

Case Study

Maha e-Biz

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Governance Knowledge Centre

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EXECUTIVE SUMMARY

Maharashtra is gradually emerging as one of the most industrialised states in India. The Maharashtra Industrial Development Corporation (MIDC) has played a large role in making the state increasingly investor friendly. Responsible for industrial growth and development, MIDC continues to develop initiatives to attract businesses to the state.

To generate internal efficiencies, the MIDC began to digitise their processes which introduced Enterprise Resource Planning (ERP) to their operations. Leveraging ERP, MIDC went on to introduce Maha-e-Biz, a single window clearance facility, in April 2010.

Earlier, customers were required to move from pillar to post to obtain clearances required for setting up a new industrial unit. Now, the Maha-e-Biz portal provides all clearance forms online to existing investors who wish to expand their units. It covers 215 - MIDC and non-MIDC- services. Currently, customers can apply and get approvals as well as track the status of their applications for all MIDC services through the portal. For non-MIDC services, customers can download forms online and then submit them in person. Digitisation of the entire process is underway. Once completed, establishing new industrial units will require half the time and energy.

Maha-e-Biz helps to ensure accountability through an online tracking system that informs customers of their application status and the corresponding concerned authorities. By overcoming the major challenge of convincing government to adopt a system that would transform age old administrative procedures, Maha-e-Biz has started to create a sustainable change.

The Maha-e-Biz portal shows great potential of ushering in an era of hassle free transactions between industrialists and concerned government departments. It is important to note that MIDC is also one of the largest water supply providers in Asia, which reflects its high impact potential and promise of an initiative like Maha-e-Biz. This document notes the background and key achievements of Maha-e-Biz to aid in its understanding for the purpose of further replication.

BACKGROUND

MAHARASHTRA INDUSTRIAL DEVELOPMENT CORPORATION (MIDC)

Maharashtra Industrial Development Corporation (MIDC) is the agency responsible for the development of industry in Maharashtra. Acting on behalf of the state government, MIDC promotes balanced growth of industry across the state by carrying out activities under the following broad categories:

- Acquisition of industrial land
- Development and maintenance of infrastructural facilities like roads, streetlights, drainage and water supply systems etc.
- Allotment of acquired land to prospective industrialists for setting up units
- Provision of services including water supply, drainage connections etc. to respective units.

MIDC aims to create a conducive environment for investment in Maharashtra. Under the initiative, Digital MIDC, it has partnered with Microsoft Corporation for the implementation of Enterprise Resource Planning (ERP), a process which consolidates all departmental functions into a single computer system to better service each department's specific needs. It creates an efficient production and service delivery system.

Through the implementation of ERP, the MIDC was able to launch a digital single clearance portal called Maha-e-Biz in April 2010.

MAHA-E-BIZ

Setting up a new industrial unit requires a range of clearances such as environmental, fire, safety, drainage completion certificate etc. Investors have to move from one department to another to seek out each clearance individually. This not only takes a lot of time and effort, but it can also confuse the investor about the whole procedure. Under such circumstances, the Maha-e-biz portal is a welcome change. Through Maha-e-biz, existing investors can register their plot online and apply for various clearances through the portal. Clearances for both MIDC and non-MIDC services are available. For MIDC approved clearances, customers can apply online and other state and central department clearance forms can be downloaded.

OBJECTIVE

With the help of Maha-e-biz, MIDC hopes to simplify and speed up the process for setting up new industrial units. The Maha-e-biz portal aims to:

- Be the interface between industrialists and service providers
- Be a one stop solution point for business facilitation by providing all necessary clearance forms on the portal
- Meet the service level commitments under the Citizen's Charter¹ and provide hassle free service to the entrepreneurs
- Create an efficient and transparent work environment within the MIDC

WORKING DESIGN

SERVICES AND DEPARTMENTS COVERED

Department wise-



Department-wise breakdown of MIDC services

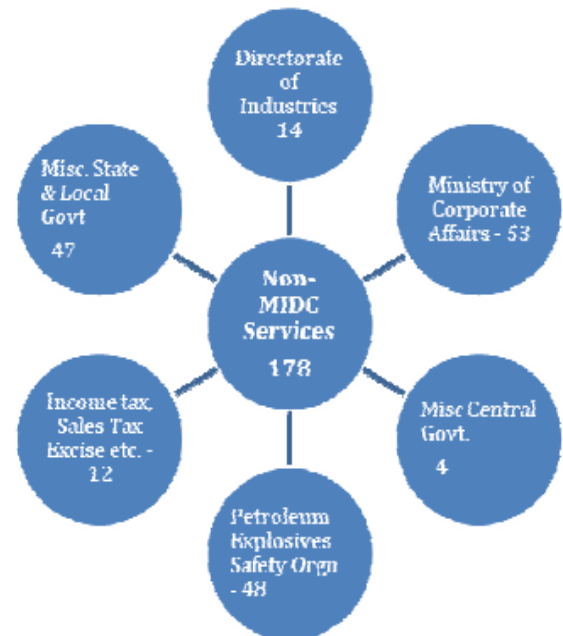
¹ The Citizen's Charter is a document which represents a systematic effort to focus on the commitment of the organisation towards its citizens in respect to the standard of services, information, choice and consultation, non discrimination and accessibility, grievance redressal, courtesy and value for money. This also includes expectations of the organisation from the citizen for fulfilling its commitment.

Department-wise breakdown of MIDC services

Maha-e-biz provides 215 clearance services to investors. These include 37 MIDC services ranging from the land department to fire, water, power, drainage, SPA, technical advisory and IT Special Economic Zones (SEZ).

It also covers a total of 178 Non-MIDC services provided by 20 different state and central departments including the Ministry of Corporate Affairs, Department of Income Tax, Department of Sales Tax, Labour Department, Directorate of Industries, Maharashtra Pollution Control board, Central Board of Excise & Customs, Petroleum and Explosives Safety Organisation etc. A detailed list of services is available at [https:// services.midcin.dia.org/services/AllServicesAnon.aspx](https://services.midcin.dia.org/services/AllServicesAnon.aspx).

The services provided on the Maha-e-Biz portal cater to four phases in the establishment of a new industrial unit: operational prerequisites, pre-construction requirements, post construction requirements and commissioning procedures.



Department-wise breakdown of Non-MIDC services

Operational Prerequisites

- Incorporation of Limited Liability Company, Pvt. / Public Ltd. Company
- Preparation of Project Report (DPR)
- Registration of IT/ITEs unit
- Registration of IEM
- SSI Registration
- Mega Project

Pre Construction

- Land Allotment
- Agreement To Lease (AToL) and Survey Plan
- Architect and Design Plan
- Provisional Fire Approval
- MPCB (Consent To Establish)
- Building Plan Approval
- Construction Water Connection
- Construction Power Connection

Post Construction

- Drainage Completion Certificate
- MPCB (Consent to Operate)
- Final Fire Clearance / NOC
- Building Completion Certificate
- Industrial Safety Permit
- Clearance from Electrical Inspector (If Applicable)

Commissioning

- Boiler Inspection Certificate (If Applicable)
- Labour Welfare related Clearances
- Necessary steps under Industry Promotion and Subsidies
- Register under Sales Tax
- Maharashtra Fire Services (If Applicable)
- NOC and consent under Water and Air Pollution Control Acts
- Registration for manufacture of drugs and cosmetics (If Applicable)
- Registration for Central Excise
- Registration for manufacture of drugs and cosmetics (If Applicable)
- Registration for Central Excise
- Registration under ESIC Act
- Use and storage of explosives (If Applicable)
- Weights and Measures
- Employee Provident Fund (EPFO)
- Code Number for Export and Import IEC Code (If Applicable)
- ISI Certificate

PROCESS FLOW

Maha e- Biz can be accessed by clicking on the 'Single Window Clearance Service' located on the MIDC portal (www.midcindia.org).

The screenshot shows the homepage of the Maharashtra Industrial Development Corporation (MIDC) Single Window Clearance Service. The header features the MIDC logo and the text "Maharashtra Industrial Development Corporation". Below this is a navigation bar with links: Home, Entrepreneur Zone, Available Services, Circulars, Feedback, Contacts, and FAQs. A banner below the navigation bar reads: "Payments to MIDC made easy now. Pay Online & avail services faster." The main content area on the left welcomes users to the Single Window Clearance Service website, explaining that it allows users to register plots and apply online for various clearances (Fire Department, Water Supply, Technical Advisor (TA), Special Planning Authority (SPA), Engineering, and Land Department). It also mentions that users can apply online for certain services of DIC and MPCB. To view the list of services and online forms, users are directed to "Click Here". To start using services, users need to "Register Online" and link their plot to access the online services. For more information on how to set up a unit in MIDC and the various permissions required, users are directed to the "Entrepreneur Zone". A note at the bottom of the main content area states that the service was launched by MIDC on 26th April 2010, and for all feedback and comments, users should email swc@midcindia.org. On the right side of the page, there are three main sections: "Logins" with buttons for "Login" and "Govt. Login"; "User Registration" with a "Register" button and a description: "Register and create a User-name and password to gain access to online services related to your plot."; and "Apply for a plot." with an "Apply" button and a description: "To apply for a plot in MIDC Industrial Area please register with us."

The Maha e-Biz single clearance portal is divided into two parts: a) Customer Login and b) MIDC staff login.

a)



The screenshot shows the 'Customer Login' section of the MIDC Single Window Clearance portal. It features the MIDC logo and name at the top. Below the header, there is a 'Customer Login' section with two input fields: 'Login Email Address' and 'Password'. To the right of these fields is an illustration of three people sitting at desks with computers. Below the input fields are 'Log In' and 'Cancel' buttons. At the bottom, there is a link: 'Forgot Password, or New User click here'.

b)



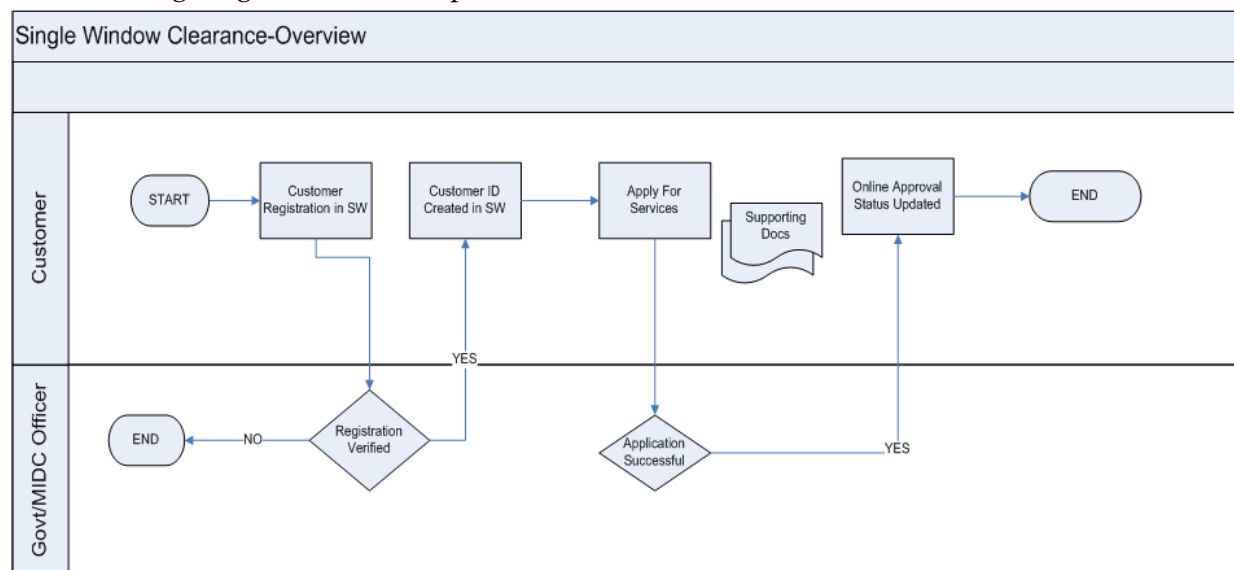
The screenshot shows the 'Govt. Login' section of the MIDC Single Window Clearance portal. It features the MIDC logo and name at the top. Below the header, there is a 'Govt. Login' section with two input fields: 'Login Name' and 'Password'. To the right of these fields is the MIDC logo. Below the input fields are 'Log In' and 'Cancel' buttons. At the bottom, there is a note: 'Note: Login with your Windows Userid and Password' and a link: 'User Manual'.

1) For MIDC services

- The first step in using the portal involves the registration of a customer's plot which is then verified by MIDC officials.
- After verification, the customer is given an ID though which he/she can login and apply for various services available under the various departments under MIDC. The customer is required to attach the relevant supporting documents.
- The applications are then scrutinised by the Regional Officers or other heads of departments and are either approved or rejected².
- By logging in through his/her registered account, the customer can check the status of his/her application.

² For certain applied services, field visits and verifications may be required.

The following diagram shows the process flow for the MIDC services:



2) Non-MIDC services

Currently the 178 non-MIDC services are covered under any of the following procedures:

- Online filling up of form, printing form and physically submitting it to the concerned department
- A static form for the concerned service
- Service-related website links connected with an existing service facilitation process

For non-MIDC services, a process for increasing the interactivity level with the respective departments is in place. In other words, gradually the whole procedure will be computerised and will be completely integrated with each department's internal processes³.

METHODOLOGY

The OneWorld team used both primary and secondary research methods for the preparation of this best practice document. Through desk based secondary research, available through online material, the team identified Maha-e-Biz as a best practice because it aims to improve public service delivery through a unique model that is both economically and socially sustainable.

³ E.g. Maharashtra Pollution Control Board (MPCB) has provided a link to the required MPCB clearance forms on the Maha e-Biz portal and plans to integrate this link with MPCB's internal management information system.

Furthermore, Maha-e-Biz displays potential for replication. Once this was established, key stakeholders were identified and interviews were scheduled for a field visit. In order to validate the already gathered information and to seek a clearer understanding of Maha e- Biz and its operations, the research team visited Mumbai to conduct interviews with identified stakeholders. The insight gathered from these interviews was clubbed together with the secondary research material to prepare this document. It is an attempt to explain the overall functioning of Maha-e-biz and highlight its potential impact. One hopes for the replication of such initiatives, which would cut down the otherwise long drawn out procedures of service delivery, in this case, in the establishment of new industrial units.

KEY STAKEHOLDERS

1. Maharashtra Industrial Development Corporation (MIDC): Conceived Maha-e-Biz.
Responsible for all operations.

2. Other Departments whose clearance forms are available on the Maha e-biz portal:

- Directorate of Industries
- Labour Department
- Airport Authority of India
- Public Works Department
- Ministry of Corporate Affairs
- Food and Drug Administration
- Maharashtra Coastal Zone Management Authority
- Directorate General of Foreign Trade
- Maharashtra State Electricity Distribution Company Limited
- Income Tax Department
- Department of Sales Tax
- Industrial Safety & Healthy Directorate
- Boiler Inspectorate
- Municipal Corporation of Greater Mumbai
- Central Board of Excise & Customs
- Employee Welfare
- Weights and Measures
- Bureau of Indian Standards
- Maharashtra Pollution Control Board
- Petroleum and Explosives Safety Organization

LESSONS LEARNED

EASY AND GLOBAL ACCESS TO SERVICES

With Maha-e-Biz, customers can access and subsequently submit applications for business facilitation services in Maharashtra from anywhere in the world. This not only saves time for the customers, but also cuts down conveyance costs and other expenditures incurred during a manual process where he/ she would have had to make several visits to the various departments for approvals.

STEP BY STEP GUIDANCE

Through the Entrepreneur guide, interested investors are guided through the 'what, when, why, and how' of setting up a new business unit. Earlier, this was a lengthy and exhausting process for customers, as they were uncertain of the appropriate procedure and repeat visits were constantly required.

REDUCED SCOPE FOR REJECTION OF APPLICATIONS

The chances of customers making mistakes in filling out forms and attaching relevant documents has been considerably reduced as a result of the availability of a detailed list of clearances and procedure available on the portal. The possibility of misplacing papers is also reduced. In this way, concerned authorities are less likely to reject applications based on unimportant or irrelevant circumstances.

STATUS-TRACKING OF APPLICATIONS

After making the application for various clearances, the customer can track his/ her application on the Maha-e-Biz portal and know at which stage the application is stalled and how long before it will be approved thereby cutting down the need for visits to government departments.

DEPARTMENTAL ACCOUNTABILITY AND MONITORING

With online status tracking, there is pressure on each department to be efficient and ensure timely approval of clearances. The transparent process also cuts down any scope for putting the blame elsewhere and ensures that the faulty department is held accountable.

IMPROVED CUSTOMER SERVICE

With the citizens charter published on the portal, the customer knows his/her rights and can hold the concerned department responsible if any problems occur. The service delivery date can be cross checked with the service request date to identify application delays.

FAVOURABLE IMPACT ON THE INDUSTRIAL DEVELOPMENT OF MAHARASHTRA

The initiative reflects the desire of the state authorities to ease long drawn out procedures of setting up industrial units, which can prove disillusioning for potential investors. An effort like the Maha-e-Biz portal with complete information on setting up new units and outlining the whole procedure creates a positive outlook for prospective investors.

SUSTAINABILITY

The system is built and designed in such a manner that new departments and additional services can be easily integrated onto the platform. Further integration does not require any hardware/software purchase at either end. Also, maintenance cost of the system is minimal and it is integrated with the overall ERP support of MIDC. Currently the focus of MIDC is to make the portal popular and consumer friendly. Once it is fully operational, steps will be taken to consider commercial interests of the organization.

LOOKING INTO THE FUTURE

Setting up the portal in its current state was not an easy job as it involved the transformation of age-old government procedures. The biggest challenge faced was to sell the idea to the departments which feared losing their independence and prepare them for all changes that would ensue. Gathering technical expertise and human resources to devise a sustainable and easy to use portal proved equally gruelling. By overcoming these challenges, the Maha-e-Biz portal has taken its current shape where the MIDC clearances are provided through a complete end-to-end online application.

The future entails ensuring that a similar robust and a complete online procedure is put in place for non-MIDC services so that the current achievements and efficacies in the working of the MIDC departments can be replicated in the non-MIDC departments as well. Many of these departments are developing their own management information systems which will gradually be linked to their forms that are currently available on the Maha-e-Biz portal. It is also important to note that Maha-e-Biz currently caters to existing customers looking to set up a new industrial unit; hence, it is accurate to say that there is still a substantial amount of room to involve and engage new customers.

A procedure for online payment of required fees for various services and automation of its other responsibilities like payment of water bills etc. is under consideration for future

enhancements. With such changes planned for the future, an initiative like Maha-e-Biz show tremendous potential to enhance public service delivery in business development.

Research was carried out by the OneWorld Foundation, Governance Knowledge Centre (GKC) team.

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August 2010 MIDC presentation on Maha-e-Biz

APPENDIX A -INTERVIEW QUESTIONS

Maharashtra Industrial Development Corporation (MIDC)

- 1) What is the purpose of Maha-e-biz? When did the initiative begin? What was the situation prior to Maha-e-biz?
- 2) How was the idea of Maha-e-biz conceived? Who are the key stakeholders in the project? What are their roles?
- 3) What kind and how many services and departments does Maha-e-biz cover? What is meant when one says MIDC and Non- MIDC services?
- 4) Can you describe for us the salient features and working design of Maha-e-biz? Is the whole procedure online or do customers have to print the form and physically submit it?
- 5) Is the operating staff given training in the use and operation of the system?
- 6) Can you explain the technical aspects of Maha-e-biz?
- 7) Once a clearance application is filed by a customer (investor), how is it ensured that timely approval is given? Is there a system in place for the customer to track his/her application?
- 8) There is a system in place for online payment, once the application is accepted. Can you explain this a bit further?

- 9) What about the financial sustainability of the initiative?
- 10) What are the major achievements of the initiative? What is unique about it?
- 11) What have been some of the major challenges faced while building and maintaining Maha-e-biz?
- 12) Has there been any evaluation, monitoring on your part on the functioning of the system? Are there some statistics you can share with us that indicate the impact?
- 13) Are there plans for any enhancements in the future? Have other states showed interest in replicating Maha-e-biz?