Act, 1981. Based on the Environment (Protection) Act, 1986, the Government of Punjab has also framed rules for managing hazardous waste and biomedical waste. The board has set up zonal and regional offices to implement the aforementioned Acts.

We chose six services offered by the PPCB for our analysis²⁰

1. Consent to Establish under the Water Act, 1974, and Air Act, 1981.
2. Consent to Operate under the Water Act, 1974.
3. Consent to Operate under the Air Act, 1981.
4. Authorisation under the Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016.
5. Authorisation under the Biomedical Waste Rules, 2016.
6. Registration of Plastic Waste Recyclers under the Plastic Waste (Management and Handling) Rules, 2011²¹

Consent to Establish under the Water Act, 1974, and the Air Act, 1981

No industrial plants/activities/processes can establish themselves without first obtaining Consent to Establish (CTE) from the PPCB. CTE is a single certification granted under the Water Act, 1974, and the Air Act, 1981. CTE applies to small-, medium- and large-scale industries falling in the red²², orange²³, and green²⁴ categories. These categories are based on the potential pollution risk.

Consent to Operate under the Water Act, 1974

Prior to operating any industrial activity, the applicant must seek approval from the PPCB to certify that they comply with provisions under the Water Act, 1974, to prevent water pollution. Applicants for this service can apply for a No Objection Certificate online and download it once it has been authorised by the competent authority.²⁵

Consent to Operate under the Air Act, 1981

Prior to operating any industrial activity, the applicant must seek approval from the PPCB to certify that they comply with provisions under the Air Act, 1981, to prevent air pollution. Applicants for this service

20. The logs for services Consent to Operate under the Water Act, 1974, Consent to Operate under the Air Act, 1981, Authorization under the Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016, Authorization under the Biomedical Waste Rules, 2016 and Consent to Establish under the Water Act, 1974 and the Air Act, 1981, are taken from the Online Consent Management and Monitoring System, the online portal of the department.

21. Registration of Plastic Waste Recyclers under the Plastic Waste (Management and Handling) Rules, 2011, is an offline service. Our analysis of this service did not yield any unique observations. The department officials stated that most applications for this service were merged with Consent to Operate and Consent to Establish under the Air Act, 1981, and the Water Act, 1974. Log files only mentioned that registration was granted for this service.

22. [List of industries under the red category.](#)

23. [List of industries under the orange category.](#)

24. [List of industries under the green category.](#)

25. The competent authority is decided depending upon the size (small/medium/large) and category of the industry (green/orange/red).



can apply for an NOC online and download it once it has been authorised by the competent authority.

Authorisation under the Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016

An applicant needs to confirm that their industry complies with the requirements of the Hazardous and Other Wastes Rules, [2016](#), notified by the Ministry of Environment, Forest, and Climate Change, Government of India. Under these rules, every facility engaged in processes related to the sale, transfer or disposal of hazardous and other wastes is required to get this authorisation.

Authorisation under the Biomedical Waste Rules, 2016

An applicant needs to obtain the authorisation that the biomedical waste generated in their premises is handled without any adverse effect on human health. The occupier of the premises is responsible for pretreating waste through necessary disinfection and sterilisation, and for sending it to an appropriate treatment facility. Treatment and disposal of waste must comply with provisions of the Water Act, 1974, and the Air

Act, 1981.

WHAT DID WE FIND?

Inadequate information on required documents

As per a senior department official, applicants across services find it difficult to compile documents required for submission. Department officials recommend applicants to avail expert assistance while applying for these services. Applicants, particularly those in small businesses, may not opt for expert assistance due to financial constraints and end up submitting incomplete information.

Of the 67 applicants surveyed across services, 8 highlighted the difficulty in compiling the necessary documents and the unavailability of adequate information.

Unnecessary steps in a process flow

An applicant's file goes through unnecessary steps in various stages of the process flow.

File moves back and forth between two officers. In

22 out of 37 applications across 4 services²⁶, files moved back and forth between the Assistant Environmental Engineer and the Environmental Engineer during scrutiny and site inspection. In the PPCB Regional Office, the Assistant Environmental Engineer reports to the Environmental Engineer.

A file goes through the following steps during scrutiny and site inspection:

- Step 1** The applicant submits their application to the Environmental Engineer
- Step 2** The Environmental Engineer forwards it to the Assistant Environmental Engineer for document scrutiny
- Step 3** The Assistant Environmental Engineer scrutinises the documents and returns them to the Environmental Engineer

Step 4 The Environmental Engineer then directs the Assistant Environmental Engineer to conduct a site inspection and upload an agenda note (inspection report) on the portal

Step 5 The Assistant Environmental Engineer forwards the agenda note to the Environmental Engineer

In an application under Consent to Establish under the Air Act, 1981, and the Water Act, 1974, it took 44 working days from the date of submission for the Assistant Environmental Engineer to finally upload their agenda note and send it to the Environmental Engineer.

In another application for Consent to Operate under the Water Act, 1974, the agenda note was uploaded 34 working days after the application was submitted.

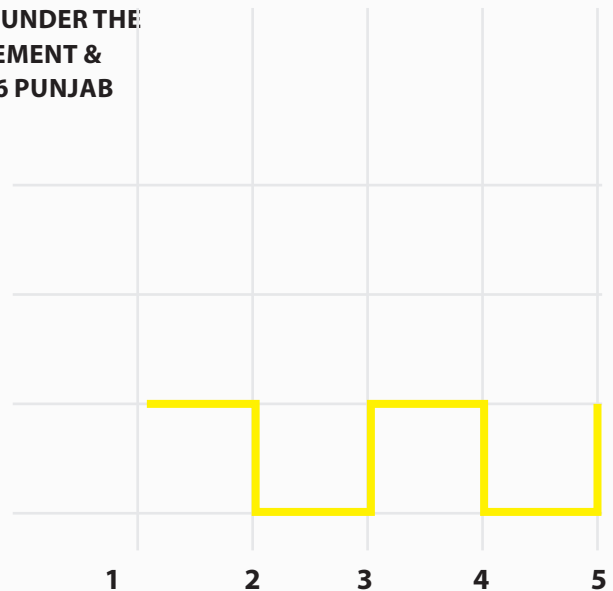
CTO AIR, CTO WATER, CTE, AUTHORIZATION UNDER THE HAZARDOUS AND OTHER WASTES (MANAGEMENT & TRANSBOUNDARY MOVEMENT) RULES, 2016 PUNJAB POLLUTION CONTROL BOARD

Officers involved

RO Environmental Engineer

RO Assitant/Junior Environment Engineer

NUMBER OF STEPS



How an application for the first 5 steps (for 4 services) moves through the Punjab Pollution Control Board

26. Consent to Operate under the Air Act, 1981; Consent to Operate under the Water Act, 1974; Authorization under the Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016; and Consent to Establish under the Water Act, 1974, and the Air Act, 1981.

Long chain of communication followed for clarification. At the zonal level, the Chief Environmental Engineer is the head of the office who oversees the administrative functioning of regional offices under their jurisdiction. The Senior Environmental Engineer, who works under the Chief Environmental Engineer, monitors the workings of the regional offices under their jurisdiction. An issue raised by the Chief Environmental Engineer (zonal) is not communicated directly to the Assistant Environmental Engineer in the regional office. The objection, instead, is flagged and passed down to the Assistant Environment Engineer via all the other officers in the process flow.

For example, in an application for Consent to Operate under the Water Act, 1974, the Chief Environmental Engineer noted a discrepancy in the agenda note and forwarded it to the Senior Environmental Engineer (zonal office), who sent it to the Environmental Engineer (regional office) before it finally reached the Assistant Environmental Engineer. The Assistant Environmental Engineer clarified the issue and sent it back to the Chief Environmental Engineer via the same officers. In this application, the objection took four working days to reach the Assistant Environmental Engineer and another eight working days to be returned to the Chief Environmental Engineer.

In another application for the same service, the error reached the Assistant Environmental Engineer 10 working days after it was flagged. It was then returned to the Chief Environmental Engineer after another 13 working days.

Unnecessary steps between approval and the grant of authorisation. Across the services, the final step of granting authorisation is also cumbersome. After the Environmental Engineer approves an application for authorisation under the Hazardous and Other Wastes (Management & Transboundary Movement) Rules 2016, the file is forwarded to the Assistant Environmental Engineer for authorisation. This is then returned to the Environmental Engineer for their signature.

These steps were a reason for the significant delay in applications. For instance, in one application, it took 19 days from approval to the grant of authorisation.

Similarly, in three other services,²⁷ the application after approval passes through as many as three other officers until the certificate is generated. For example, a file after approval moves through the following steps in Consent to Operate under the Air Act, 1981.

- Step 1** The Chief Environmental Engineer approves an application and forwards it to the Senior Environmental Engineer
- Step 2** The Senior Environmental Engineer then sends the application to the Environmental Engineer
- Step 3** The Environmental Engineer generates the certificate and returns it to the Senior Environmental Engineer for their signature and grant authorisation

As a result of this back-and-forth communication, one applicant received their certificate 9 days after the application was approved. A recent office order²⁸ states that the certificate must be generated within 3 days of granting approval.

Long gaps between steps

Officials take time to process applications in the following stages:

Forwarding the application for scrutiny. For an application under Authorisation under the Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016, the Environmental Engineer took eight working days to forward the application to the Assistant Environmental Engineer.

Document scrutiny. As per a senior official, PPCB requires document scrutiny for all services to be completed in less than 48 hours. In all five services,

27. Consent to Establish under the Water Act, 1974, and the Air Act, 1981; Consent to Operate under the Water Act, 1974; and Consent to Operate under the Air Act, 1981.

28. Office Order dated 11 December 2020.



the Assistant Environmental Engineer takes a longer amount of time for scrutiny.

- For Consent to Operate under the Air Act, 1981, there were five such instances.²⁹ In one instance, the document scrutiny took up to 16 working days.
- For Consent to Operate under the Water Act, 1974, the Assistant Environmental Engineer in one case took up to 21 working days to scrutinise documents.
- For Consent to Establish under the Air Act, 1981, and the Water Act 1974, the document scrutiny in one case took as long as 34 working days.

Site inspections. Site inspections include the monitoring of raw materials used, products manufactured, waste disposal systems, and compliance with environmental laws. As per a senior official, the site must be inspected within 7-10 days of clearing the document scrutiny.³⁰ The site inspections took up to 17 working days for applications under Consent to Operate under the Air Act, 1981, and up to 15 working days in applications under Consent to Establish under the Air Act, 1981, and Water Act, 1974.

Uploading the agenda note. The procedure for processing applications by the PPCB mentions that the Assistant Environmental Engineer must upload the agenda note on the portal within 48 hours of conducting a site visit. However, this timeline was not adhered to in 31 out of 41 logs across 5 services.

Approvals. In one application for Authorisation under the Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016, the Environmental Engineer took 16 working days to approve an application. Under Consent to Operate under the Water Act, 1974, the competent authority took as long as 10 working days in one instance.

Grant of NOC. Under Consent to Establish under the Air Act, 1981, and the Water Act, 1974, it took

up to 10 working days to grant the NOC after the application was approved.

Grant of authorisation. For Authorisation under the Biomedical Waste Rules, 2016, an office order³¹ states that healthcare facilities with less than 20 beds should be granted authorisation within 7 days, without any inspection. This was not adhered to in 7 out of 10 applications. For instance, in one application, the hospital had less than 10 beds, but the Assistant Environmental Engineer conducted an inspection after 31 days of application submission and granted authorisation after 44 days.

Errors by officials

Officials made errors in processing applications, causing significant delays.

Failure to press the “approve” button. Officials seemed unfamiliar with how to process applications online. In two applications for Consent to Operate under the Air Act 1981, the application was sent back to the authorising officer with a reminder to click on the “approve” button. It prolonged the process by three to four working days.

Applications forwarded to the wrong officer. In three instances across three services,³² the files were forwarded to the incorrect officer. In an application under the Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016, the Environmental Engineer forwarded the application to the incorrect Assistant Environmental Engineer, causing a delay of 12 working days. Additionally, the Assistant Environmental Engineer/Junior Environmental Engineer (regional office) made errors in their scrutiny report. In an application for CTE, the failure to mention the competent authority to grant consent led the senior officer to raise an objection. This prolonged the process by seven working days.

Failure to mention crucial details in the agenda note. In an application under the Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016, the Assistant

29. 10 logs were analysed from this service.

30. Information based on an interview with the department officials. Department notification awaited.

31. Office order no. EPA/2018/No.04 dated 10 April 2018

32. Consent to Operate under the Air Act, 1981; Authorization under the Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016; and Consent to Establish under the Water Act, 1974, and the Air Act, 1981.

Environmental Engineer failed to mention the validity period of the NOC,³³ leading to a delay of 13 working days.

Lack of responsiveness

Applicants had to visit the department offices several times to check on the status of their application. Further, 10 out of 21 applicants for the grant of Consent to Operate under the Air Act, 1981, and the Water Act, 1974, mentioned the lack of response from officials as a reason for delay. Another four applicants across services mentioned that their applications would get processed only after they visited the offices.

RECOMMENDATIONS

Streamlining the process

Remove redundancy. For all services, the application is submitted to the Environmental Engineer (regional office). The Environmental Engineer marks the file to the concerned Assistant Environmental Engineer and instructs him to scrutinise the documents. Instead, the application should directly go to the concerned Assistant Environmental Engineer based on their jurisdiction. The jurisdiction based on geography should be worked out and defined in the algorithm so that the application is directly submitted to the Assistant Environmental Engineer.

After document scrutiny, the Environmental Engineer directs the Assistant Environmental Engineer to conduct a site inspection. A senior official has shared that inspections must be conducted for all applications pertaining to the orange or red category and should not be conducted for the green category. Hence, the step involving the Environmental Engineer directing the Assistant Environmental Engineer is redundant.

Automate. For NOC generation, a file does not need to move back and forth between officers.

Instead, once the application is approved, the system should generate a certificate for the competent authority to sign.

Communicate directly to the relevant officer. To shorten the long chain of communication, the department software should allow the senior officers to directly select the concerned Assistant Environmental Engineer instead of passing the applications through multiple officers.

Prescribe clear time limits for each step

The department does not have a clear time limit for each step. This makes it difficult to define the delay at an individual level and hold an official accountable. The department should fix a reasonable time limit for each step, considering the processing time and workload.

Reassess HR needs for effective enforcement

A senior official has mentioned that the sanctioned strength of officers in the department has remained unchanged despite the added responsibility of enforcing new laws and rules. This requires expanding the staff strength to address capacity limitations.

Extend the validity period of the CTE

The CTE certificate is valid for only 1 year. If the applicant cannot establish the industry within 1 year for various reasons, including financial constraints or a delay in building plan-related approval, they have to apply for an extension of the validity for 1 year at a time. Instead, the validity period should be extended to a minimum of 5 years, similar to the minimum validity period of 5 years for the Consent to Operate under the Water Act, 1974, and the Consent to Operate under the Air Act 1981. Gujarat has extended the validity of the CTE certificate to 7 years.³⁴

33. The Assistant Environmental Engineer must mention the duration of authorisation in their agenda note as it is included in the NOC granted to the applicant.

34. Information based on a [presentation](#) on Business Reforms Action Plan Portal's website.

Punjab Pollution Control Board

Consent to Establish under Water Act, 1974 and Air Act, 1981


Applications

 **1139** Total number of applications received from May 2019 to October 2020


 **286** Number of applications cleared after time limit

AS PER MANDATE

 **08**
Number of officers

 **06**
Number of documents

PRESCRIBED TIME LIMIT

 **DAYS**

- Green Category: 15
- Red & Orange Category (Large & Medium): 21
- Red & Orange Category (Small Scale): 15

Observations

 **10**
Application logs

 **12**
Applicants surveyed

Applicants' feedback

1. Lagged responses
2. Applicant had to meet Department multiple times before obtaining approval

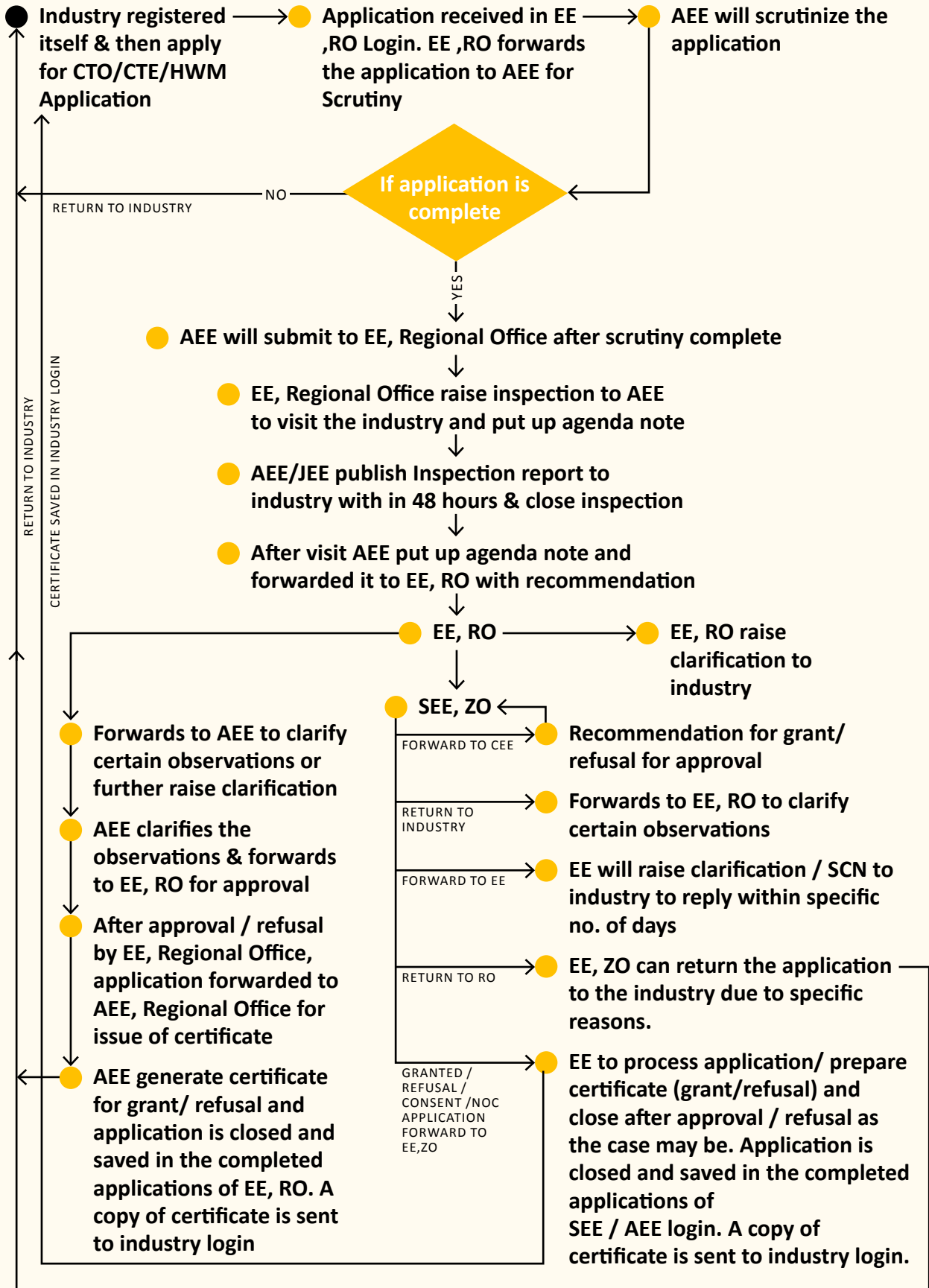


 **3.6**

Applicants' rating
(out of 5; 1 being the lowest)

Process flow

● APPLICANT ● OFFICIALS



Findings

- 1 File moves back and forth for 5 steps during document scrutiny and site inspection.
- 2 Long time taken for document scrutiny
- 3 Long chain of communication followed for clarification
- 4 Unnecessary steps between approval and the grant of authorisation
- 5 Avoidable errors by the officials like incomplete information in the agenda note, failure to press approval button, forwarding the application to wrong officer.


Way forward


- 1 Streamline the process and remove redundant steps
- 2 Communicate directly to the relevant officer
- 3 Automate certificate generation
- 4 Extend validity period for Consent To Establish from 1 year to 5 years
- 5 Prescribe clear timelimits for each step
- 6 Expand the staff strength to address capacity limitations

Punjab Pollution Control Board

Consent to Operate under Water Act, 1974

Applications


 **7775** Total number of applications received from May 2019 to October 2020

 **1231** Number of applications cleared after time limit

AS PER MANDATE

 **06**
Number of officers

NUMBER OF DOCUMENTS



- Red & Orange category: 4
- Green: 2
- In case industry is already operational 6 additional documents

PRESCRIBED TIME LIMIT

 **DAYS**

- Green Category: 15
- Red & Orange Category: 30

Observations

 **10**
Application logs

 **11**
Applicants surveyed

Applicants' feedback

1. Lagged responses
2. Additional documents were asked later

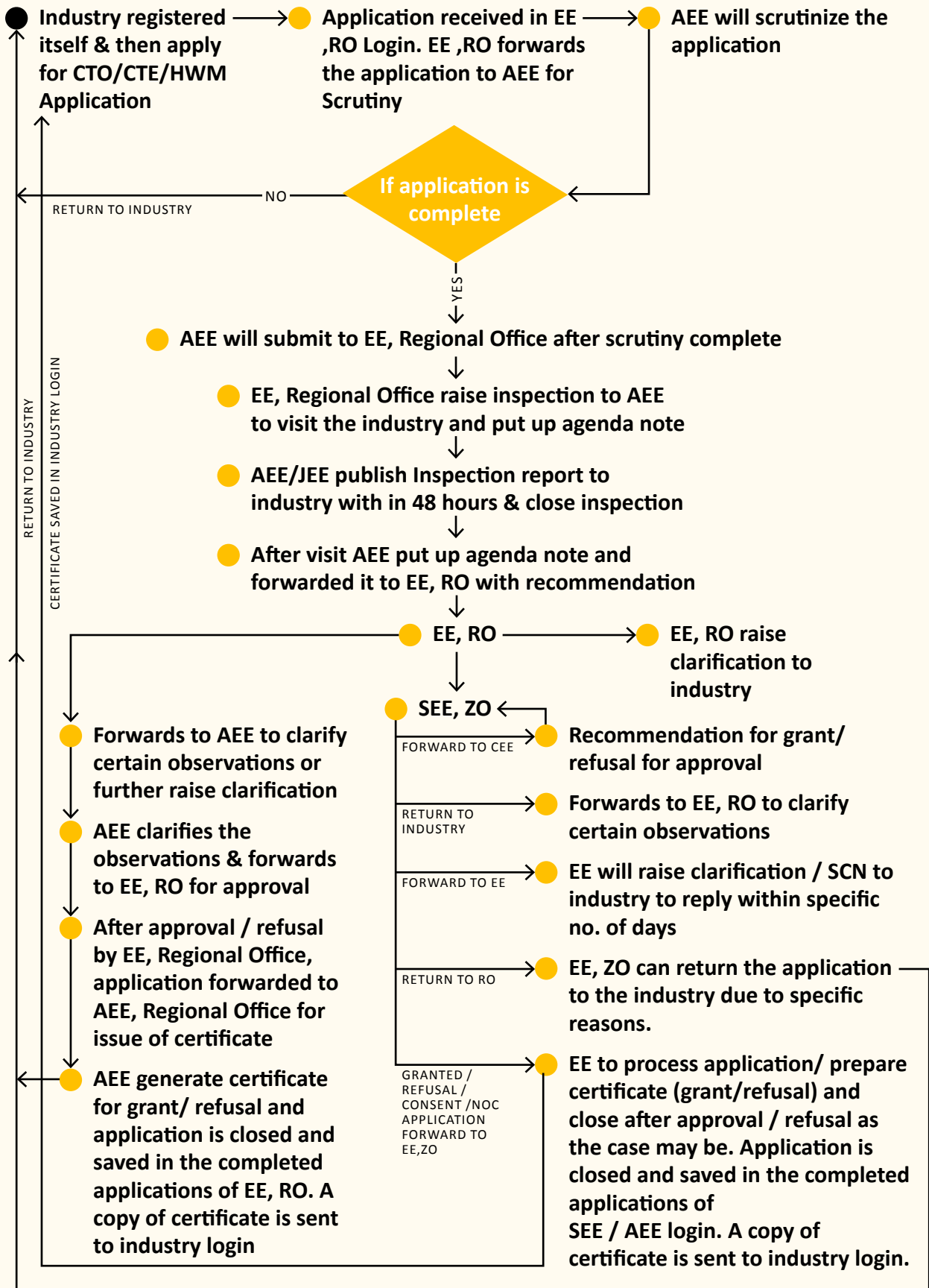


 **3.4**

Applicants' rating
(out of 5; 1 being the lowest)

Process flow

● APPLICANT ● OFFICIALS



Findings

- 1 File moves back and forth for 5 steps during document scrutiny and site inspection.
- 2 Long time taken for document scrutiny
- 3 Long chain of communication followed for clarification
- 4 Unnecessary steps between approval and the grant of authorisation
- 5 Avoidable errors by the officials like incomplete information in the agenda note, failure to press approval button, forwarding the application to wrong officer.

Way forward


- 1 Streamline the process and remove redundant steps
- 2 Communicate directly to the relevant officer
- 3 Automate certificate generation
- 4 Prescribe clear time limits for each step
- 5 Expand the staff strength to address capacity limitations

Punjab Pollution Control Board

Consent to Operate under Air Act, 1981

Applications


 **8296** Total number of applications received from May 2019 to October 2020

 **1092** Number of applications cleared after time limit

AS PER MANDATE

 **06**
Number of officers

NUMBER OF DOCUMENTS



- Red & Orange category: 4
- Green: 2
- In case industry is already operational 6 additional documents

PRESCRIBED TIME LIMIT



- Green Category: 15
- Red & Orange Category: 30

Observations

 **10**
Application logs

 **11**
Applicants surveyed

Applicants' feedback

1. Lagged responses
2. Applicant had to meet department officials multiple times before obtaining approval

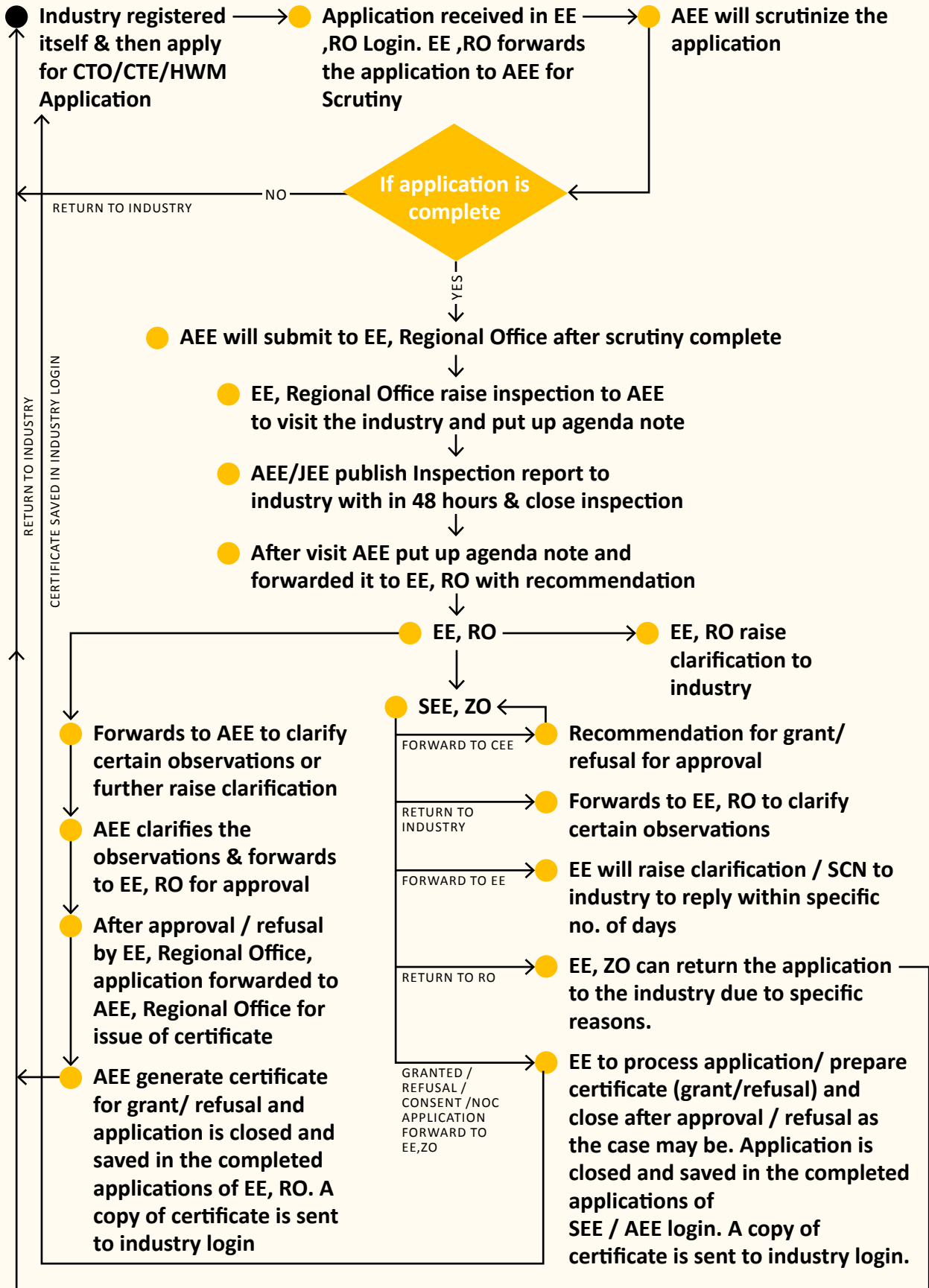


 **3.2**

Applicants' rating (out of 5; 1 being the lowest)

Process flow

● APPLICANT ● OFFICIALS



Findings

- 1 File moves back and forth for 5 steps during document scrutiny and site inspection.
- 2 Long time taken for document scrutiny
- 3 Long chain of communication followed for clarification
- 4 Unnecessary steps between approval and the grant of authorisation
- 5 Avoidable errors by the officials like incomplete information in the agenda note, failure to press approval button, forwarding the application to wrong officer.

Way forward

- 1 Streamline the process and remove redundant steps
- 2 Communicate directly to the relevant officer
- 3 Automate certificate generation
- 4 Prescribe clear time limits for each step
- 5 Expand the staff strength to address capacity limitations

Punjab Pollution Control Board

Authorization under Hazardous & Other Wastes (Management & Transboundary Movement) Rules, 2016

Applications

 **681** Total number of applications received from May 2019 to October 2020

 **337** Number of applications cleared after time limit

AS PER MANDATE

 **05**
Number of officers

 **10**
Number of documents

 **30**
Prescribed time limit

Observations

 **10**
Application logs

 **11**
Applicants surveyed

Applicants' feedback



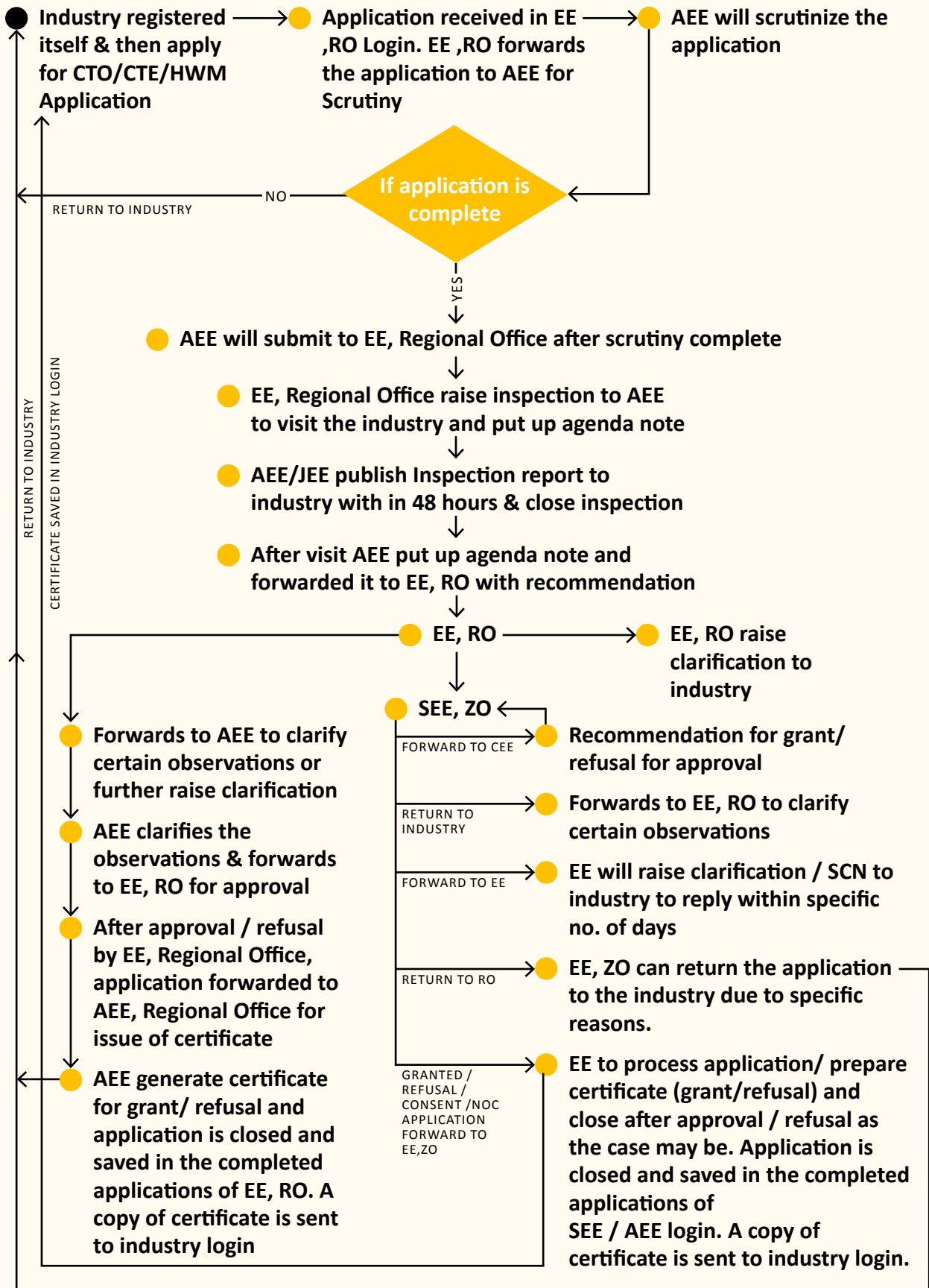
1. Lagged responses
2. Applicant had to meet Department multiple times before obtaining approval
3. Technical issues on website

 **2.7**

Applicants' rating
(out of 5; 1 being the lowest)

Process flow

● APPLICANT ● OFFICIALS



Findings

- 1 File moves back and forth for 5 steps during document scrutiny and site inspection.
- 2 Long time taken for document scrutiny
- 3 Long chain of communication followed for clarification
- 4 Unnecessary steps between approval and the grant of authorisation
- 5 Avoidable errors by the officials like incomplete information in the agenda note, failure to press approval button, forwarding the application to wrong officer.

Way forward

- 1 Streamline the process and remove redundant steps
- 2 Communicate directly to the relevant officer
- 3 Automate certificate generation
- 4 Prescribe clear time limits for each step
- 5 Expand the staff strength to address capacity limitations

Punjab Pollution Control Board

Authorization under Bio-medical Waste Rules, 2016


Applications

 **4718** Total number of applications received from May 2019 to October 2020

 **444** Number of applications cleared after time limit

AS PER MANDATE

 **04**
Number of officers

 • Bed capacity > 20: 9
• Bed capacity < 20: 4
Number of documents

 **30**
Prescribed time limit

Observations

 **10**
Application logs

 **12**
Applicants surveyed

Applicants' feedback

1. Lagged responses
2. Applicants had to meet department officials to obtain approval

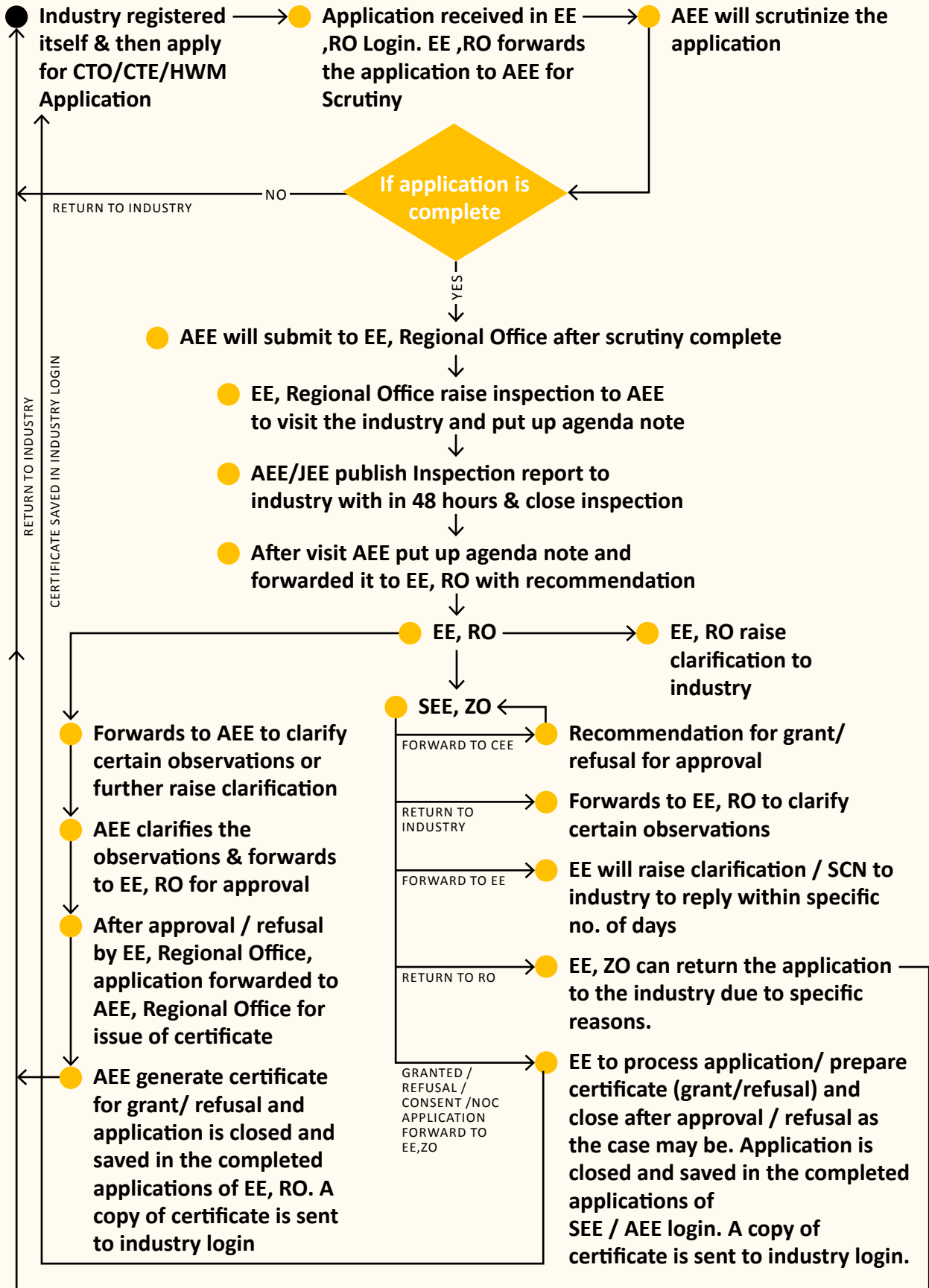


 **4.1**

Applicants' rating (out of 5; 1 being the lowest)

Process flow

● APPLICANT ● OFFICIALS



Findings

- 1 Long time taken for document scrutiny
- 2 Unnecessary steps between approval and the grant of authorisation

Way forward

- 1 Streamline the process and remove redundant steps
- 2 Communicate directly to the relevant officer
- 3 Automate certificate generation
- 4 Prescribe clear time limits for each step
- 5 Expand the staff strength to address capacity limitations

Punjab Pollution Control Board

Registration of Plastic Waste Recyclers under the Plastic Waste (Management and Handling) Rules, 2011


Applications

 **NA** Total number of applications received from May 2019 to October 2020

 **NA** Number of applications cleared after time limit

AS PER MANDATE

 **02**
Number of officers

 **07**
Number of documents

 **30**
Prescribed time limit

Observations

 **10**
Application logs

 **10**
Applicants surveyed

Applicants' feedback

1. No challenges



 **4.5**

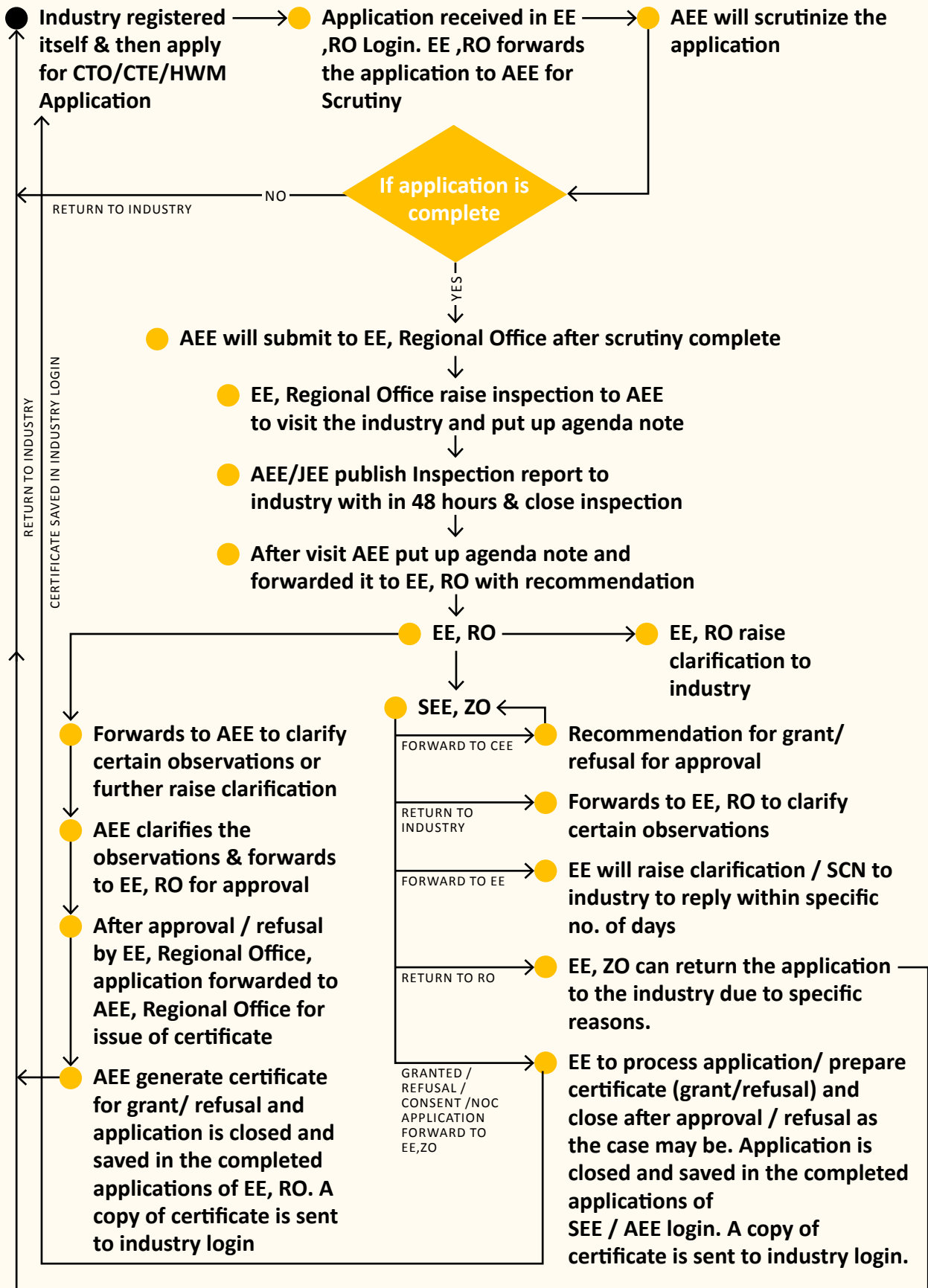
Applicants' rating
(out of 5; 1 being the lowest)

Way forward

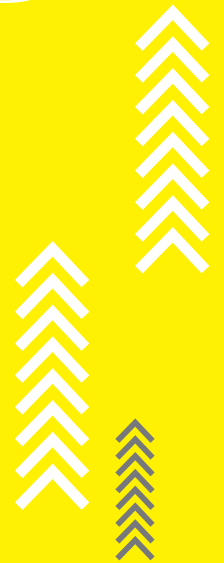
1 Digitise the service

Process flow

● APPLICANT ● OFFICIALS



DEPARTMENT OF INDUSTRIES AND COMMERCE



**Improving
Ease of Doing
Business**

for MSMEs in Punjab:
A Process Audit

DEPARTMENT OF INDUSTRIES AND COMMERCE

The Department of Industries and Commerce provides assistance to entrepreneurs in establishing and maintaining industrial units. Three main organisations that provide services are present within the Department:

1. Punjab Information & Communication Technology Corporation Limited (Punjab Infotech): It regulates the growth of the IT and electronics industry of the state. It assists investors with setting up industrial estates, including IT parks and special economic zones.
2. Punjab Small Industries & Export Corporations Limited (PSIEC): It focuses on enabling the growth of small-scale industries in Punjab to promote the state's local arts and handicrafts.
3. Development of Industries & Commerce.³⁵

The Department also offers services under its own name.

For our analysis, we selected the following 7 services offered by the different organisations of the Department.

1. Registration of New firms
2. Registration of Boilers
3. Conversion of Lease to Freehold
4. NOC/Permission to Sale of Industrial Plot
5. Allotment of Plots
6. Issuance of No Due Certificate
7. Sanction of Water Supply and Sewerage Connection

Registration of New firms

This service is offered by the Development of Industries & Commerce. Firms register themselves under the [Indian Partnership Act, 1932](#). While registration is not mandatory to exist, there are certain benefits: (i) a nonregistered firm cannot file a suit against a third party; (ii) it cannot set off—the lender cannot seize the debtor's deposits in case they default on a loan—any claim of more than Rs. 100 brought against the firm by a third party; and (iii) an aggrieved partner of a nonregistered firm cannot file a legal claim against other partners of the firm.³⁶ Registration under the Act is compulsory if a partnership firm seeks to convert itself into a limited liability partnership or a company.

Registration of Boilers

This service is offered by Development of Industries & Commerce. Steam boilers are closed vessels used for generating steam under pressure and have various purposes in industries, including water heating, central heating, boiler-based power generation, and sanitation. [The Indian Boilers Act, 1923](#), has provisions to ensure the operational safety of boilers. The Act mandates that boilers must be inspected prior to their registration, certifying that they are safe to operate.

35. No information could be found on this service, except for a list stating the services it offered: <https://punjab.gov.in/wp-content/uploads/2020/04/Services-provided-by-indstrycomm-converted.pdf>

36. Section 69, the Indian Partnership Act, 1932.



Allotment of Plots

This service is offered by Punjab Infotech. In 2017, the Government of Punjab notified its aim to increase industrial development in the state through the ease of doing business reforms under its Industrial and Business Development Policy. To achieve this objective, a [notification](#) from the Department of Industries and Commerce in 2019 stated that the allotment of industrial plots should be done through e-auction. The details of the available land—price, location plan and layout plan—are uploaded to the Department website. The investor can place a bid for the land through their account on the Business First portal. All available industrial plots are allotted through this process. The concerned developing agency also issues a press advertisement for prospective entrepreneurs. The auction winner has to pay an amount equalling 10% of the cost of the plot to reserve it.

Sanction of Water Supply and Sewerage Connection

This service is offered by PSIEC. An investor has to apply to the Department of Industries and Commerce to get a clearance³⁷ for water supply and sewerage connection for an industrial unit. They apply for this clearance once they have received an allotment letter for the industrial plot. The applicant also requires a possession letter from the developer and No Objection Certificates under the relevant pollution control laws such as the Water Act, 1974, the Air Act, 1981; and the Environment Act, 1986.

Conversion of Lease to Freehold

This service is offered by PSIEC and Punjab Infotech. A leasehold property is owned by the state and given to private parties through a lease-based agreement for a certain period. The Government, as the owner of the land, keeps the lease deed as collateral and also charges a higher rate of interest. In a freehold property, the owner has absolute ownership. No government consent is required for the transfer of land ownership. Industrialists favour freehold land because banks are more likely to finance projects on them.

Issuance of No Due certificate

This service is offered by PSIEC, Punjab Infotech, and Development of Industries and Commerce. A no due certificate is required whenever there is a transfer of property. The certificate is proof that there are no outstanding dues and that the property is clear for transfer. Once an investor is allotted land, banks may ask for a No Due Certificate to grant loans for construction work.

No Objection Certificate or Permission to Sale of Industrial Plot

This service is provided by Punjab Infotech, PSIEC and Development of Industries and Commerce. The No Objection Certificate is required for the sale and mortgage of an industrial plot. It is legal proof that the property is free from all encumbrances—pending dues are settled, and the owner's consent to sell is received—and, therefore, free for legal transfer. Applicants can avail of this service via the PSIEC website.

37. The PSIEC website mentions that statutory clearance is required for this service; however, we were unable to find any reference to a particular law. Department officials were unable to direct us to the relevant law as well.



WHAT DID WE FIND?

We received offline logs for five services.³⁸ We found it difficult to analyse them due to poor bookkeeping by officials. The information on the actions taken, objections raised, officer designation, and grant of approval was not clear in the logs. Unlike other departments, the logs were not picked from the “clearance beyond time” category. Further, 44 out of 61 logs provided by the Department were beyond the respective stipulated time limits.³⁹

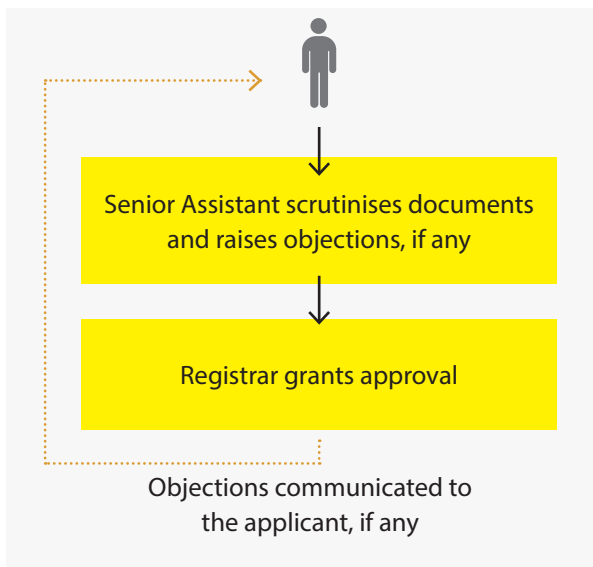
Unnecessary steps in the process flow

Objections raised by an officer are not communicated to the applicant directly. Instead, they are routed through another officer.

38. Conversion of Lease to Freehold, NOC/Permission to the Sale of Industrial Plots, Allotment of Plots, Issuance of No Due Certificate, Sanction of Water Supply and Sewerage Connection. All logs were provided by PSIEC.

39. Remaining logs analysed were within respective stipulated time limits

- For Registration of New Firms, the Senior Assistant scrutinises the application and raises objections in the file, if any. The application is then forwarded to the Registrar, who communicates the objections to the applicant. In one application, this prolonged the process by 11 days.



Communication of Objections in Registration of New Firms

- In one application for Conversion of Lease to Freehold, an objection raised by the Assistant Managing Director passed through the Chief General Manager, Deputy General Manager, Assistant, Clerk and Manager (Estate). As a result, the objection took at least ⁴⁰ 18 days to reach the applicant.
- Officers also do not have a clear role in the process flow. For NOC/Permission to Sale of Industrial Plot, the Deputy General Manager only forwards the application from the Estate Officer to the Chief General Manager for personal verification. In one log, the Deputy General Manager took 62 days to complete this action.

Objections raised in a piecemeal manner

Officials raise objections in a piecemeal manner contrary to rule 9(2) and rule 10(3) of the Punjab Transparency and Accountability in Delivery of Public Services Rules, 2018.⁴¹ For the issuance of No Due Certificate, the Estate Officer raised objections after the application was sent for approval. In one instance, the objection was raised 156 days after the date of submission.⁴²

Divergence between official and actual process flow

For four services,⁴³ we found that the actual process did not conform to the official process. Who does what and the number of officers involved—both varied from log to log.

For the issuance of No Due Certificate:

- Official process flow⁴⁴:** The Dealing Hand scrutinises the application --> the Deputy General Manager approves it.
- De facto process flow** (in one log): The Dealing Hand scrutinises the application --> Deputy Manager --> Section Officer --> the Deputy General Manager approves it. This caused a delay of 4 days. It is not clear from the data why additional officers were involved in the process and what tasks they performed.

For the Allotment of Plots:

- Official process flow:** The Dealing Hand creates allottee-specific files⁴⁵ --> the Deputy Manager (Accounts) verifies accounting statements --> Dealing Hand finalises allotment letter --> the Estate Officer signs the allotment letter.
- De facto process flow:** In one log, the file goes from the Deputy Manager to the Manager (Estate) instead of the Estate Officer for approval. In another log, both Deputy Manager and Manager (Estate) were involved in the process.

40. Since this was an offline application, the bookkeeping did not reflect the date when the applicant was intimated of the objection.

41. Rule 10(3) states that the designated officer may seek additional information/clarification on the submitted application only once before expiry of the prescribed time limit. Further, rule 9(2) states that an officer may not raise piecemeal objections.

42. It was not clear whether the objections were resolved.

43. NOC/Permission to Sale of Industrial Plot, Allotment of Plots, No Due Certificate and Conversion of Lease to Freehold.

44. The de jure process flow was prepared in house and culled based on conversations with department officials.

45. Terms and conditions for the applicant, payment schedule and document to verify account statement.

For Conversion of Lease to Freehold:

- **Official process flow:** The Dealing Hand receives the documents --> the Estate Officer prepares a proposal for final approval --> Deputy General Manager --> the Chief General Manager verifies the proposal --> the Managing Director approves the file.
- **De facto process flow:** In one log, the file goes from the Chief General Manager to the Assistant Managing Director instead of the Managing Director for approval. In another log, both General Manager and Manager (Estate) were involved in the process.

No clear timelines for each step

In the absence of a clear timeline, it is difficult to define delay and hold an official accountable. Here are some instances where lag at a particular step contributed to the overall delay:

- The Head of Department, Boiler Registration, also assumes the position of Inspection Officer. The officer took up to 35 days to clear the file for inspection. This officer is responsible for checking the documents, such as applicant's Aadhaar card, PAN card, photograph, boiler operation engineer's certificate and boiler attendant's certificate. In Punjab Pollution Control Board, document scrutiny has a separate time limit of 48 hours.
- For Registration of New Firms, the required list of documents includes notarised copy of partnership deed, ID proofs and photographs of the partners. In two instances, the Senior Assistant took 45 and 54 days, respectively, to complete the document scrutiny and forward the application to the Registrar.
- In nine logs under Sanction of Water Supply and Sewerage Connection, the Sub-divisional Engineer took 7 to 12 days for forwarding the application to the Executive Engineer for approval.
- For issuance of No Due Certificate, the clerk took 39 days to forward the application to the Estate Officer for approval. For NOC/Permission to Sale of Industrial Plot, the Dealing Hand took as long as 99 days to verify the buyer and the seller.⁴⁶
- In one application of Sanction for Water Supply and Sewerage Connection, the Executive Engineer took as long as 45 days to grant approval, even though the file was found to be in order.

Additional documents asked for

Five applications in Registration of New Firms were delayed because of the requirement to submit legal documents⁴⁷ in hard copy.⁴⁸ While this clause has now been removed,⁴⁹ it caused a delay of 63 and 76 days in two applications, respectively.

Two out of four applicants for NOC/Permission to Sale of Industrial Plot stated that additional documents were asked for at a later date. One applicant had to resubmit the conveyance deed, and the Department then took over a year to grant the certificate.

In one application under Allotment of Plots, the Clerk demanded proof of residential address, even though it is not listed as a required document.⁵⁰

Technical challenges

A Department official highlighted that applicants faced technical difficulties while availing online services. The server hanged, fee payments failed, and applications sometimes went to an incorrect department.

Delayed responses

Nine out of 47 applicants across services highlighted lagged response as an issue in service delivery.

46. To check whether they have given their consent to buy and sell.

47. Form 1 of the Indian Partnership Act, 1932, for Registration of Firm, notarised copy of partnership deed.

48. Clause 7.2 listed on the Business First portal.

49. This clause has been deleted based on a decision taken in the review meetings held on 24 September 2020 and 1 October 2020 regarding the implementation of SRAP 2020-21.

50. Logs do not mention whether this was conveyed to the applicant and the objection was resolved.

RECOMMENDATIONS

Digitise

Five out of seven services analysed⁵¹ were not available online. The Punjab Transparency and Accountability in Delivery of Public Services Act, 2018, mandates all government services to migrate online within 3 years of commencement of the Act. This timeline must be adhered to (i.e. 2021) for facilitating investment in the state.

Define the timelines for each step of the process flow

Officers involved in the process flow, such as the Deputy Manager and the Section Officer, appeared to have no specific purpose other than to forward the file to another officer. They are not a part of the Department-provided process flow. A clear process flow for offline services will allow the application to be tracked at each step as well as define officers' roles in providing a service. For example, PPCB mandates document scrutiny to be completed in 48 hours.

Deemed approval

Registration of New Firms and Registration of Boilers are available via the Business First portal. Hence, both services are covered under the 7-day mandate of Government of Punjab.⁵² A Department official revealed that officers had to seek special approval from their senior officer to process the application in case this time limit is not met. To avoid embarrassment, the officials do not process the application further and leave it as pending.

A Department official recommended implementing a "deemed approval" system: If the application remains pending with an officer for 90% of the stipulated time, the concerned secretary should receive a notice. If the secretary is unable to clear the application within the specified time, it is granted "deemed approval" under their name.


51. Conversion of Lease to Freehold, NOC/Permission to Sale of Industrial Plot, Allotment of Plots, Issuance of No Due Certificate, and Sanction of Water Supply and Sewerage Connection.

52. As per Government of Punjab [notification](#) dated 15 December 2019, all queries/clarifications related to investor's application submitted on the Invest Punjab Business First Portal would be sought only once within 7 days of receipt of the application

Department of Industries and Commerce

Registration of New Firms


Applications

 **NA** Total number of applications received from May 2019 to October 2020

 **NA** Number of applications cleared after time limit

AS PER MANDATE

 **03**
Number of officers

 **03**
Number of documents

 **15**
Prescribed time limit

Process flow

● APPLICANT ● OFFICIALS



Observations

 10

 10

Application logs Applicants surveyed

Applicants' feedback



1. No challenges

 4.3

Applicants' rating
(out of 5; 1 being the lowest)

Findings

- 1 No clear timelines for each step
- 2 Objections are not conveyed to the applicant directly
- 3 Applicants faced technical difficulties while availing online service

Way forward

- 1 Allow objections to be conveyed directly to the applicant instead of following a long chain of communication
- 2 Upgrade the online user interface for seamless customer experience
- 3 Provision of "deemed approval" must be introduced to avoid unnecessary delay


Best Practices

- 1 Requirement of hard copies submission is eliminated

Department of Industries and Commerce

Registration of Boilers


Applications

 **NA** Total number of applications received from May 2019 to October 2020

 **NA** Number of applications cleared after time limit

AS PER MANDATE

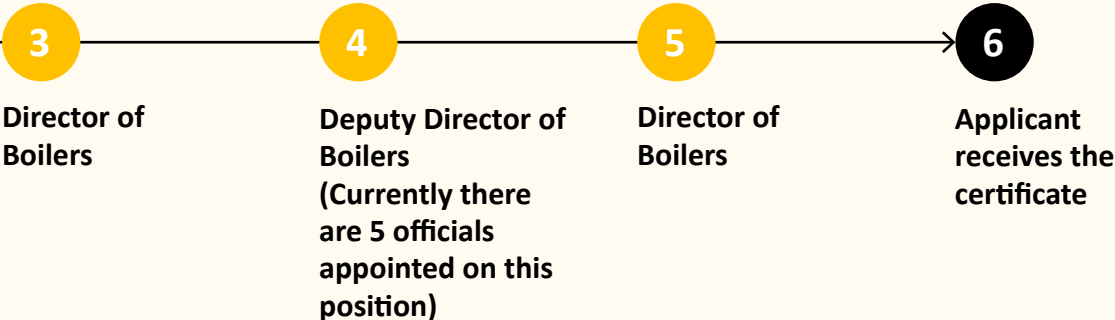
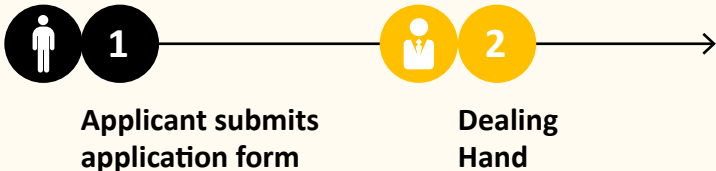
 **03**
Number of officers

 **05**
Number of documents

 **30**
Prescribed time limit

Process flow

● APPLICANT ● OFFICIALS



Observations

 08

 05

Application logs Applicants surveyed

Applicants' feedback



1. No challenges

 4.4

Applicants' rating
(out of 5; 1 being the lowest)

Findings

- 1 No clear timelines for each step
- 2 Technical difficulties with the website


Way forward

- 1 Specify time limit for each step
- 2 Upgrade the online user interface for seamless customer experience
- 3 Provision of "deemed approval" must be introduced to avoid unnecessary delay

Department of Industries and Commerce

Conversion of Lease to Freehold


Applications

 **NA** Total number of applications received from May 2019 to October 2020

 **NA** Number of applications cleared after time limit

AS PER MANDATE

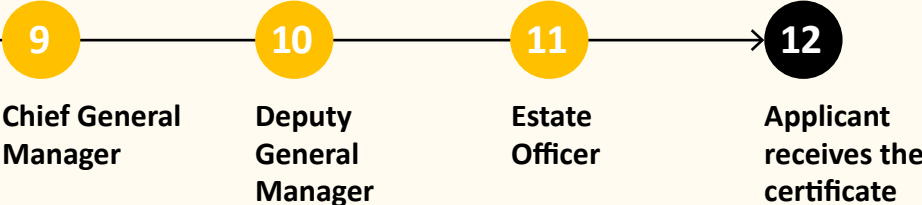
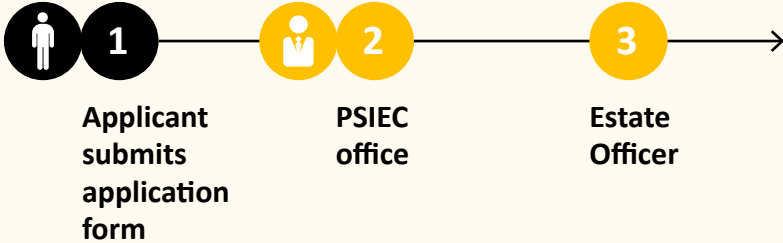
 **05**
Number of officers

 **04**
Number of documents

 **30**
Prescribed time limit

Process flow

● APPLICANT ● OFFICIALS



Observations

 09  02

Application logs Applicants surveyed

Applicants' feedback



1. Lagged responses
2. Applicant had to meet the department multiple times before obtaining approval

     3.5

Applicants' rating
(out of 5; 1 being the lowest)

Findings

- 1 *De facto* process flow in some instances involved additional officers
- 2 No clear timelines for each step
- 3 Objections are not conveyed to the applicant directly


Way forward

- 1 Digitise the service
- 2 Specify time limit for each step
- 3 Remove redundant steps to streamline the process flow
- 4 Allow objections to be conveyed directly to the applicant instead of following a long chain of communication

Department of Industries and Commerce

NOC / Permission to Sale of Industrial Plot


Applications

 **NA** Total number of applications received from May 2019 to October 2020

 **NA** Number of applications cleared after time limit

AS PER MANDATE

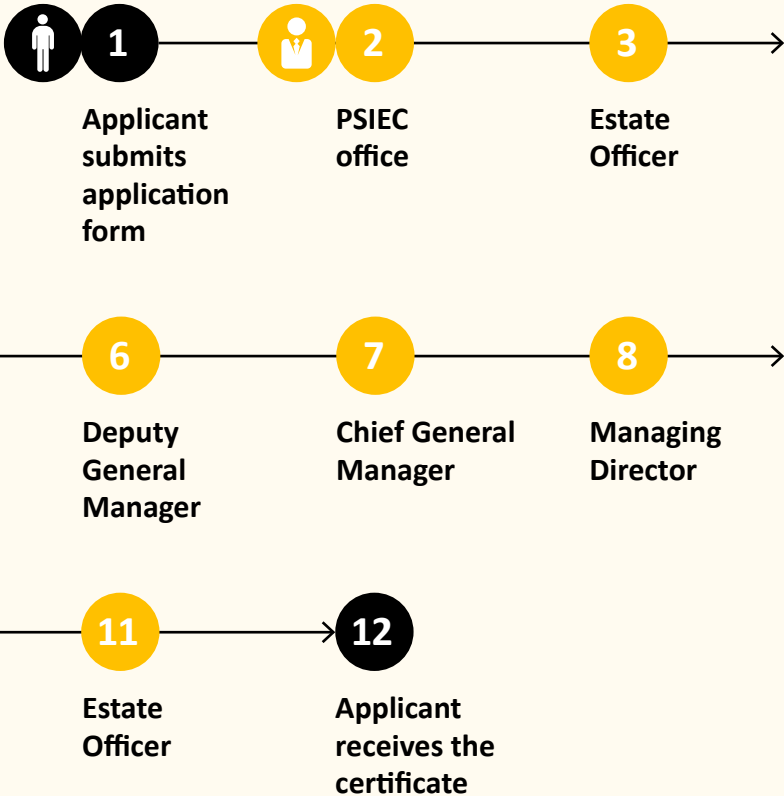
 **05**
Number of officers

 **05**
Number of documents

 **21**
Prescribed time limit

Process flow

● APPLICANT ● OFFICIALS



Observations

 07  05

Application logs Applicants surveyed

Applicants' feedback



1. Lagged responses
2. Officials asked for additional documents
3. Applicant had to meet the department officials multiple times before obtaining approval

 2.4

Applicants' rating
(out of 5; 1 being the lowest)

Findings

- 1 Objections are not conveyed to the applicant directly
- 2 No clear timelines for each step
- 3 Officials asked for additional documents


Way forward

- 1 Digitise the service
- 2 Specify time limit for each step
- 3 Allow objections to be conveyed directly to the applicant instead of following a long chain of communication

Department of Industries and Commerce

Allotment of Plots


Applications

 **NA** Total number of applications received from May 2019 to October 2020

 **NA** Number of applications cleared after time limit

AS PER MANDATE

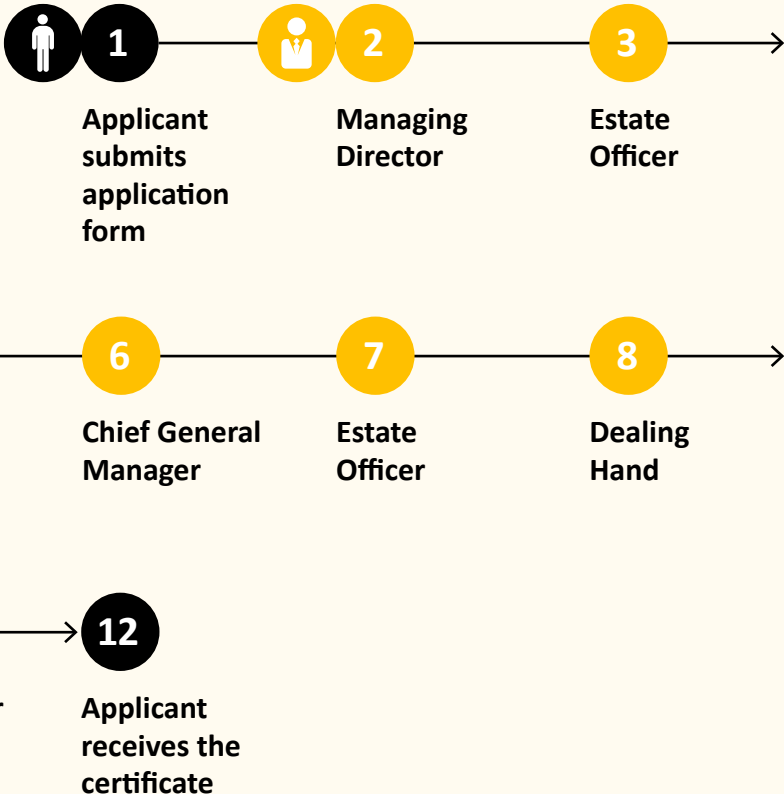
 **06**
Number of officers

 **04**
Number of documents

 **45**
Prescribed time limit

Process flow

● APPLICANT ● OFFICIALS



Observations

 08  10

Application logs Applicants surveyed

Applicants' feedback



1. Difficulty in compiling documents
2. Lagged responses

 3.7

Applicants' rating
(out of 5; 1 being the lowest)

Findings

- 1 *De facto* process flow in some instances involved additional officers
- 2 No clear timelines for each step
- 3 Officials asked for additional documents


Way forward

- 1 Digitise the service
- 2 Specify time limit for each step
- 3 Remove redundant steps to streamline the process flow

Department of Industries and Commerce

Issuance of No Due Certificate


Applications

 **NA** Total number of applications received from May 2019 to October 2020

 **NA** Number of applications cleared after time limit

AS PER MANDATE

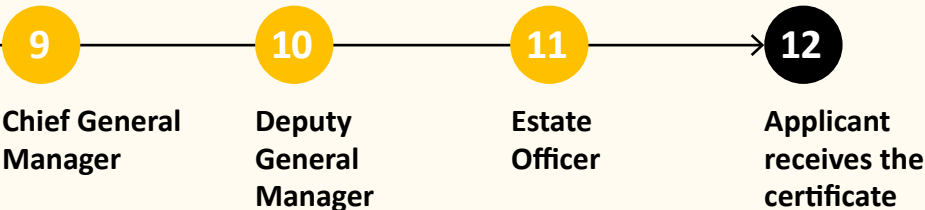
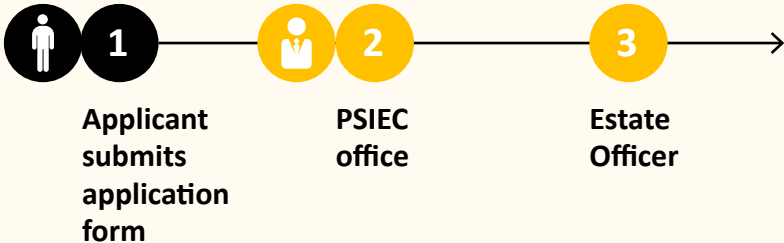
 **05**
Number of officers

 **04**
Number of documents

 **15**
Prescribed time limit

Process flow

● APPLICANT ● OFFICIALS



Observations

 08  04

Application logs Applicants surveyed

Applicants' feedback



1. Lagged responses
2. Applicant had to meet the department officials multiple times before obtaining approval

 3.5

Applicants' rating
(out of 5; 1 being the lowest)

Findings

- 1 *De facto* process flow in some instances involved additional officers
- 2 No clear timelines for each step
- 3 Objections raised in piecemeal manner


Way forward

- 1 Digitise the service
- 2 Specify time limit for each step
- 3 Remove redundant steps to streamline the process flow

Department of Industries and Commerce

Sanction Of Water supply & Sewerage connection

Applications

 **NA** Total number of applications received from May 2019 to October 2020

 **NA** Number of applications cleared after time limit

AS PER MANDATE

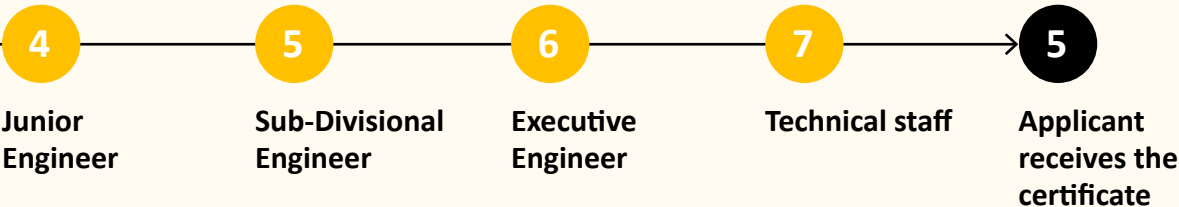
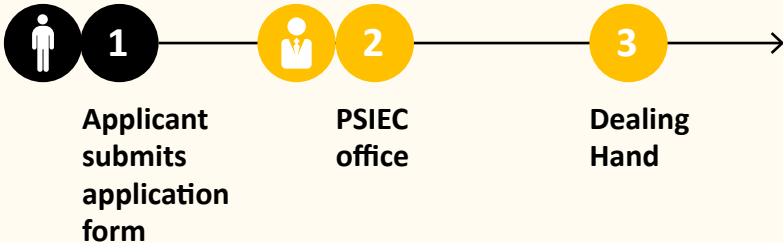
 **02**
Number of officers

 **06**
Number of documents

 **10**
Prescribed time limit

Process flow

● APPLICANT ● OFFICIALS



Observations

 10  02

Application logs Applicants surveyed

Applicants' feedback



1. No challenges

 5

Applicants' rating
(out of 5; 1 being the lowest)

Findings

1 No clear timelines for each step

Way forward

1 Digitise the service

2 Specify time limit for each step

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



**Improving
Ease of Doing
Business**

for MSMEs in Punjab:
A Process Audit

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The Department of Housing and Urban Development ensures systemised and planned growth of urban areas. The Department frames policies and prepares plans and schemes for urban areas. We chose two services offered by the Department for our analysis.

1. Change of Land Use
2. Building Plan Approval

Change of Land Use

The [Punjab Regional and Town Planning and Development Act, 1995](#) provides for better planning and regulation of the development and use of land. Section 81 of Punjab Regional and Town Planning and Development Act, 1995, grants the Competent Authority⁵³ the ability to approve the change of use of any land. The objective of this service is to convert agricultural land into industrial land for the setting up of an industry. Applicants need permission from the Department to change the “land use status” of a parcel of land.

Building Plan Approval

The [Building Rules 2018](#) under the Punjab Regional and Town Planning and Development Act, 1995, were enacted to make provisions for better planning and regulations of the building plans. Entrepreneurs need the approval of their building plans before they can start construction of their industrial units.

WHAT DID WE FIND?

Officials ask for additional documents

In 5 of the 10 Change of Land use applications, officers requested documents and files that were not part of the required documents. In one application for Change of Land Use, officers asked the applicant to submit an ‘authenticated list of directors of the concerned company and their identity proofs with photographs’ and an ‘authority letter signed by all the authenticated directors of the company’. This is not mentioned in the document checklist. In another application for Change of Land Use, the applicant indicated that the concerned land did not fall under forest area and hence a No Objection Certificate(NOC) from the Department of Forests and Wildlife was not required. However, the officer insisted on submitting this document.

Lack of clarity on required documents

In 7 out of 20 applications, officials raised objections on missing documents. These included non-submission of the master plan, non-submission of a village map (Aks Sharja) and non-submission of NOCs. On occasion, this was because the location for which they are applying had some unique characteristics that required additional documentation. For instance, one applicant applied for a change of land use in an area close to the National Highway and required an NOC from the National

53. The competent authority varies depending on where the land is located and the size of the land.

Highway Authority of India. The applicant took 14 days after the objection was raised to receive an NOC from the National Highway Authority of India. However, this NOC was not for the category that the applicant applied for. The applicant took additional 15 days to submit the revised document.⁵⁴

Applicants submit error-ridden documents

In 18 out of 20 applications, there was at least one error in the documents submitted. These included errors in building plans such as incorrect calculations of floor size; non-inclusion of data on features such as the size of the car park, height of the roof, width of the adjoining road, and solar panels; and not fulfilling requirements such as providing a rainwater harvesting system or handicap-accessible toilets. In one such incomplete application, it took as long as 45 days for the applicant to rectify all the errors. As per an official, these errors occurred due to the lack of awareness about the requirements mentioned in the building bylaws.

Unnecessary steps

In the applications of both services, the official who raises the objections does not communicate directly with the applicant. For instance, in 6 applications of Building Plan Approval, when the Senior Town Planner raised an objection, it was forwarded to the District Town Planner who then forwarded it to the applicant. After the applicant resolved the objection, the District Town Planner received it and then forwarded it to the Senior Town Planner. This unnecessary back and forth took 2 to 10 days and prolonged the process. The same problem occurred in 4 out of 10 applications for Change of Land Use, taking up to 16 days in one case.

Objections are raised piecemeal

Officials do not raise all the objections with the application in one shot. This is contrary to rule

10(3)⁵⁵ and rule 9(2)⁵⁶ of the Punjab Transparency and Accountability in Delivery of Public Services Rules, 2018. For instance, in one file of Change of Land Use, the official forwarded 12 objections to the applicant. But after the applicant rectified these problems, officials raised 3 new objections that were not mentioned in the original objection. This increased the number of times the applicant needed to communicate with the Department and slowed down the approval process.

In one case, the District Town Planner failed to notice discrepancies, and the Senior Town Planner raised the objections and sent the application back to the District Town Planner. Instead of communicating the objections to the applicant, the District Town Planner again forwarded the same unchanged application to the Senior Town Planner 3 days later. The Senior Town Planner sent the application back to the District Town Planner. Only then these objections were shared with the applicant.

Long processing time in specific steps

In 4 applications of Change of Land Use the first step took a substantial amount of time when the file was submitted for scrutiny. In one case, there was a 149-day wait after submission before any further action was taken. Three other files took 122, 38 and 22 days, respectively.

In 9 out of 10 applications for Building Plan Approval, the non-submission of hard copies of files took a long time to process.

3 files in Building Plan Approval took an unjustified amount of time on the final step where the certificate needed to be uploaded to the portal. In one case, this step took 247 days, and the reason mentioned in the log was “technical problems” with no further explanation. The other two files took 46 days and 228 days, respectively. There were no comments or further explanations provided about the reasons for the inordinate time taken.

54. For Building Plan Approval, the document checklist and the official process flow as per the BusinessFirst portal were not accessible. The Department of Housing and Urban Development website mentions a checklist of 4 documents - 1. Building plan drawings (Site Plan, Building Floor Plans, Elevation & Sections drawn to a readable and manageable scale) 2. Approved Layout plan copy of the project Drawing no. 3. Zoning plan of project with khasra nos. Drawing no. 4. Copy of approval of CLU granted by competent authority showing khasra wise area detail.

55. An officer may seek additional information/clarification on the submitted application only once before expiry of the prescribed time limit.

56. An officer may not raise piecemeal objections.



RECOMMENDATIONS

Implement 2018 Building Plan Reforms

The Government of Punjab notified the “[Punjab Municipal Building Bye-Laws 2018](#)” on 22 November 2018. These bye-laws contain recommendations for reform that, if instituted, can reduce wait times and lessen the burden on Government departments. Some key recommendations are listed below.

Outsourcing checks and document scrutiny. Section 14.4(c) of the bye-laws recommend outsourcing some of the functions of the Department. Some countries, such as Australia and the United Kingdom, have already adopted this standard. The Department can empower some firms and organisations with the power to perform checks and grant clearances to applicants. The Department should only be involved at the final step. The Passport Office is one example of this outsourcing that has worked in India.

Risk-based classification. Section 14.5 of the building bye-laws recommends a risk-based classification of building proposals using a matrix and a varying procedure based on risk. However, as of now, the process that low- and high-risk approvals follow is the same. The United Kingdom uses private sector bodies to carry out a risk assessment. This risk inspection system has eliminated eight procedures and 49 days from the construction-permitting process.

Outsource risk-based classification. Outsourcing the risk assessment to firms with technical expertise to carry out the inspection can reduce the manpower demand of the Department.

Provide clarity on the agencies involved. Section 14.4(f) recommends creating a Geographic Information System (GIS)-based colour-coded maps to help identify what agencies need to be approached for clearances based on the co-ordinates. This feature, if linked to the application portal, can help applicants identify the special clearances required in specific cases and eliminate the bureaucratic discretion in deciding which special clearances are to be submitted.

Complete Integration and Single Window Portal.

Section 14.4(e) of the bye-laws recommends all agencies involved in granting an application be integrated. This means that the applicant only needs to interact with one portal for all approvals. Similarly, 14.4(f) suggests the integration of governmental agencies. Various agencies such as the Airport Authority of India, Fire Services, Department of Industries and Ministry of Defense grant NOCs based on specific requirements. The applicant is required to go to each of these departments and seek clearances individually. Integrating these departments and co-ordinating between them via a single-window portal can cut down the number of departments applicants need to visit and the overall time taken.

Review the document checklist

In 18 out of the 20 applications, the applicants submitted incomplete or erroneous applications. For instance, in 5 out of the 10 applications for Building Plan Approval, the applicants did not upload a fire NOC. Similarly, in 4 out of the 10 applications for Change of Land Use, the applicants did not submit the village map (Aks Sharja). If the document is mandatory, the portal should not allow the applicant to complete the submission without uploading it. If the document is optional, the conditions under which the applicant should submit this document should be clear. This can reduce the number of objections raised and increase the speed of processing.

Eliminate the requirement of hard copies

Building Plan Approvals require hard copies in triplicate. This is one major bottleneck for Building Plan Approval because 9 of the 10 applicants did not submit these in the application. The requirement of hard copies should be removed to reduce the number of objections and the time taken for processing.

Objections should be raised directly with the applicant

Objections are raised piecemeal and not directly sent to the applicant. This increases the intra-departmental communication, where objections

are forwarded from one officer to another and then to the applicant without any new changes or additions. The 7-day mandate notified by the Government of Punjab, which applies to services available on the Business First portal mentions that objections must be raised at once with the applicant within 7 days from the date of submission.⁵⁷ Objections should be sent directly to the applicant and within the prescribed time limit.

Fix technical issues

Officials faced technical problems with the Business First portal for Building Plan Approval which caused significant delays. These included difficulty in editing the log, raising objections and uploading approvals. Such technical issues should be fixed in order to make the application process smooth and eliminate the need for offline communication with the applicant.

Simplify land use conversion

Maharashtra has adopted two reforms to assist the ease of doing business in Change of Land use. Punjab can consider using this as a model for reforming its processes.

Conversion without permission. The provision allows land within the industrial zone of a development plan to convert any land held for the purpose of agriculture or held for a particular non-agricultural purpose without seeking prior permission subject to certain requirements.⁵⁸ Within 30 days of starting the project, the person must inform the Tahsildar.⁵⁹

Deemed conversion. This provision allows for the deemed conversion of agricultural land within 200 m from any village or 200 m from any town or city where the land is adjacent to the developable zone in the regional plan. It empowers the collector to convert the land on payment of fees.⁶⁰

57. As per the GoP notification dated 15 February 2019, all queries/clarifications related to investor's application submitted on the Invest Punjab Business First Portal would be sought only once within 7 days of receipt of the application.

58. The requirements are: (i) The person has a title and access to the land; (ii) no part of the land is reserved for any other public purpose; (iii) no part of the land is notified for acquisition; (iv) the project does not come up within 30 m of any railway line or within 15 m of a high-voltage transmission line; and (v) the project does not breach Coastal Regulation Zone, Ribbon Development Rules or Eco-sensitive Zone.

59. Section 44a of [The Maharashtra Land Revenue Code 1966](#)

60. Section 42D of [The Maharashtra Land Revenue Code \(Fifth Amendment\) Act, 2017](#)

Department of Housing and Urban Development

Building Plan Approval

Applications

 **NA** Total number of applications received from May 2019 to October 2020

 **NA** Number of applications cleared after time limit

AS PER MANDATE

 **NA**
Number of officers

 **NA**
Number of documents

 **30**
Prescribed time limit
DAYS

Observations

 **10**  **05**
Application logs Applicants surveyed

Applicants' feedback



1. Lagged responses
2. Unnecessary Objections
3. Applicants had to meet the Department multiple times before obtaining approval

 **2.8**
Applicants' rating
(out of 5; 1 being the lowest)

Findings

- 1 Applicants submit error-ridden documents
- 2 Objections are raised piecemeal
- 3 Long time taken due to non-submission of hard copies and in uploading the approval

Way forward

- 1 Implement 2018 Building Plan Reforms
 - a. Outsource checks and document scrutiny
 - b. Outsource Risk-based classification
 - c. Provide clarity on the agencies involved
 - d. Complete integration and single window portal
- 2 Eliminate the requirement of hard copies
- 3 Objections should be raised directly with the applicant
- 4 Fix technical issues

Department of Housing and Urban Development

Change Of Land Use


Applications

 **NA** Total number of applications received from May 2019 to October 2020

 **NA** Number of applications cleared after time limit

AS PER MANDATE

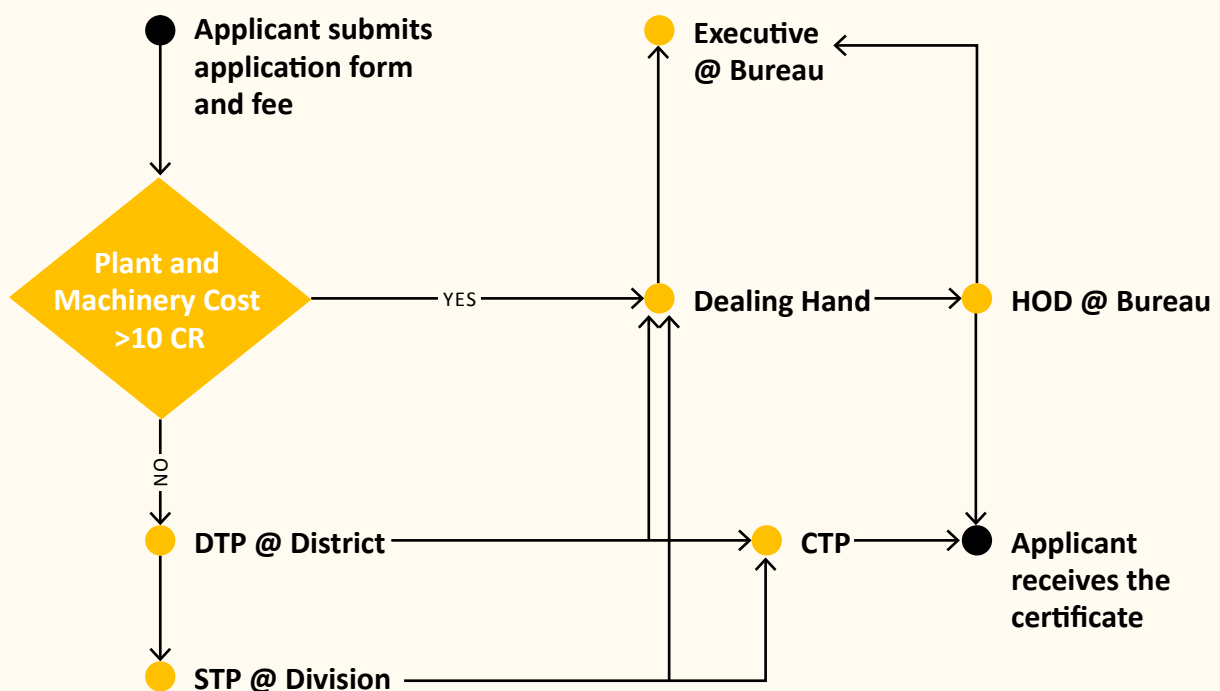
 **06**
Number of officers

 **09**
Number of documents

 **23**
Prescribed time limit

● APPLICANT ● OFFICIALS

Process flow



Observations

 10  10

Application logs Applicants surveyed

Applicants' feedback



1. Lagged responses
2. Technical issues with the website
3. Applicants had to meet the department multiple times before obtaining approval

     3.4

Applicants' rating
(out of 5; 1 being the lowest)

Findings

- 1 Officials ask for additional documents
- 2 Lack of clarity on required documents
- 3 Unnecessary steps
- 4 Objections are raised piecemeal
- 5 Long time taken in the first step of the process after file submission

Way forward

- 1 Review document checklist
- 2 Objections should be raised directly with the applicant
- 3 Simplify land use conversion
 - a. Conversion without permission
 - b. Deemed conversion

WAY FORWARD



Although Government of Punjab has made tremendous progress in setting a statutory framework for ensuring the ease of doing business, administrative data indicate that the officials across departments are not enforcing key legislative provisions properly. We saw significant failing in the implementation of the following provisions of the Punjab Transparency and Accountability in Delivery of Public Service Act 2018 (“PTADPSA 2018”) and its corresponding rules (“PTADPSR 2018”):

1. **One Government principle.** A public authority or department must not ask an applicant for a document issued by or submitted earlier to another public authority.⁶¹ We did not come across any department enforcing the One Government principle.
2. **Bar on raising piecemeal objections.** An officer must convey objections at the first instance and not raise piecemeal objections⁶². We found many instances of officials raising piecemeal objections in the applications across the four departments.
3. **Checklist of documents to be accessible.** The application form for a service must mention the checklist of documents to be submitted.⁶³ Most departments have mentioned these checklists. But in some cases, such as with the Department of Local Government, different portals have different versions of checklists.
4. **Tatkal option.** The application form should offer an option of an expedited/priority delivery of service for an extra charge. No department offers a Tatkal option.

61. Section 7(2) of the PTADPSA 2018 and Rule 4(5) of Punjab Transparency & Accountability in Delivery of Public Services Rules, 2018.

62. Rule 9(2) and Rule 10(3) of the Punjab Transparency & Accountability in Delivery of Public Services Rules, 2018.

63. Rule 4(1) and (2) of the Punjab Transparency & Accountability in Delivery of Public Services Rules, 2018.

Considering these deficiencies, we recommend a two-pronged enforcement approach for the Punjab Transparency and Accountability Commission⁶⁴ :

1. Disciplinary action based on non-compliance under rule 20 of PTADPS Rules 2018.⁶⁵ The Commission should take suo moto notice of the breach and delays. After inquiry and hearing, it should penalise officers who are guilty under PTADPSA 2018.
2. Competitive nudge approach. It is the Commission's responsibility, under Section 7(3) of PTADPSA 2018, to evaluate the departmental performance in accordance with the mechanism to be prescribed in the rules. Unfortunately, PTADPS Rules 2018 do not lay down a detailed mechanism for evaluating and benchmarking the performance of public authorities in service delivery. We recommend that the State Government should notify rules under Section 7(3) devising a mechanism to evaluate and benchmark the performance of all departments. This mechanism should include the following parameters:
 - » *Time*: Whether a department has prescribed a time limit for a service as well as for each step of the process; and whether there is a tatkal option for availing the service.⁶⁶ The Commission may compare these time limits to the counterparts in the best-performing states in India.

- » *Paperwork*: Whether a department is complying with the One Government principle and making checklists accessible with the application form.
- » *Process*: (i) Whether a department is consolidating objections and raising them at one go with the applicant; (ii) whether a department has standardised the process flow and uploaded it online and (iii) whether a department has stated the purpose and necessity of each step on the process chart. The Commission may randomly check the application data for process fidelity and statutory compliance.
- » *Discretion*: Whether a department has built-in safeguards, such as randomised inspection and deemed approvals, to plug misuse of discretion.
- » *Performance*: The Commission should also evaluate a department on outcomes such as applicants' rating.

These changes will help identify the top-performing departments and laggards to create momentum for bottom-up reform initiative.

64. Proviso to section 12 of PTADPSA 2018, Punjab allows the government to entrust the powers and functions of the Commission to the Administrative Secretary in-charge of the Department of Governance Reforms and Public Grievances till the Commission is constituted.

65. The Commission may take suo moto notice in unreasonably delayed applications and pass appropriate orders.

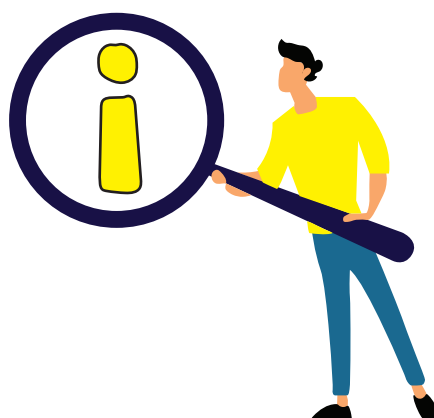
66. One government" provision should be implemented in phases.

First phase should insist on: (a) One application form: the portal must have integrated application forms for applying for multiple services. It will save applicant's time and cut down on the number of documents to be submitted; (b) One department: the portal must not ask for documents submitted earlier to the same department, or a document that was issued by the same department; and (d) Online verification: the portal must not ask for any document such as PAN that can be verified online.

Second phase should focus on cross-department operability and make it possible for the portal to directly procure/verify the details submitted earlier to any department of the Government of Punjab, or issued by any department of the Government of Punjab. At best, the portal may ask for the document reference number.

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APPENDIX 1

List of Services

S No	Department	Service
1	Department of Labour	Registration of Establishment Employing Contract Labour under the Contract Labour (Regulation & Abolition) Act, 1970
2	Department of Labour	Licence under the Contract Labour (Regulation & Abolition) Act, 1970
3	Department of Labour	Registration under Punjab Shops and Commercial Establishments Act, 1958
4	Department of Labour	Application for Registration of Establishment, Employing Workers for Building and Other Construction Work, under BOCW Act, 1996
5	Department of Labour	Registration of Trade Union under The Trade Union Act, 1926
6	Department of Labour	Application for Registration / Grant of Factory Licence under the Factories Act 1948
7	Department of Local Government	Issue of NOC for Fire Safety
8	Department of Local Government	Issuance of Trade License
9	Department of Local Government	Building Plan Approval
10	Department of Local Government	Sanction of Water Supply and Sewerage Connection
11	Department of Local Government	Change of Land Use
12	Punjab Pollution Control Board (Department of Science, Technology & Environment)	Consent to Establish under Water Act, 1974 and Air Act, 1981
13	Punjab Pollution Control Board (Department of Science, Technology & Environment)	Consent to Operate under Water Act, 1974
14	Punjab Pollution Control Board (Department of Science, Technology & Environment)	Consent to Operate under Air Act, 1981
15	Punjab Pollution Control Board (Department of Science, Technology & Environment)	Authorization under Hazardous & Other Wastes (Management & Transboundary Movement) Rules, 2016
16	Punjab Pollution Control Board (Department of Science, Technology & Environment)	Authorization under Bio-medical Waste Rules, 2016
17	Punjab Pollution Control Board (Department of Science, Technology & Environment)	Registration of Plastic Waste Recyclers under the Plastic Waste (Management and Handling) Rules, 2011.
18	Department of Industries & Commerce	Registration of New Firms
19	Department of Industries & Commerce	Registration of Boilers

S No	Department	Service
20	Department of Industries & Commerce (PSIEC)	Conversion of Lease to Freehold
21	Department of Industries & Commerce (PSIEC)	NOC/ Permission to Sale of Industrial Plot
22	Department of Industries & Commerce (PSIEC)	Allotment of Plots
23	Department of Industries & Commerce (PSIEC)	Issuance of No Due Certificate
24	Department of Industries & Commerce (PSIEC)	Sanction of Water Supply and Sewerage Connection
25	Department of Housing and Urban Development	Change of Land Use
26	Department of Housing and Urban Development	Building Plan Approval

APPENDIX 2

List of Documents

1. Department of Labour

Service	Documents required
Registration of Establishment Employing Contract Labour under Contract Labour (Regulation & Abolition) Act, 1970	<ol style="list-style-type: none"> 1. Copy of challan according to number of labourers 2. Copy of Pan Card 3. Latest copy of agreement/work order with contractor
Licence under the Contract Labour (Regulation & Abolition) Act, 1970	<ol style="list-style-type: none"> 1. Whether the contractor was convicted of any offence within the preceding five years 2. Whether there was any order against the contractor revoking or suspending licence or forfeiting security deposits in respect of an earlier contract. If so the date of such order 3. Whether the contractor has worked in any other establishment within the past five years. If so, give details of the Principal Employers, Establishments and nature of work 4. Whether a certificate by the Principal Employer is enclosed Form V 5. Particulars of security deposit, if any, to be adjusted.
Registration/ Grant of Factory Licence under Factories Act, 1948	<ol style="list-style-type: none"> 1. Scan copy of name and values of principal products manufactured during the last twelve months: 2. Scan Copy of Occupier's Information based on one of them:- <ol style="list-style-type: none"> a. The proprietor of the factory in case of a private firm or proprietary concern b. Partner in case of partnership firm/concern (Attach List of Partners) c. Directors in case of a public limited liability company or firm (Attach List of Directors) d. Where a managing agent has been appointed, the name of the managing agents and Directors thereof e. Shareholders in case of a private company, where no Managing Agents have been appointed f. The Chief Administrative Head in case of a Government or local fund factory (Attach Authority From Government) 3. Scanned copy of Manager Signature

Service	Documents required
Registration of Trade Union under Trade Union Act, 1926	<ol style="list-style-type: none"> 1. Rules of the trade union 2. Statement giving following particulars <ol style="list-style-type: none"> a. Names, occupations and address of the members making application. b. The name of the Trade union and the address of its lead office. c. The titles, names, ages, addresses and occupations of the (office bearers) of the trade union as per format given in Form A appended to the Trade Unions Act 1926. 3. Schedule I 4. Schedule II 5. Schedule III (optional) 6. Affidavit from General Secretary of Union 7. Copy of Preceeding 8. Copy of Officers details
Application for Registration of Establishment Employing Workers for Building and Other Construction Work, under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996	NIL
Registration under Punjab Shops and Commercial Establishments Act, 1958	<ol style="list-style-type: none"> 1. Proof of Shop/Commercial Establishment 2. Photo of Front of Shop/Commercial Establishment 3. Photo of Interior of Shop/Commercial Establishment 4. Identity Proof of Owner 5. Scanned copy of Signature of applicant 6. (i). In case of registered company, attach three documents: <ol style="list-style-type: none"> a. Power of Attorney a. Memorandum of Company a. List of Directors of Company 6. (ii)In Case of Shop: <ol style="list-style-type: none"> a. a. Rent deed of Shop

2. Department of Local Government

Service	Documents required
Issuance of No Objection Certificate for Fire Safety	<ol style="list-style-type: none"> 1. Allotment proof -power of attorney/lease deed/ revenue record/copy of registry/jamabandi 2. Owner's checklist questionnaire 3. Photo ID 4. Fire safety drawing 5. Property tax receipt
Issue of Trade Licence	<ol style="list-style-type: none"> 1. Owner's ID 2. Ownership proof
Sanction of Water Supply and Sewerage Connection	<ol style="list-style-type: none"> 1. Ownership Proof / Power of Attorney / Lease Agreement 2. ID (Aadhar Card / Voter Id Card / Driving License) 3. Electricity Bill 4. Applicant Photo (Passport Size) 5. Self Declaration by Applicant 6. VPlumber Report / Drawing <p>Other Documents:</p> <ol style="list-style-type: none"> 1. Property Tax Receipts 2. Building Plan
Building Plan Approval	<ol style="list-style-type: none"> 1. Ownership Document 2. Scrutiny performa annexure a 3. Processing performa annexure b 4. CLU approval copy 5. Copy of CLU revenue plan 6. Location Plan 7. Indemnity bond for basement 8. NOC from neighboring flat from basement 9. Fire NOC 10. National Highway NOC 11. Airport Authority NOC 12. Last Property Tax 13. Upload Drawing 14. Scrutiny Fee Document
Change of Land Use	NA

3. Punjab Pollution Control Board

Service	Documents required
<p>Consent to Establish under Water Act, 1974 and Air Act, 1981</p>	<p>Application for Consent to establish (NOC) for Red/Orange Category - Fresh Case</p> <ol style="list-style-type: none"> 1. Site Plan/Location Plan of the industry 2. Partnership Deed/Memorandum of Article of Association /Proprietorship certificate/ Resolution of Board of Director/ partners regarding authorized signatory. 3. Land documents such as Registration deed/ Jamabandi/ Rent deed/ lease deed indicating details of the property. 4. Any one of the following documents regarding designation of area/ compliance of specific guidelines <ol style="list-style-type: none"> a. Allotment letter of the Designated Authority, if the site of the project is located in the designated Industrial Area/Industrial Estate/ Focal Point. b. Undertaking to the effect that the proposed site of the project / industry is located in the designated Industrial zone/ area of the notified/ draft Master Plan in which the establishment of such industry/ project is permissible. The undertaking shall clearly indicate the revenue entries i.e. Hadbast Number, khewat /khatauni number and Khasra numbers. c. Certificate of Revenue Authorities (DC/ADC/SDM) indicating the distance of proposed site of industry from the MC limits/Phirni /Lallakir of the nearest village, in case, the industry is to be established at a site other than the site in the industrial area / industrial estate /industrial zone of the draft master plan / industrial zone of the notified master plan. d. For industry specific guidelines, certificates/ documents as mentioned in the said guidelines (In case of Rice Sheller/Saila Plant/Stone Crusher/ Brick Kiln/Hot Mix plant/Cement Grinding units etc.) 5. Brief Project Report with Manufacturing Process Flow sheet 6. Compliance report of pervious consent to operate condition in annotated form (in case of modernization/expansion only) <p>Note: Application shall be accompanied by NOC Fee as per total project cost.</p> <p>Application for Consent to establish (NOC) for Green Category - Fresh Case</p> <ol style="list-style-type: none"> 1. Site Plan/Location Plan of the industry. 2. Partnership Deed/Memorandum of Article of Association /Proprietorship certificate/ Resolution of Board of Director/ partners regarding authorized signatory. 3. Land documents such as Registration deed/ Jamabandi/ Rent deed/ lease deed indicating details of the property. 4. Documents regarding designation of area/compliance of specific guidelines (Any one of the following: <ol style="list-style-type: none"> a. Allotment letter of the Designated Authority, if the site of the project is located in the designated Industrial Area/ Industrial Estate/ Focal Point. b. Undertaking to the effect that the proposed site of the project / industry is located in the designated Industrial zone/ area of the notified/ draft

Master Plan in which the establishment of such industry/ project is permissible. The undertaking shall clearly indicate the revenue entries, i.e. Hadbast Number, khewat /khatauni number and Khasra numbers.

- c. Certificate of Revenue Authorities (DC/ADC/SDM) indicating the distance of proposed site of industry from the MC limits/Phirni / Lal lakir of the nearest village, in case, the industry is to be established at a site other than the site in the industrial area / industrial estate /industrial zone of the draft master plan / industrial zone of the notified master plan.
5. Brief Project Report with Manufacturing Process Flow sheet .
6. Compliance report of pervious consent to operate condition in annotated form (in case of modernization/expansion only)

Application for Extension in validity of Consent to Establish (NOC) for Red/ Orange/ Green Category

1. Request letter giving the reason for non-completion of project in stipulated time along with the status of installation of plant and machinery/pollution control devices.

Note: Application shall be accompanied by 50% of NOC Fee per year as per total project cost

2. In case the NOC was not granted online, you requested to submit a copy NOC granted, copy of Project Report and Feasibility Report submitted at the time of obtaining NOC.

Consent to Operate (CTO)
under Water Act, 1974

Application for Consent to operate under Water Act, 1974 for Red/Orange Category - Fresh Case

1. Compliance report of NOC / Consent Conditions in annotated form
2. Completion certificate of ETP/APCD along with Dimensional Drawing
3. Plan showing the location of ETP/APCD and all outlets and various channels/pipes/sewers with requisite colours as detailed below:
 - a. Fresh Water - Blue Colour
 - b. Effluent Channel- Red Colour
 - c. Recirculation Water Channel - Green Colour
 - d. Storm Water - Orange Colour
 - e. Domestic Sewer - Dotted Black ink
4. CA's certificate regarding un-depreciated value of the fixed assets of the industry at the end of last financial year

Application for Consent to operate under Water Act, 1974 for Green Category - Fresh Case

1. Compliance report of NOC / ConsentConditions in annotated form
2. CA's certificate regarding un-depreciated value of the fixed assets of the industry at the end of last financial year

Note: In case the industry is already established / operational, following additional documents are also required to be uploaded.

- a. Site Plan/Location Plan of the industry.
- b. Proof of date commissioning of the Industry (Registration of the industry/ Electricity bill /Sales Tax no)
- c. Manufacturing process details along with the process flow chart.
- d. Latest granted CTE/CTO, if obtained offline, then copy of CTE/CTO granted to be uploaded.
- e. Analysis report of treated waste effluent / emission from Board / Approved Lab.
- f. Documents regarding designation of area/compliance of specific guidelines (Any one of the following:
 - i. Allotment letter of the Allotting Authority, if the site of the project is located in the designated Industrial Area/ Industrial Estate/ Focal Point.
 - ii. Certificate from the Designated Authority to the effect that the site of the project / industry is located in the designated Industrial zone/ area of the notified/ draft Master Plan in which the establishment of such industry/ project is permissible. The undertaking shall clearly indicate the revenue entries i.e. Hadbast Number, khewat /khatauni number and Khasra numbers.
 - iii. Certificate of Revenue Authorities (DC/ADC/SDM) indicating the distance of site of industry from the MC Limits/Phirni / Lallakir of the nearest village, in case, the industry is to be established at a site other than the site in the industrial area / industrial estate /industrial zone of the draft master plan / industrial zone of the notified master plan.
 - iv. For industry specific guidelines, certificates/ documents as mentioned in the said guidelines (In case of Rice Sheller/Saila Plant/Stone Crusher/ Brick Kiln/Hot Mix plant/Cement Grinding units etc.)

Note: 1. In case the NOC was not granted online, you requested to submit a copy NOC granted, copy of Project Report and Feasibility Report submitted at the time of obtaining NOC.

2. Application shall be accompanied by CTO fee as per the un-depreciated fixed assets of industry as per the policy dt. 04/2013 of the Board available on the website of the Board at www.ppcb.gov.in

Application for Renewal/ Extension of Consent to operate under Water Act, 1974 for Red/Orange Category

1. Compliance report of previous consent conditions in annotated form.
2. Analysis Report of effluent/emission form Board's/Approved Lab.
3. CA's certificate regarding un-depreciated value of the fixed assets of the industry at the end of last financial year.

Note: 1. In case the earlier consent was not granted online, you are requested to submit a copy of earlier consent granted along with extensions.

2. CTO fee shall be deposited as per the undepreciated cost of industry fixed assets as per the policy dt. 04/2013 of the Board available on the website of the Board at www.ppcb.gov.in

3. Latest Partnership Deed/ Memorandum of Article of Association / Proprietorship certificate in case of any change.

Consent to Operate (CTO)
under the Air Act, 1981

Application for Consent to operate under Water Act, 1974 for Red/Orange Category - Fresh Case

1. Compliance report of NOC / Consent Conditions in annotated form
2. Completion certificate of ETP/APCD alongwith Dimensional Drawing
3. Plan showing the location of ETP/APCD and all outlets and various channels/ pipes/sewers with requisite colours as detailed below:
 - a. Fresh Water - Blue Colour
 - b. Effluent Channel- Red Colour
 - c. Recirculation Water Channel - Green Colour
 - d. Storm Water - Orange Colour
 - e. Domestic Sewer - Dotted Black ink
4. CA's certificate regarding un-depreciated value of the fixed assets of the industry at the end of last financial year.

Application for Consent to operate under Water Act, 1974 for Green Category - Fresh Case

1. Compliance report of NOC / Consent Conditions in annotated form
2. CA's certificate regarding un-depreciated value of the fixed assets of the industry at the end of last financial year

Note : In case the industry is already established / operational, following additional documents are also required to be uploaded.

- i. Site Plan/Location Plan of the industry.
- ii. Proof of date commissioning of the Industry (Registration of the industry/ Electricity bill /Sales Tax no)
- iii. Manufacturing process details along with the process flow chart.
- iv. Latest granted CTE/CTO, if obtained offline, then copy of CTE/CTO granted to be uploaded.
- v. Analysis report of treated waste effluent / emission from Board / Approved Lab.
- vi. Documents regarding designation of area/compliance of specific guidelines (Any one of the following:
 - a. Allotment letter of the Allotting Authority, if the site of the project is located in the designated Industrial Area/ Industrial Estate/ Focal Point.
 - b. Certificate from the Designated Authority to the effect that the site of the project / industry is located in the designated Industrial zone/ area of the notified/ draft Master Plan in which the establishment of such industry/ project is permissible. The undertaking shall clearly indicate the revenue entries i.e. Hadbast Number, khewat /khatauni number and Khasra numbers.
 - c. Certificate of Revenue Authorities (DC/ADC/SDM) indicating the distance of site of industry from the MC limits/Phirni / Lallakir of the nearest village, in case, the industry is to be established at a site other than the site in the industrial area / industrial estate /industrial zone of the draft master plan / industrial zone of the notified master plan.

- d. For industry specific guidelines, certificates/ documents as mentioned in the said guidelines (In case of Rice Sheller/Saila Plant/ Stone Crusher/Brick Kiln/Hot Mix plant/Cement Grinding units etc.)

Note: 1. In case the NOC was not granted online, you requested to submit a copy NOC granted, copy of Project Report and Feasibility Report submitted at the time of obtaining NOC.

2. Application shall be accompanied by CTO fee as per the un-depreciated fixed assets of industry as per the policy dt. 04/2013 of the Board available on the website of the Board at www.ppcb.gov.in

Application for Renewal/ Extension of Consent to operate under Water Act, 1974 for Red/Orange Category

1. Compliance report of previous consent conditions in annotated form.
2. Analysis Report of effluent/emission form Board's/Approved Lab.
3. CA's certificate regarding un-depreciated value of the fixed assets of the industry at the end of last financial year.

Note: 1. In case the earlier consent was not granted online, you are requested to submit a copy of earlier consent granted along with extensions.

2. CTO fee shall be deposited as per the undepreciated cost of industry fixed assets as per the policy dt. 04/2013 of the Board available on the website of the Board at www.ppcb.gov.in

3. Latest Partnership Deed/ Memorandum of Article of Association / Proprietorship certificate in case of any change.

Authorisation under Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016

1. Site Plan of the industry showing the location of hazardous waste storage area/room.
2. Production details of the industry.
3. Verification from prescribed by the board for verification of the data mentioned in Form-IV.
4. Annual return in form IV as prescribed in the Hazardous Waste (Management, Handling & trans- Boundary Movements)Rules ,2008.
5. Manufacturing process Details along with process flow Chart
6. Copy of agreement signed with Common Hazardous Waste Treatment Facility regarding disposal of hazardous waste
7. List of Directors and Partners

Such application for authorisation shall be accompanied with a copy each of the following documents, namely:-

- a. consent to establish granted by the State Pollution Control Board under the Water (Prevention and Control of Pollution) Act, 1974 (25 of 1974) and the Air (Prevention and Control of Pollution) Act, 1981 (21 of 1981);
 - b. Consent to operate granted by the State Pollution Control Board under the Water (Prevention and Control of Pollution) Act, 1974 (25 of 1974) and/or Air (Prevention and Control of Pollution) Act, 1981, (21 of 1981);
 - c. in case of renewal of authorisation, a self-certified compliance report in respect of effluent, emission standards and the conditions specified in the authorisation for hazardous and other wastes:
-

Authorisation under Bio-medical Waste Rules, 2016

List of Documents Required for Authorization under Bio-medical Waste Rules for health care facilities with bed capacity more than 20 beds

- a. Site Plan
- b. Location Plan
- c. Copy of Agreement with CBWTF
- d. Affidavit/Self Declaration for Bed Capacity
- e. Affidavit Self Declaration for Ownership
- f. Affidavit/Self Declaration for Liquid Waste Treatment
- g. Compliance Report of previous Authorization (incase of renewal)
- h. Copy of the manifests of lifting of waste
- i. Copy of the previous Annual Report (incase of renewal)

List of Documents Required for Authorization under Bio-medical Waste Rules for health care facilities with bed capacity less than 20 beds and non-bedded healthcare facilities

- a. Location Plan / Google Location of HCF
- b. Copy of Agreement with CBWTF
- c. Self declaration as per Annexure-I
- d. Copy of the manifests of lifting of waste by CBWTF operators for 7 days pertaining to previous one month

Registration of Plastic Waste Recyclers under the Plastic Waste (Management and Handling) Rules, 2011

1. Copy of consent to operate under the Water Act, 1974, issued by the Board.
2. Copy of consent to operate under the Air Act, 1981, issued by the Board
3. List of person / firm supplying plastic material.
4. Flow Diagram of manufacturing process showing input and output in terms of products and waste generated including for captive power generation and water.
5. Registration Certificate.

4. Department of Industries and Commerce

Service	Documents required
Registration of New firms	<ol style="list-style-type: none"> 1. Copy of Partnership deed with Rs. 1000/- on Non-Judicial Stamp Paper, duly attested by the Notary Public. 2. Passport size Photo of each partner 3. Partner's I.D. Proof, (Self Attested)
Registration of Boilers	<ol style="list-style-type: none"> 1. Upload Applicant Aadhaar Card 2. Upload Applicant PAN Card 3. Upload Applicant Photograph 4. Boiler Operation Engineers Certificate 5. Boiler Attendants Certificate
Allotment of Plots	<ol style="list-style-type: none"> 1. Self attested copy of latest NDC /Plot is fully paid including enhanced cost, if any and payment of upto date extension fee or submission of proof of production issued by GM(DIC) as applicable along with Indemnity bond as per prescribed format. 2. Conversion fee @ 5% of CRP + Service Tax @ 15% in case of industrial plots / sheds. 3. Self- Declaration attested by notary public from allottee/ authorized signatory in case of private/public limited company to the effect that no alteration/ change have been effected in the constitution/ownership rights of the allottee from the date of allotment/last permission, if any, given by PICTCL and to the effect that plot is not mortgaged with any financial institution/ bank and the same is free from all sorts of encumbrances etc. 4. Self declaration that no mis-utilisation of industrial plot/shed exists.
Sanction of Water Supply and Sewerage Connection	<ol style="list-style-type: none"> 1. Request letter 2. Copy of NOC for pollution units 3. Copy of allotment letter 4. Copy of possession letter 5. Architecture Service 6. Aadhar Card

Service	Documents required
Conversion of Lease to Freehold	<ol style="list-style-type: none"> 1. Self attested copy of latest NDC /Plot is fully paid including enhanced cost, if any and payment of upto date extension fee or submission of proof of production issued by GM(DIC) as applicable along with Indemnity bond as per prescribed format. 2. Conversion fee @ 5% of CRP + Service Tax @ 15% in case of industrial plots / sheds. 3. Self- Declaration attested by notary public from allottee/ authorized signatory in case of private/public limited company to the effect that no alteration/ change have been effected in the constitution/ownership rights of the allottee from the date of allotment/last permission, if any, given by PICTCL and to the effect that plot is not mortgaged with any financial institution/ bank and the same is free from all sorts of encumbrances etc. 4. Self declaration that no mis-utilisation of industrial plot/shed exists.
Issuance of No Due Certificate	<ol style="list-style-type: none"> 1. The Plot should be fully paid including enhanced land cost if any 2. No arrears towards extension fee as applicable or submission of proof of production issued by GM (DIC) as applicable along with Indemnity bond as per prescribed format. 3. The allotment is regular (not cancelled) 4. Request letter from allottee seeking issuance of NDC.
NOC/ Permission to Sale of Industrial Plot	<ol style="list-style-type: none"> 1. Payment of extension fee or submission of proof of production issued by GM(DIC) as applicable along with Indemnity bond as per prescribed format. 2. Plot is free from all sorts of encumbrances i.e. plot has not been mortgaged in favour of any financial institution in the shape of 1st/2nd/3rd party charge (s) 3. Affidavit from Seller on non-judicial stamp paper worth Rs.10/-(individual/all partners/authorized signatory in case of Pvt./Public Ltd. Co. as the case may be) to execute sale deed in favour of purchaser attested by notary public. 4. Indemnity bond from seller on non-judicial stamp paper of Rs. 15/- (individual/all partners/ authorized signatory in case of Pvt./Public Ltd. Co. as the case may be) attested by notary public attested by notary public. 5. Affidavit from purchaser on non-judicial stamp paper worth Rs. 10/- (individual/all partners/authorized signatory in case of Pvt./Public Ltd. Co. as the case may be) attested by notary public.

5. Department of Housing and Urban Development

Service	Documents required
Change of Land Use	<ol style="list-style-type: none"> 1. Upload jamabandi of khasra number applied for CLU 2. Upload list of khasra numbers applied for CLU 3. Upload copy of Registered Lease Deed 4. Upload Copy of Registry showing Ownership 5. Upload Copy of Development Agreement 6. Upload Copy of Circle Revenue Officer Report 7. Upload Location map clearly marking the project site and showing nearby physical features within 500 meter of the site and roads to enable official staff to locate the proposed site (Sample Location map: Annexure-B) (Also preferably supported by google location map – see sample: Annexure-C) 8. Upload Site Plan with dimensions, features in the site and showing the approach road along with its width (Preferably signed by Architect) 9. Upload Shajra Plan with Kabza verification by concerned CRO
Building Plan Approval	NA

APPENDIX 3

Questionnaire for Nodal/Departmental officers

Details of interviewee

1. Name:
2. Rank:
3. Department:

Challenges faced in current set-up

1. What are the top three typical complaints raised by applicants while availing these services?
(you can choose multiple options)
 - a. information not available
 - b. information not correct
 - c. additional documents asked later
 - d. document was difficult to compile/ procure/ prepare
 - e. technical issues on the website
 - f. delay in response
 - g. other (please specify)
2. What challenges do you face while offering these services? (you can choose multiple options)
 - a. unclear process flow for offering services
 - b. unnecessary steps in process flow
 - c. limited discretion vested in state department functionaries
 - d. transition to offering services online
 - e. incomplete documents submitted by applicants
 - f. other (please specify)
3. Please tell us about your challenges in detail.
4. What are your recommendations on resolving these challenges?

Clarifications

(Any service specific clarifications asked here)

APPENDIX 4

Questionnaire for Enterprises

Hello,

Am I speaking to Mr/ Ms [User/Applicant's name]?

I am [RA's name] calling from Centre for Civil Society, New Delhi. We received your information from the [Department] of Govt of Punjab. You applied to [Dept] for [service] in [Month, Year]. Is that correct?

I wish to ask you a few questions for feedback. Your response will be anonymous and will help us identify the bottlenecks and improve the process.

Details of the applicant (to be filled by the intern)

1. Name of the applicant: _____
2. Name of the enterprise: _____
3. Service applied for: _____
4. Name of the Department : _____

Feedback

1. How was your experience of applying to [Department] for [service]? Rate your experience from 1-5, 5 being the best and 1 the worst.

1	2	3	4	5
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2. What were the challenges you faced? (you can choose multiple options):
 - a. information not available
 - b. information not correct
 - c. additional documents asked later
 - d. document was difficult to compile/ procure/ prepare
 - e. technical issues on the website
 - f. delay in response
 - g. other (please specify)
3. Please tell us about your experience, including challenges in detail.



Centre for Civil Society

Centre for Civil Society (CCS) is a Delhi-based public policy think tank that advances social change through public policy. Our work in education, livelihoods, governance and policy training furthers choice and accountability across public and private sectors. To translate policy into practice, we engage with policy and opinion leaders through research, pilot projects and policy training. We have been ranked in the top 100, in the Global Go To Think Tank Index Report 2018 by Think Tanks and Civil Societies Program at the University of Pennsylvania.

CCS envisions a world where each individual leads a life of choice in personal, economic and political spheres and every institution is accountable.



Global Alliance for Mass Entrepreneurship

Global Alliance for Mass Entrepreneurship (GAME) is a multi-stakeholder partnership with the vision of catalysing a thriving environment for Mass Entrepreneurship (ME) in India, resulting in large-scale job creation. GAME's theory of change is to supercharge the level of innovation, learning, advocacy and support for scale such that we crowd in public and private players, policy and funding to catalyse the creation of 10 million MEs by 2030 (half of them women), creating 50M jobs. GAME will operate as an alliance of ecosystem stakeholders engaging as taskforces, members and partners. vGAME is a programme under Junior Achievement India Services (JAIS), a section 8 company.



Government of Punjab

The Industries & Commerce Department, Punjab, is responsible for the development of industrial sector in the State. It functions as the nodal department to promote industries and to facilitate the entrepreneurs in setting up of Industries in the State. The department has the mandate of enhancing ease of doing business in Punjab by facilitating inter-departmental coordination required to set up and run industries through transparent procedures, removal of bottlenecks, fast decision making and a single window clearance mechanism. The role of the department is promotional and that of a motivator for potential entrepreneurs in the state. It is also the nodal department of the State for implementation of Central Government policies relating to the manufacturing and commerce. To that end, it is responsible for provision of a policy framework, facilitation and advisory services for ease of starting businesses and for driving the industrial infrastructure development for industrial ventures

