Guj exempts MSMEs from approval for first 3 yrs -



## Guj Exempts MSMEs From Approval For First 3 Yrs

Current Affairs Headlines Real Estate News - October 4, 2019



By Accommodation Times Bureau

GANDHINAGAR:

Image for representation

Chief Minister Vijay Rupani chaired an meeting with the Council of Ministers on Thursday in which decided that new MSME units will not be required to take approvals for setting up their units for the first three years. They can then avail the necessary permissions and approvals within 6 months after the lapse of three years.

BUY

NOW

The state government has decided to issue 'The Gujarat Micro Small and Medium Enterprise Facilitation Ordinance 2019' to ensure ease in establishment of MSME units in the state.

The state government will appoint two agencies, one at the state level and one at the district level , for providing the necessary assistance and co-operation in establishing the upcoming MSME units. The Investor Facilitation Agency will operate at the state level and District Industries Centre will operate at the district level.

Officials said individuals on industrialists who wish to set up an MSME unit in Gujarat will be required to present a 'Declaration of Intent' in front of the nodal agency post which the state level nodal agency will provide them with an Acknowledgement Certificate after due verification. The person or the industrialist can consider this certificate as a proof of approval from the state government and thereby establish the MSME unit without any approvals for a period of 3 years. Upon the lapse of this time period, the MSME units will be required to take the necessary permissions within 6 months from the date of expiration of the 3 year term.

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# New MSMEs can start work without Gujarat government clearances

TNN | Oct 4, 2019, 02.11 PM IST



GANDHINAGAR: To give impetus to micro, small and medium enterprises (MSMEs), the Gujarat cabinet on Thursday approved a draft ordinance to amend the MSME Act. The ordinance will come into force after it receives the governor's assent.

The most important clause in the proposed ordinance allows entrepreneurs to start production without waiting for approvals from government agencies and to secure clearances once their business stabilizes.

Some one lakh MSMEs get approvals through the industries

commissionerate portal every year. On average, units need permissions from 12 different departments. In most instances, the start of production is delayed by up to three years.

With some 33 lakh operational MSMEs in Gujarat, the sector is the largest employer in the state.

A top state government official said MSMEs will now get three years to stabilize their business before they need to secure clearances. "Seeking clearances from 12 different departments before production is not only time consuming, but also increased the scope for corruption. In many instances, departments seek NOCs from other departments for clearances. This impediment will now be done away with," the official said.

MSMEs so far needed clearances from departments such as industry and mines, urban local bodies, village panchayats, pollution control board, the revenue department and the like, before production began.

The state government recently reduced power costs for MSMEs by up to Rs 3 per unit.

The latest report of Trans Union CIBIL- SIDBI states that Gujarat has emerged as the top state in terms of performance and credit growth potential for MSME corporate lending in India, followed by Andhra Pradesh, Haryana, Karnataka and Delhi.

### Printed from THE TIMES OF INDIA

# Now, MSMEs won't need approvals to start business in Rajasthan

TNN | Jun 5, 2019, 03.13 AM IST



JAIPUR: Rajasthan has become the first Indian state to allow MSMEs to start projects without any approvals or clearances. Moreover, for three years no inspectors or officials will knock on the doors of their factories.

Attempting to attract investment, the Rajasthan government notified rules last week under the Micro, Small and Medium Enterprise (Facilitation of Establishment and Operation) Ordinance, 2019, that require an investor to submit only a "declaration of intent" to set up a new enterprise and start work after receiving an "acknowledgment certificate".

"Delays in obtaining approvals and clearances had forced some investors

to shelve projects in the past. It has also slowed project implementation. That's why most of the proposals for new enterprises fail to take off. We expect the new rules will remove hurdles and enhance ease of doing business," said Subodh Agarwal, additional chief secretary, state industries department.

The ordinance provides exemptions from approvals and inspections under any Rajasthan law but enterprises are required to follow the prevailing rules and regulations. It also empowers state government departments to exempt any enterprise from any approval or inspection under any Central law that allows the state to exercise such powers.

However, after the expiry of three years, the enterprise will have to obtain required approvals within six months.

Companies incorporated after March 5, when the ordinance was promulgated, will be eligible. Agarwal said the department will soon launch a website for submission of applications and receiving acknowledgment certificates. So far, two companies have shown interest.