



Reducing Compliance Burden and Deregulation

Mizoram

27.03.2025

Agenda

1. Background
2. Priority Areas
3. Indicative Suggestions for Way Forward



Why Deregulate ?



Regulation directly affects businesses, hampering productivity

Counting unit level and aggregated costs clarifies the trade-offs



~50% of an industrial plot is lost to building standards



~20% wage discount for women workers banned from factory processes



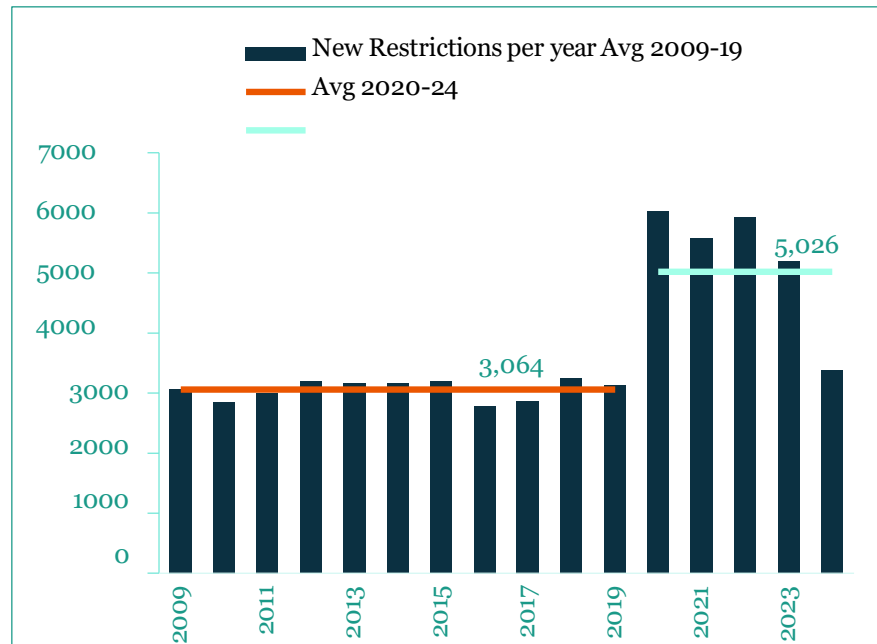
~2X floors required to construct same number of rooms as a hotel in Singapore



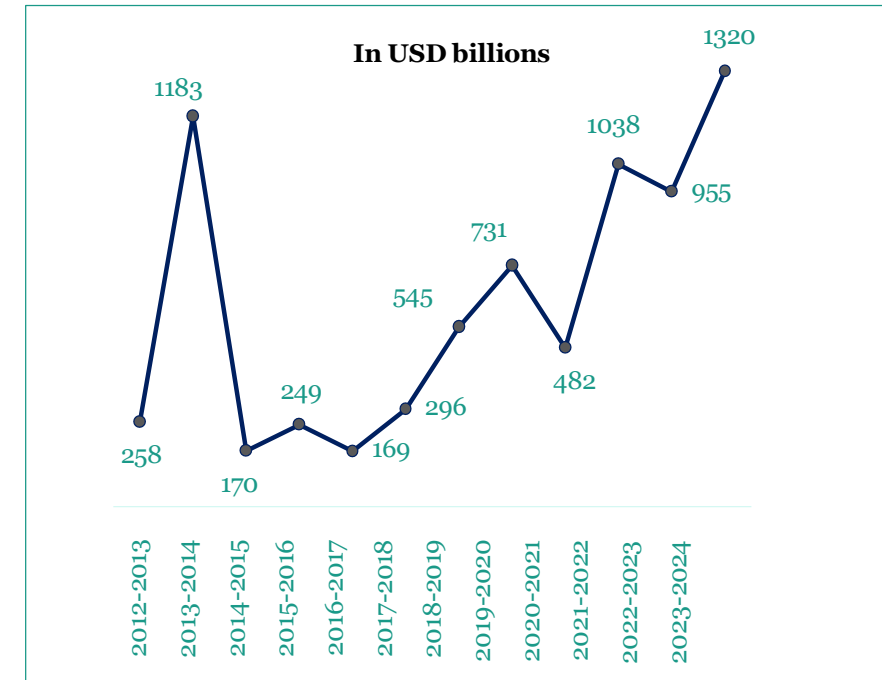
~65% higher production costs for iPhones than Japan due to hour limits

The tide has turned now: End of the globalization era

New import restrictions per year



Value of trade covered under new import restrictions



Why Deregulate ?

1. End of Globalization Era
 - Increase in import restrictions
 - Value of trade covered under new import restrictions is increasing
 - New opportunities for driving domestic growth
2. Domestic Levers of growth matter more:
 - MSMEs are key drivers of economic growth contributing 30% to GDP
 - 2nd largest contributor to employment after agriculture
 - Contribute to approximately 36% of manufacturing output
3. India has to rise to the challenge of the change in External Environment
 - Cost of Regulation Study by DPIIT which has data on Average no. of days of Delays in the State for 13 services compared to the national average

Background

- Presentation on “Economic reforms in States for Investment: A Systematic Deregulation Approach” by CEA in the Chief Secretaries Conference held in December, 2024
- Requests by Chief Secretaries for access to best practices and templates of GoI and other State governments on business-friendly ecosystems
- PM directed that a Cell be constituted in the Cabinet Secretariat to facilitate Ease of Doing Business (EoDB) in the States.
- A Task force headed by Cabinet Secretary and a deregulation cell established

Undertaking systematic deregulation

Key reforms pursued in phase 1

- ✓ **Reduce compliance burden**
Saving businesses time and admin costs
- ✓ **Streamline system, process & info**
Eliminating redundancies, clarifying process flows
- ✓ **Digitise system, process & info**
Establishing digital means of interaction

To be pursued in phase 2

- **Liberalise standards and controls**
Adopt 'minimum necessary, maximum feasible' norms
- **Set legal safeguards for enforcement**
Ensuring due process of law via hierarchy of safeguards
- **Use risk-based regulation**
Tailor legal norms to risk profile, involve third parties

Priority Areas

- I. Land Use (4 Priority Areas; 11 Sub-Priority Areas)
- II. Building and Construction (4 Priority Areas; 4 Sub-Priority Areas)
- III. Labour (6 Priority Areas)
- IV. Utilities & Permissions (6 Priority Areas; 5 Sub-Priority Areas)
- V. Overarching Priorities (3 Priority Areas)

Land Use



Priority Area 1:

Adopt a Flexible Zoning Framework That Allows For Mixed-use Development Activities



Objective :

1. Encouraging inclusive zoning :
 - All land uses are allowed
 - Non-permissible activities defined and delineated
2. Allowing for mixed-used development through
 - Encouraging more diverse uses of land in one area.
 - Reducing the number of sub-classifications in the zones, and
 - Affordable/Rental housing in Industrial Area.
3. Walk to Work/Metro to Work Concept in TOD zones

Present Status of Inclusive Zoning

Current Status	Best Practices	Suggested Way Forward
Activities are permissible and not permissible in the Industrial area as per the Zonal regulations	Ahmedabad, Gujarat <ul style="list-style-type: none">• All land uses are allowed.• Category wise non-permissible activities are defined.• Commercial use extent based on the road width.• Hazardous uses allowed only in Industrial Special Zones.• For example - Fuel stations, institutional buildings, and public utilities allowed in all zones.	<ul style="list-style-type: none">• Mizoram may consider giving additional FSI in identifiable high potential zones subject to low vulnerability of these areas towards disasters.

Present Status of Mixed Land Use in Mizoram

Present Status	Best Practices	Suggested Way Forward
TOD zone yet to be notified	In Kerala, <ul style="list-style-type: none">Mixed-use development in most land use zones in Master Plans/Detailed Town Planning (DTP) schemes.Allows small-scale, non-polluting industries to coexist harmoniously with other land uses.	The State may <ul style="list-style-type: none">Evaluate the feasibility of permitting Mixed Land Use (MLU).Identify major bus routes/bus terminals as Transit Oriented Zones and mixed use planning can be encouraged in these Zones.

Priority Area 2: Simplify and Digitize the Process for Land Use Change by Developing a Comprehensive List of Required Documents for CLU and Enabling an Online Application Process.



Objective :

1. Single Window System: Ensuring that land use change services are available through an online single-window system with clear information on fees, procedures and required documents.
2. Exploring the possibility of using PM GatiShakti Platform for change of land use.
3. Having relaxed CLU norms for MSMEs.
4. Allowing industrial worker housing as part of core activity in industrial estates/parks.

Present Status of Change in Land Use (CLU) practices in Mizoram

Current Status	Best Practices	Suggested Way Forward
<ul style="list-style-type: none">• In the process of fully digitizing the land use change process in the State through a dedicated portal e-RAM portal• Established a comprehensive list of required documents and implemented an online application system for Change of Land Use (CLU).	<ul style="list-style-type: none">• Gujarat Simplified the Change of Land Use (CLU) approval process by requiring only <u>two documents</u>: application copy and an affidavit.	<p>The State may</p> <ul style="list-style-type: none">• Streamline the documentation process by reducing the number of required documents to two.• Consider exemption from CLU Approvals in Designated Industrial Areas and expanding the provision for deemed approval.• Consider increasing the validity of CLU permission like Haryana.

Priority Area 3: Rationalizing minimum road width requirements for different categories of industries in rural areas



Objectives :

1. Rural roads in India are predominantly narrow.
2. Minimum Road width requirements cede rural areas for industrial activity increasing cost factor for entrepreneurs and inflating land prices.
3. Development is restricted in fringe areas and becomes even more critical as States are trying to decongest cities.

Present Status of minimum road width norms in Mizoram

Current Status	Best Practices	Suggested Way Forward
<ul style="list-style-type: none">• Road width is yet to be finalized• The current standards are not applicable being a geographically hilly region.	<p>Punjab</p> <ul style="list-style-type: none">• Green and orange industries on minimum 6.7m road width. <p>Tamil Nadu</p> <ul style="list-style-type: none">• 7m road width for residential layouts in corporation areas• 6.5m in town panchayat areas• 6m in panchayat areas <p>Odisha</p> <ul style="list-style-type: none">• 6m road width for subdivided plots with certain conditions	<p>Points for self assessment -</p> <ul style="list-style-type: none">• List types of roads with standard specification of width and length• Prescribe width for permission of industrial activity in rural areas under town planning rules/ development control order/ any other relevant Act/ Rules• Tap percentage of roads with less width than the prescribed minimum road width for setting up of Industry in rural areas• Reduce required road width for setting up industries in rural and fringe areas with low traffic volume or start with giving permit for green and orange industries

Priority Area 4: GIS databank for industrial land available in State, integrated with India Industrial Land Bank (IILB)



Objectives :

1. Availability of data of all land banks (vacant plots) in State/UT-owned industrial estate (estate-wise) on one online system or portal which is in public domain.
2. This data may also include details of industries or sectors for which the land can be used.

Present Status of minimum road width norms in Mizoram

Current Status	Best Practices	Suggested Way Forward
<ul style="list-style-type: none">• C&I and ZIDCO have ensured that all land bank information is publicly accessible• Land availability data is on an online platform• GIS-mapping of industrial estates	<p>Telangana</p> <ul style="list-style-type: none">• Land available for industrial use is displayed using both tabular and GIS based approaches on the single-window system.• The vacant lands shown are equipped with infrastructure and facilities, making them readily available to investors, who can apply for them through an online system.• The land database is available at the district, zonal and sectoral level.	<p>The State may</p> <ul style="list-style-type: none">• Develop online system by incorporating a structured database that enables land search based on district, zone, or sector.• Include comprehensive details of infrastructure and facilities available on vacant land parcels to facilitate ease of access for potential investors in the database.• Provide comprehensive information on industrial land allotment procedure followed• Coordinate with the IILB Team for timely resolution of issues or queries related to data integration

Buildings and Constructions



Challenges in Buildings and Constructions



Building norms are leading to sub-optimal utilization of commercial lands resulting in:

- **Productive Land Losses for MSMEs**- that can lose 70% of productive land to building standards and large factories lose 55%.
 - Punjab and Haryana lose only 20 to 30% of their land to Building Standards, and Land Factories lose 40% of their land.
- **High cost of compliance for buildings** above 18m in height
 - Maharashtra and Karnataka have higher higher thresholds for high-rise buildings.
- **Stunted Development** due to height ceiling for commercial buildings based on road width and plot size.
 - Tamil Nadu and Odisha do not limit maximum height of a commercial building.
- **High entry barrier**- minimum plot area of 2,000 sqm for high-rise buildings.
 - Maharashtra, Haryana and Odisha do not mandate a minimum plot area.

Priority Area 5:

Amend building regulations to reduce land loss in industrial plots.

Priority Area 6:

Amend building regulations to reduce land loss in commercial plots.

Objectives:

- Amending building regulations is crucial to industrial growth, because, on average, industrial buildings in India lose 50% of land to building standards compliance
- Principles of fire safety, disaster proneness of an area and the nature of the industry to be kept in mind
- Prioritize rationalizing :
 - Setbacks , Floor Area Ratio (FAR) , Parking Space , Minimum Plot Area for industries

Present Status of Setback norms

Current Status	Best Practices	Suggested Way Forward
No information is available for Setback norms in Mizoram	<ul style="list-style-type: none">• Punjab: No side setbacks for industrial plots up to 2,024 sqm (AP : 3-7.5m)• Haryana: No side setbacks for industrial plots up to 450 sqm (AP : 1.5 – 7.5m)• Gujarat and Noida : Exemption from one side setback for plots below 500 sqm• Singapore(industrial plots):<ul style="list-style-type: none">• 4.5m setbacks on all sides• Exemption from setbacks if boundary wall shared with industrial building	<ul style="list-style-type: none">• Remove or reduce rear/ side setbacks where possible• Adapt to Local requirements

Present Status of Parking norms

Current Status	Best Practices	Suggested Way Forward
No information is available for Parking norms in Mizoram	<p><u>Industrial Plots</u></p> <ul style="list-style-type: none">• Haryana and Odisha (per 100sqm of floor area)<ul style="list-style-type: none">○ 0.33 ECS○ No two-wheeler/ loading space requirement• Uttar Pradesh and Punjab (per 100 sqm of floor area)<ul style="list-style-type: none">○ 0.5 ECS <p><u>Commercial Plots</u></p> <ul style="list-style-type: none">• Haryana: IT/ ITES – 0.33 ECS• Singapore: Hotels/ Offices- 0.1 to 0.4 ECS• Hong Kong: Business/ Offices - 0.67 ECS	<ul style="list-style-type: none">• Parking norms can be tailored to the requirements of the Industry.

Present Status of Minimum Plot Area

Current Status	Best Practices	Suggested Way Forward
No information is available for Minimum Plot Area in Mizoram	<ul style="list-style-type: none">• Punjab, Gujarat, Haryana, Uttar Pradesh, Tamil Nadu<ul style="list-style-type: none">• No minimum plot area requirement	<ul style="list-style-type: none">• Remove the minimum plot requirement for industrial purposes

Present Status of FAR norms in Mizoram (Industrial Plots)



Current Status	Best Practices	Suggested Way Forward
<ul style="list-style-type: none"> FAR & Height limit and parking norms for standalone factories and flatted factories in Industrial zones are relaxed. Special provision for Stand Alone and flatted industries in industrial zones allowing maximum coverage(75%) within prescribed minimum setbacks. <ul style="list-style-type: none"> - FAR For Industries - 2 For hazardous industries (Poisonous and toxic material production), the FAR is 1.5. 	<ul style="list-style-type: none"> Tamil Nadu: 1.5- 3.25 FAR. In addition, TN offers premium FAR based on road width. Odisha: 1.5 to 7 based on road width Punjab: Unlimited FAR in development areas and a FAR of 3 in municipal areas. Telangana: Unlimited FAR <p>International:</p> <ul style="list-style-type: none"> Hong Kong: 2.5-12 based on land use classification Philippines: 1.5-5 FAR based on type of industry Japan: 4 FAR Singapore: 4 FAR 	<ul style="list-style-type: none"> Increase the Floor Area Ratio based on best practices of other States/International practices

Present Status of FAR norms in Mizoram (Commercial Plots)



Current Status	Best Practices	Suggested Way Forward
<ul style="list-style-type: none">Mizoram has relaxed F.A.R and Height limit for commercial buildings in commercial areas.Commercial building in Commercial Zone- 300 sq m or more – 5 FSI is allowed.Special Provisions for Commercial Buildings in Commercial Zones allowing maximum 75 % coverage within prescribed minimum setbacks.	<ul style="list-style-type: none">Gujarat - 2.7 to 5.4 in commercial zonesTamil Nadu – 3.25 to 4.8Odisha - 2 to 7 based on road widthTelangana - UnlimitedMaharashtra – 4 to 5Punjab - Unlimited on roads above 45m. <p>International:</p> <ul style="list-style-type: none">Singapore and Hong Kong offer FAR up to 15 for commercial buildings.Japan offers FAR up to 13 for commercial buildings.	<ul style="list-style-type: none">Increase the Floor Area Ratio based on best practices of other States/International practices

Priority Area 7:

Increase the role of empaneled third parties in building approvals and joint inspections

Objectives:

- Enhancing the role of empanelled third parties in the building plan approval process.
- Integrated end to end application for all Dept/Agencies responsible for issuing NOCs/approvals(Fire/Water/AAI/Forest etc.).
- Complete online process from the issuing of building approvals to the occupation and completion certificates.

Present Status

Current Status	Best Practices	Suggested Way Forward
The provision is given in the Aizwal Municipal Corporation Site Development and Slope Modification Regulation, 2017-in which geotechnical assessment, engineering approval , etc are compulsory before applying for a building plan approval certificate.	<ul style="list-style-type: none">• AP is considered a best practise through their authorization of LTPs.• Haryana allows for self-certification with instant approval for low and medium risk industrial and commercial buildings.	<p>The State may</p> <ul style="list-style-type: none">• Examine the time being taken by third party agencies doing geotechnical assessments before building plan approvals.• Allow Self Certification by architects for low and moderate risk buildings.• Use a computerized system of selection of the empanelled third parties for joint inspections for various NOCs.

Priority Area 8:

Simplifying process for issuing Occupation/Completion certification of buildings

Objectives:

- Online application submission with integrated payment, eliminating physical touchpoints for document submission (online using APIsetu and digilocker) and verification
- Issuance of digitally signed approved building plans
- E-intimation on commencement of construction and completion of building level
- Online submission of a unified completion request form, along with the occupancy certificate application, with integrated payment feature

Present Status



Current Status	Best Practices	Suggested Way Forward
<p>Steps taken by Aizawl Municipal Corporation to simplify and streamline the process for issuing Occupation/Completion Certificates for buildings –</p> <ul style="list-style-type: none">• Introduction of OBPAS (Online Building Plan Approval System)• Issuance of Provisional Building Permission• Facilitation Centres and Support• Completion and Occupancy Certificate Process	<p>Tamil Nadu,</p> <ul style="list-style-type: none">• Digital system for construction permits (planning, building permit, intimation of plinth commencement of construction & completion certificate)• Online application submission, document submission, online payment, automated review /AutoDCR, online notification, status tracking of application• Single Window integrated with <u>11 Depts/Agencies</u>	<p>The State may consider -</p> <ul style="list-style-type: none">• Integrated Digital Approval System• Streamlining Documentation and Approval Levels• Deemed Approvals for Industries

Labour



Priority Area 9:

Remove prohibitions on women from working in certain 'hazardous' industries



Objective :

1. Permitting women (except pregnant and lactating mothers) to work in all occupations.
2. Ensuring that the safety conditions for women's work are in accordance with the provisions of the Occupational Safety, Health and Working Conditions Code, 2020 (OSH Code).



Current Status	Best Practices	Suggested Way Forward
<p data-bbox="71 254 573 301">Hazardous Industries</p> <ul data-bbox="71 382 970 811" style="list-style-type: none"><li data-bbox="71 382 970 554">• Allowed, provided employers implement certain safety measures outlined<li data-bbox="71 639 970 811">• Prohibited for certain factory operations deemed dangerous by the state government	<ul data-bbox="1003 254 1778 811" style="list-style-type: none"><li data-bbox="1003 254 1778 811">• Andhra Pradesh is a best practice along with other States Karnataka, Kerala, Maharashtra, Odisha etc. which have taken steps to remove prohibitions on women working in certain 'hazardous' industries under the OSH draft rules.	<p data-bbox="1811 254 2474 682">The State may consider removing prohibitions on some of the operations along with ensuring that the requisite safeguards as per Section 82 of the OSH Code are adhered to.</p>

Priority Area 10:

Allow night-time employment of women (7pm-6am) in all occupations (Factories)



Priority Area 11:

Allow night-time employment of women (7pm-6am) in all occupations (Shops and Commercial Establishments)

Objective :

1. Rationalizing the following prohibitive conditions required to be met for women to be employed on the night shift
 - Ensuring women security guards
 - separate transportation for male and female employees etc.
2. Women's employment on the night shift should be subject to their written consent, adequate facilities for safety including CCTV, transportation and separate restrooms

Present Status



Current Status	Best Practices	Suggested Way Forward
<ul style="list-style-type: none"> Section 66 (1)(b) of the Factories Act prohibits women from being employed in any factory outside the hours of 6 A.M. to 7 P.M. Section 12 A of the Mizoram Shops and Establishments Act permits the employment of women at night subject to certain conditions. These include: <ul style="list-style-type: none"> - Provision of shelter 	<p>Certain states do not require the following</p> <ul style="list-style-type: none"> • Disciplinary rules and Standing Orders • Appropriate working conditions • Quorum requirements • Women security guards • Separate canteen facilities & transportation • Appropriate medical facilities and separate emergency vehicle • Supervisory staff quorum • 12 hour gap between shifts • No night shifts for more than a week at once • Special Welfare Assistants • Fortnightly report • Express report to police station • Additional Holiday <p>Andhra Pradesh and Telangana lead in most parameters here</p>	<p>The State may consider permitting women's employment on night shifts in factories subject to following conditions</p> <ul style="list-style-type: none"> • Obtaining consent of women workers • Compliance with the PoSH Act • Compliance with the Factories Act • Employers to draft a general policy on how sexual harassment cases will be dealt in the factory • Employers to display notice across factory premises on rights available to women workers • Delete the condition for provision of shelter

Priority Area 12:

Revise the working hours limit for factories

Objectives:

Revising the following working hour limits through legislative/regulatory changes as appropriate:

- Daily hours: 10
- Weekly regular hours: 48
- Spread over: 12 hours
- Intervals for rest: ≥ 30 minutes after ≤ 6 hours, on a case-to-case basis
- Overtime hours: 144/quarter

Current Status	Best Practices	Suggested Way Forward
<ul style="list-style-type: none"> Limits prescribed <ul style="list-style-type: none"> Daily regular hours: 9 Weekly regular hours: 48 Spread over: 10.5 hour Rest Intervals : ≥ 30 minutes after ≤ 5 hours Quarterly Overtime limits: 75 hours 	<ul style="list-style-type: none"> Working Limits: <ul style="list-style-type: none"> Karnataka and Uttar Pradesh: 12 hours Quarterly overtime limits <ul style="list-style-type: none"> Telangana : 156 hours Karnataka and Uttar Pradesh: 144 hours Spread over <ul style="list-style-type: none"> Karnataka: 12 hours Rest intervals: <ul style="list-style-type: none"> Karnataka and Uttar Pradesh: ≥ 30 minutes after ≤ 6 hours 	<p>The State may consider making the following revisions to working hour limits through legislative/regulatory changes as appropriate:</p> <ul style="list-style-type: none"> Daily hours: Increase the limit from 9 to 10. Intervals for rest: Increase the maximum period of continuous work before mandated rest from 5 to 6. Spread over: Increase from 10.5 to 12. Quarterly overtime: Increase to 144.

Priority Area 13:

Revise the working hours limit for commercial establishments.

Objectives:

Revising the following working hour limits through legislative/regulatory changes as appropriate:

- Daily hours: 10
- Weekly hours: 48
- Spread over: 12 hours
- Overtime hours: 144/quarter

Present Status

Current Status	Best Practices	Suggested Way Forward
<ul style="list-style-type: none">• Following limits apply to Mizoram:<ul style="list-style-type: none">○ Daily regular hours: 12○ Weekly regular hours: 48○ Spread over: 12 hours○ Intervals for rest: ≥ 30 minutes after ≤ 6 hours○ Overtime hours: 4/day, 14/week, 50/quarter	<ul style="list-style-type: none">• Quarterly overtime limits<ul style="list-style-type: none">○ Chhattisgarh, GJ, MH, UP and Uttarakhand: 125 hours• International norms:• Rest Intervals:<ul style="list-style-type: none">○ Singapore: Rest may be given at any point. Period of rest is 45 minutes if the workday extends beyond 8 hours.○ Vietnam: Rest may be given at any point. Period of rest is 30 minutes if the workday extends beyond 8 hours	<p>The State may consider making the following revisions to working hour limits through legislative/regulatory changes as appropriate:</p> <ul style="list-style-type: none">• Intervals for rest: Allow employers to give a minimum rest of 30 minutes at any point in the shift.• Quarterly overtime: Increase to 144.

Priority Area 14:

Increase the threshold of workers for the closure of factories, retrenchment and layoff

Objectives:

- Increasing the threshold of number of workers for prior permission for closure, retrenchment and layoff from 100 to 300 workers under the Industrial Disputes Act

Present Status

Current Status	Best Practices	Suggested Way Forward
<ul style="list-style-type: none">• As per IDA, 1947, Industrial establishments need State's permission to retrench any worker or close the establishment (more than 100 workers on an average working day for the preceding 12 months)• Employers have to wait for up to two months for permission for retrenchment or closure.• Workmen have the right to dispute the permission by appealing to Industrial Tribunals, High Courts and the Supreme Court.	<ul style="list-style-type: none">• Assam, Gujarat, Bihar and Karnataka have increased the threshold of number of workers for prior permission for closure, retrenchment and layoff from 100 to 300 workers <p>International Best Practices:</p> <ul style="list-style-type: none">• Countries not requiring permission for retrenchment include Malaysia, Singapore, Vietnam, Japan, South Korea, Thailand, United Kingdom, Germany and the United States.	<p>The State may consider removing the requirement for permission before retrenchment and closure or increase the threshold for the requirement to 300 through legislative/regulatory changes as appropriate.</p>



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Utilities and Permissions



Priority Area 15:

Third Party Certification for Consent to Establish (CTE) and Consent to Operate (CTO) currently issued by State Pollution Control Boards (SPCBs).

Objectives:

- States may allow for renewal of Consent to Operate (under Water Act, 1974 and Air Act, 1981) based on self-certification and/or third-party certification.

Current Status	Best Practices	Suggested Way Forward
<ul style="list-style-type: none"> To obtain consent, the Mizoram State Pollution Control Board has developed a dedicated website For red and orange categories, member secretary needs to endorse the same; while for other categories Consent is obtained from Environmental Engineer. 	<p>Andhra Pradesh and Telangana are taking the least number of days to grant Consent to Establish and Consent to Operate with only 21 days.</p>	<p>The State may consider reducing timelines from the current 120 days for providing CTE and CTO. Additionally, it may consider the following to facilitate MSMEs:</p> <ul style="list-style-type: none"> Fees for CTE/CTO is on basis of Capital Investment. Graded fee structure aligned to the definition of MSME may be adopted. Self declaration based online certificate may be generated for MSMEs in manufacturing of Green & White category. Auto renewal facility for CTE and CTO may be made available In case of MSMEs engaged in the Red & Orange category products, a check-list may be provided before inspection.

Priority Area 16:

Simplifying approval and renewal of Factory License/Trade License by reducing the steps involved in documentation, and online registration under Shops & Establishments Act

Objectives:

- States may consider permitting Registration under Shops & Establishment and/or Trade License to be given through a single form and eliminate the requirement of renewal for Trade License/Registration under Shops and Establishment Act

Present Status



Current Status	Best Practices	Suggested Way Forward
<ul style="list-style-type: none">• The Department of Labour, Employment, Skill Development and Entrepreneurship have developed the online facility for registration of Shops and establishment through its EoDB portal eodbmizoram.gov.in.• Third party facility is yet to be implemented in the State and Central Inspection System is yet to be developed to provide joint inspection under the Labour and Factory Acts in the State.	<ul style="list-style-type: none">• Delhi<ul style="list-style-type: none">• Instant Registration under Shops and Establishment• Punjab<ul style="list-style-type: none">• Registration within one day• No prior inspections	<ul style="list-style-type: none">• The State may consider reducing the number of days to provide Registration under Shops and Establishment Act.

Priority Area 17:

Expedite electricity and water connections, including groundwater use permissions, through an online system for application submission, payment, and status tracking.

Objectives:

States may implement an online end to end online single window system with ease of use, and reduction of requirement of mandatory documents

Present Status



Current Status	Best Practices	Suggested Way Forward
<ul style="list-style-type: none">• The C&I Department in collaboration with the input received from P&E/PHE, Government of Mizoram, has been in the process of integrating the approval process for new electricity & water connections with the State National Single Window System(NSWS) - KYA (Know Your Approvals) portal.• The services can be accessed at https://www.nsws.gov.in/portal/investor Kya• They have also streamlined the documentation process for obtaining an electricity connection by reducing the mandatory requirements.	<ul style="list-style-type: none">• Telangana has developed the *TS-iPASS* online portal as a Single Window system for entrepreneurs to obtain utility connections.• Reduction in mandatory documents: All States have reduced the number of documents for obtaining a new electricity connection to two except Arunachal Pradesh, Chandigarh, Ladakh, Manipur, Meghalaya, Nagaland, Sikkim (as per BRAP 2022 submissions).	<ul style="list-style-type: none">• The State may consider integrating a unified payment system within its single-window platform.• Additionally, any supplementary payments raised by the concerned department should be facilitated through the same platform.

Priority Area 18:

Raising the threshold for compliance under the Shops & Establishments Act to 20 workers.



Objectives:

- States may revisit the threshold limit, which is currently 0 in most States, for compliance under the Shops & Establishments Act as this will encourage MSMEs by reducing the compliance burden on them.
- As per recent Periodic Labour Force Survey (PLFS) data, 4.4% of non-agricultural establishments in India employ between 10 to 19 people. Raising the applicability threshold to 20 workers would reduce per-worker costs for these enterprises.

Present Status of threshold compliance under Shops and Establishments

Current Status	Best Practices	Suggested Way Forward
<ul style="list-style-type: none">The Mizoram Shops and Establishments Act, 2010 applies to all establishments in the State ≥ 5 worker. Followed by an amendment act titled the Mizoram Shops and Establishments(Regulation of Employment and Conditions of Service) (Amendment) Act, 2020.*	<ul style="list-style-type: none">Gujarat, Maharashtra, Tamil Nadu, Chhattisgarh and Uttarakhand have raised the applicability threshold to ≥ 10 workers.	<ul style="list-style-type: none">The State may consider increasing the applicability threshold of the Act to establishments with ≥ 20 workers.Additionally, the applicability threshold may be raised to bring parity between the Shops and Commercial Establishments Act & the Factories Act, 1948.

Priority Area 19:

Re-classification of non-polluting industries as White Category for granting Consent to Establish and Consent to Operate under the Air Act, 1981, and the Water Act, 1974



Objectives:

- State Pollution Control Boards can proactively expand the White Category list of industries to exempt them from prior consent to establish and operate

Learning from Best Practices:

- **In Madhya Pradesh**, nearly 700 industries were added to White Category Lists
- **Gujarat and Kerala** have added approximately 150 industries and 100 industries respectively, and
- **Rajasthan and Karnataka** have further issued a consolidated industry categorization list on their official websites.

Present Status of re-classification of non-polluting industries



- Number of industries as per category

Red	Orange	Green	White
92	160	92	41

To streamline the process and reduce unnecessary regulatory burdens, Mizoram may consider the following:

- Re-categorize industries into low polluting, wherever applicable.
- Add industries to the list of white categories without any cap on investments.
- Publish a consolidated and easily accessible industry categorization list, incorporating both CPCB classifications and State-specific amendments.

Priority Area 20:

Fire inspection by accredited third parties and extending the validity of Fire NOCs



Context:

- State Fire Departments ensure fire safety compliances through issuance of NOCs.
- Growing volume of inspections due to industrial expansion, call for a need to integrate accredited third-party fire inspections with risk-based assessments.

Suggested Way Forward



Accredited third party can support government through:

- Handling routine inspections allowing fire departments to focus on enforcement and emergency response.
- Training and accreditation to maintain consistency in safety safeguards.
- Trained specialists in fire engineering can help identify and maintain risks effectively.
- Technology supported audits and penalties for non-compliance can promote transparency and responsibility.

Hence, the State can:

- Adopt third-party fire inspections to alleviate pressure on public resources, expedite NOC approvals, and elevate fire safety standards by adopting a risk based approach

Priority Area 21:

Introduction of State Level Acts similar to Jan Vishwas Act



Objective:

State Level Acts similar to Jan Vishwas Act can be proposed, with focus on:

- Decriminalizing minor offences
- Introducing civil penalties and administrative actions for minor technical and procedural lapses
- Removing obsolete and redundant provisions of laws

This will ensure:

- Severity of the offence commensurate the punishment.
- Trust-based governance which improves investors confidence
- Rational review of penalties
- Data-intelligent cleaning of legislation for conducive business environment
- Relief to overburdened judicial system

Priority Area 22:

Third Party Inspections for Low & Medium risk businesses for all approvals:

Illustration of Building Permits and Occupancy Certificates



Third Party as approvers:

- **Registered third parties i.e. building surveyors** may be considered for issuance of building permits, occupancy certificates and NOCs to reduce time taken in these approval processes.
- Third parties need to be registered and licensed by the States, with Independent professional authorities and state monitoring third parties.
- Use of third parties based on risk classification of buildings, initially limited to low and medium risk cases.
- State assessment and referral agency (SARA) to act as single agency for verifying zoning and prescribing construction requirements.
- Parties can approve buildings plans and submit approvals and OCs.

Priority Area 23:

Bring all State level services into a State Single Window System and link it to the National Single Window System (NSWS)



- To simplify business approvals, all states should integrate key services into a unified **State Single Window System (SWS)** for seamless access and compliance, and further:
 - Integrate with the **National SWS** for a seamless approval process, offering businesses customized incentives, tariff details, and compliance tracking.
 - Create **PAN-based Unique Single Business User ID** for each unit
 - Mandate **Know Your Approvals (KYA)** module of approvals and compliances to facilitate investors .
 - Develop an online dashboard with department-wise service delivery data.
 - Mandate **time-bound delivery of services** and **operationalise deemed approvals** after notified timeline is lapsed under Right to Services Act/Public Service Guarantee Act.

Steps Ahead:

1. To identify a Nodal Officer and set up a State Deregulation Cell for ease in Coordination
2. Mizoram will need to
 - Amend Laws/ Subordinate Legislation/Master Plans/ issue executive orders
 - Simplify processes
 - Digitize processes
 - Streamline processes – e.g- third party inspections
 - **Suggest more priority areas if required**

Steps Ahead:



3. Prepare Action Plan with milestones and timelines for Priority Areas that states are willing to take up and upload in MIS .
4. Chief Secretary and Departmental Secretaries shall be invited for Deregulation Task Force meetings in the future
5. Priority areas highlighted shall be a part of the Investment Matrix being prepared by NITI
6. Mizoram may give suggestions on changes required in Central Regulations
7. Deregulation and Reduction of compliance Burden will be a subject in next Chief Secretaries Conference.



Thank You