

## Department of Industrial Policy and Promotion

### **BRAP 2017 for States and Union Territories: Feedback Methodology**

The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, in partnership with the World Bank Group, released the Business Reform Action Plan (BRAP) 2017 for implementation by States/ UTs. The BRAP includes 372 recommendations for reforms on regulatory processes, policies, practices and procedures spread across 12 reform areas.

This year, DIPP will carry out a comprehensive business-to-government (B2G) feedback exercise, whereby feedback will be taken from businesses on the quality of implementation of the reforms claimed by the States/ UTs. To enable collection of effective feedback, States/UTs are encouraged to implement feedback related reforms by August 31, 2017. The last date to implement the BRAP 2017 reform is October 31, 2017.

Ranking of States/UTs will be on the basis of the total score (herein referred to as “**Total Score**”) of the State/UT, arrived by cumulating score of feedback (herein referred to as “**Feedback Score**”) and Implementation (herein referred to as “**Implementation Score**”). States/UTs should note that the portal will display only Implementation Score and not the Total Score. The findings of the feedback exercise and its implication on the Total Score will be communicated individually to states by DIPP before the release of the 2017 rankings.

### **Methodology**

Out of the 372 recommendations, 78 action points have been selected for which feedback will be solicited from the actual users/ businesses. A list of the selected action points is enclosed as Annex A. Action points have been excluded from this exercise if they refer to:

- processes or procedures that may not exist in all states and UTs; or
- recommendations related to Paying Taxes, since new reform points have been added post implementation of GST; or
- the existence of systems or processes on the Government side, of which users may not be aware of; or
- legislation or notifications, which requires only a check of the evidence and not feedback from users; or
- processes or procedures for only a certain type of business, which may or may not exist in all States/ UTs; or
- processes or procedures which have been newly added in BRAP 2017, since enough users might not have used them to give feedback on these points.

### **Feedback respondents**

DIPP will solicit feedback from the following groups of respondents<sup>1</sup>:

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<sup>1</sup> The list of respondent types is indicative and may undergo changes later.

- **New businesses:** This would comprise large, medium and small scale businesses who had applied for pre-establishment and pre-operations licenses in the past one year.
- **Existing businesses:** This would comprise large, medium and small businesses operational in the last 5 years.
- **Architects:** Architects who are registered with the municipal corporations of the largest city/ have applied for a building plan approval or occupancy certificate in the past one year.
- **Electrical contractors:** Electrical contractors who have applied for electrical connections for commercial and industrial uses from distribution companies in the past one year. States/ UTs would need to share the contact details of such contractors.
- **Lawyers:** Lawyers sourced from the Indian Bar Council of States/ UTs and Bar Council of India.

Since, this exercise is being conducted for the first time, the questions are being limited to those with binary (Yes/No) responses only.

### **Calculating the Total Score of a State/UT**

This section explains calculation methodology adopted for arriving at the Total score of a State/UT.

- Action points on which feedback will not be solicited:** Of the 372, 294 action points fall into this group. These will continue to be treated in the same manner as in previous years: each Yes will receive one point, and each No will receive zero points. The sum of these will form the Implementation Score for reforms without feedback.
- Action points on which feedback will be solicited:** Of the 372, 78 action points fall into this category. The score for each action point in this category will be determined through a combination of both implementation as well as feedback, with equal weights being provided to each. This means that a state receives a score of 0.5 if the reform is approved as Yes, and up to 0.5 additional points based on the feedback, using the formula below:

$$\text{Score on each action point with feedback} = 0.5 + (0.5 \times \text{Feedback Score})$$

The Feedback Score on each action point is calculated as follows:

$$\text{Feedback Score} = \frac{\text{Total number of positive responses}}{\text{Total number of feedback providers on the action point}}$$

In case, the action point requires feedback on multiple questions, the feedback score will be divided equally amongst all of the questions to arrive at an average, as follows:

*Feedback Score for each relevant action point*

$$= \left( \frac{\text{Total number of positive responses to Q1}}{\text{Total number of feedback providers on the action point}} + \frac{\text{Total number of positive responses to Q2}}{\text{Total number of feedback providers on the action point}} + \frac{\text{Total number of positive responses to Q3}}{\text{Total number of feedback providers on the action point}} \right) \div 3$$

As was the practice in previous years, the total number of action points that are not applicable to a State/UT will continue to be subtracted from the total number of action points (372) that will be considered in the denominator of the Implementation Score.

The total score of a State/UT will be calculated by summing the scores on each of the applicable action points, as follows:

*Final Score =*

$$\frac{\Sigma(0.5 + \text{Feedback Score for Reforms with Feedback}) + \Sigma(\text{Implementation Score for Reforms Without Feedback})}{372 - \text{Total number of reforms not applicable to the State/UT}}$$

### **Next Steps for States for the Feedback Survey**

The feedback survey will be based on a representative sample of users of reform services. The sample and the feedback provided by individual respondents will remain confidential and will not be shared with the States/UTs.

In order to derive the representative sample, States/UTs are advised to send DIPP by September 15 a list of all users over the period September 1, 2016 – August 31, 2017 of each of the reforms for which feedback will be collected. This list will be used to derive a sample for feedback.

For any clarifications, State/ UT may get in touch with the below mentioned Nodal Person from DIPP:

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**Annex A**  
**List of 78 recommendations selected to solicit feedback**

Recommendation No. as per BRAP 2017	Area	Recommendation
1	Labour Regulation-Enablers	Mandate online filing of single integrated return and applicable payments under all Labour Laws
7	Registration and grant and renewal of license under The Factories Act, 1948	Design and implement a system that allows online application submission, payment, tracking and monitoring without the need for a physical touch point for document submission and verification and mandate that all applications are submitted online
8		Ensure that the system allows the user to download the final signed approval certificate from the online portal
12	Approval of plan and permission to construct/extend/or take into use any building as a factory under the Factories Act, 1948	Design and implement a system that allows online application submission, payment, tracking and monitoring without the need for a physical touch point for document submission and verification and mandate that all applications are submitted online
13		Ensure that the system allows user to download the final signed approval certificate from the online portal
17	Registration and Renewal of Boilers under The Boilers Act, 1923	Design and implement a system that allows online application submission, payment, tracking and monitoring without the need for a physical touch point for document submission and verification and mandate that all applications are submitted online
18		Ensure that the system allows user to download the final signed approval certificate from the online portal
37	Registration and renewal under The Shops and Establishment Act	Design and implement a system that allows online application submission, payment, tracking and monitoring without the need for a physical touch point for document submission and verification and mandate that all applications are submitted online

Recommendation No. as per BRAP 2017	Area	Recommendation
38		Ensure that the system allows user to download the final signed approval certificate from the online portal
42	Registration of principal employer's establishment under provision of The Contracts Labour (Regulation and Abolition) Act, 1970	Design and implement a system that allows online application submission, payment, tracking and monitoring without the need for a physical touch point for document submission and verification and mandate that all applications are submitted online
43		Ensure that the system allows user to download the final signed approval certificate from the online portal
61	Commercial Dispute Resolution Enablers	Merge payment of court fees and process fees into a single transaction/procedure
63	Paper-less Courts	Design and implement a system that allows e-filing for commercial disputes in Commercial courts
64		Design and implement a system that allows issuance of e-summons for commercial disputes in Commercial courts
65		Design and implement a system that allows publishing of e-cause lists for commercial disputes in Commercial courts
66		Design and implement a system that allows e-payment of court fees and process fees for Commercial disputes in Commercial courts
67		Design and implement a system that allows issuance of digitally signed court orders in Commercial courts
80	Property Registration-Online systems	Design and implement a system that allows online application and payment for submission and verification of document and mandate that all applications are submitted online and mandate that all applications are submitted online
84		Ensure that the system allows user to download the final signed approval certificate from the online portal
91	Inspection reform enablers	Mandate synchronized/joint- inspection under all of the following acts: I. Inspection under The Equal Remuneration

Recommendation No. as per BRAP 2017	Area	Recommendation
		Act, 1976 II. Inspection under The Factories Act, 1948 III. Inspection under The Maternity Benefit Act, 1961 IV. Inspection under The Minimum Wages Act, 1948 V. Inspection under The Shops and Establishments Act (as applicable) VI. Inspection under The Labour Welfare Fund Act (as applicable) VII. Inspection under The Payment of Bonus Act, 1965 VIII. Inspection under The Payment of Wages Act, 1936 IX. Inspection under The Payment of Gratuity Act, 1972 X. Inspection under The Contract Labour (Regulation and Abolition) Act, 1970
103	Inspection by Building Proposal Office/ relevant agency as part of obtaining construction permit	Allow establishments to view and download submitted inspection reports of at least past two years
108	Inspection by Appropriate Authority for felling trees (prior to commencement of construction activities)	Allow establishments to view and download submitted inspection reports of at least past two years
114	Inspection by Building Proposal Office/ relevant agency as part of obtaining occupancy/completion certificate	Allow establishments to view and download submitted inspection reports of at least past two years
119	Compliance Inspection under The Equal Remuneration Act, 1976	Allow establishments to view and download submitted inspection reports of at least past two years
121		Mandate that the same inspector will not inspect the same establishment twice consecutively

Recommendation No. as per BRAP 2017	Area	Recommendation
125	Compliance Inspection under The Factories Act, 1948	Allow establishments to view and download submitted inspection reports of at least past two years
127		Mandate that the same inspector will not inspect the same establishment twice consecutively
131	Compliance Inspection under The Minimum Wages Act, 1948	Allow establishments to view and download submitted inspection reports of at least past two years
133		Mandate that the same inspector will not inspect the same establishment twice consecutively
137	Compliance Inspection under The Shops and Establishments Act (as applicable)	Allow establishments to view and download submitted inspection reports of at least past two years
139		Mandate that the same inspector will not inspect the same establishment twice consecutively
143	Compliance Inspection under The Payment of Bonus Act, 1965	Allow establishments to view and download submitted inspection reports of at least past two years
145		Mandate that the same inspector will not inspect the same establishment twice consecutively
149	Compliance Inspection under The Payment of Wages Act, 1936	Allow establishments to view and download submitted inspection reports of at least past two years
151		Mandate that the same inspector will not inspect the same establishment twice consecutively
155	Compliance Inspection under The Payment of Gratuity Act, 1972	Allow establishments to view and download submitted inspection reports of at least past two years
157		Mandate that the same inspector will not inspect the same establishment twice consecutively
161	Compliance Inspection under The Contract Labour	Allow establishments to view and download submitted inspection reports of at least past two years

Recommendation No. as per BRAP 2017	Area	Recommendation
163	(Regulation and Abolition) Act, 1970	Mandate that the same inspector will not inspect the same establishment twice consecutively
167	Compliance Inspection under The Water (Prevention and Control of Pollution) Act, 1974	Allow establishments to view and download submitted inspection reports of at least past two years
169		Mandate that the same inspector will not inspect the same establishment twice consecutively
173	Compliance Inspection under The Air (Prevention and Control of Pollution) Act, 1981	Allow establishments to view and download submitted inspection reports of at least past two years
175		Mandate that the same inspector will not inspect the same establishment twice consecutively
182	Single Window	Establish a dedicated single window agency as the sole point of contact for setting up a business in State
186	Online Single Window System	Design and implement an online single window system with functionality for online application submission, payment and approvals and mandate that all applications are submitted online
187		Implement a standardized online Common Application Form (CAF) combining applications of all services wherein common information such as applicant's name, project details, address etc. and common documents are required to be provided only once through single window system
191		Ensure 'Consent to establish (under Water Act & Air Act)' is provided as a service through the online single window system facilitating online application submission, payments, tracking of status, approvals and issuance of the certificate(s)
192		Ensure 'Consent to operate (under Water Act & Air Act)' is provided as a service through the online single window system facilitating online application submission, payments,

Recommendation No. as per BRAP 2017	Area	Recommendation
		tracking of status, approvals and issuance of the certificate(s)
193		Ensure 'Authorization under Hazardous Waste Rules' is provided as a service through the online single window system facilitating online application submission, payments, tracking of status, approvals and issuance of the certificate(s)
194		Ensure 'Registration under Shops and Establishments Act' is provided as a service through the online single window system facilitating online application submission, payments, tracking of status, approvals and issuance of the certificate(s)
195		Ensure 'Permission for engaging contractor for labour' is provided as a service through the online single window system facilitating online application submission, payments, tracking of status, approvals and issuance of the certificate(s)
196		Ensure 'Factories license' is provided as a service through the online single window system facilitating online application submission, payments, tracking of status, approvals and issuance of the certificate(s)
197		Ensure 'Factory building plan approval' (under the Factories Act, 1948) is provided as a service through the online single window system facilitating online application submission, payments, tracking of status, approvals and issuance of the certificate(s)
198		Ensure 'Registration under Boiler Act' is provided as a service through the online single window system facilitating online application submission, payments, tracking of status, approvals and issuance of the certificate(s)
202		Ensure renewal of 'Consent to operate (under Water Act & Air Act)' is provided as a service through the online single window system facilitating online application submission,

Recommendation No. as per BRAP 2017	Area	Recommendation
		payments, tracking of status, approvals and issuance of the certificate(s)
204		Ensure renewal under 'Factories license' is provided as a service through the online single window system facilitating online application submission, payments, tracking of status, approvals and issuance of the certificate(s)
205		Ensure renewal under 'Registration under Boiler Act' is provided as a service through the online single window system facilitating online application submission, payments, tracking of status, approvals and issuance of the certificate(s)
206		Ensure 'electricity connection' is provided as a service through the online single window system facilitating online application submission, payments, tracking of status and approvals
207		Ensure 'water connection' provided as a service through the online single window system facilitating online application submission, payments, tracking of status and approvals
212		Ensure that incentives under Industrial/Sectoral Policy are provided as a service through the online single window system (for intent letter, sanction and disbursement) facilitating online application submission and tracking of status and approvals
236	Building Plan Approval	Mandate that a single, joint site inspection will be carried out by all concerned authorities such as Fire, Sewerage, Electricity, Labour (such as Factory license), Water Department and internal departments responsible for granting construction permits in urban areas and IDCs
243	NOC for tree felling from Tree Authority/ Appropriate Authority	Design and implement a system that allows online application submission, payment, tracking and monitoring without the need for

Recommendation No. as per BRAP 2017	Area	Recommendation
	(prior to commencement of construction activities)	a physical touch point for document submission and verification and mandate that all applications are submitted online
244		Ensure that the system allows user to download the final signed approval certificate from the online portal
258	Environmental Registration Enablers	Allow for auto-renewal of Consent to Operate (under Water Act, 1974 and Air Act, 1981) based on self-certification/third party certification and ensure that majority of establishments avail this provision
263	Consent to Establish under the Water (Prevention and Control of Pollution) Act, 1974	Design and implement a system that allows online application submission, payment, tracking and monitoring without the need for a physical touch point for document submission and verification and mandate that all applications are submitted online
264		Ensure that the system allows users to download the final signed approval certificate from the online portal.
268	Consent to Establish under the Air (Prevention and Control of Pollution) Act, 1981	Design and implement a system that allows online application submission, payment, tracking and monitoring without the need for a physical touch point for document submission and verification and mandate that all applications are submitted online
269		Ensure that the system allows users to download the final signed approval certificate from the online portal.
273	Authorization under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Design and implement a system that allows online application submission, payment, tracking and monitoring without the need for a physical touch point for document submission and verification and mandate that all applications are submitted online
274		Ensure that the system allows users to download the final signed approval certificate from the online portal.
278	Consent to Operate under the Water (Prevention and	Design and implement a system that allows online application submission, payment, tracking and monitoring without the need for

Recommendation No. as per BRAP 2017	Area	Recommendation
	Control of Pollution) Act, 1974	a physical touch point for document submission and verification and mandate that all applications are submitted online
279		Ensure that the system allows users to download the final signed approval certificate from the online portal
283	Consent to Operate under the Air (Prevention and Control of Pollution) Act, 1981	Design and implement a system that allows online application submission, payment, tracking and monitoring without the need for a physical touch point for document submission and verification and mandate that all applications are submitted online
284		Ensure that the system allows users to download the final signed approval certificate from the online portal
291	Obtaining Electricity Connection	Reduce the number of documents required for obtaining the electricity connection to only two i.e. proof of ownership/occupancy and authorization document (in case of firm/company)
292		Allow third party inspection of internal installations and ensure that majority of establishments avail this provision
293		Ensure that users are provided a fixed cost estimate based on the load (KVA/KW) required for obtaining electricity connection in all industrial areas of State and ensure these charges (demand note) is generated through the online system
294		Implement a system that allows online application submission, payment and tracking of status without the need for a physical touch point for document submission for new electricity connection and mandate that all applications are submitted online

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