Rajasthan: Ordinance to help MSMEs start projects sans approvals

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JAIPUR: The micro, small and medium enterprises are not required to knock the doors of the state government for getting approvals to start their projects; they can do so by simply filling up a self-declaration form without wasting time and losing opportunities.

For three years, they can work on the projects and run their enterprises without having approvals and clearances from various departments and will not be subjected to any inspection and scrutiny, the government said on Monday by bringing in an ordinance to this effect.

The notification of the Micro, Small and Medium Enterprise (Facilitation of Establishment and Operation) Ordinance, 2019 would serve as a milestone in establishing the rule of transparent and accountable administration in Rajasthan, a government release said on Monday evening.

TOI on its March 2, 2019 edition had reported that the ordinance would be promulgated before the code of conduct for Lok Sabha come into force.

As per the new provisions, any entrepreneur would present a 'declaration of intent' for setting up a new enterprise to the nodal agency and the agency would issue an 'acknowledgment certificate'. This would spare the businessman from the urgency of approvals or inspections for three years.

However, the businessmen have to follow all the rules and regulations effective in the state. After three years, all necessary approvals would be required to be furnished in next six months.

"By simplifying the process of establishing new businesses would save the time, efforts and resources of the entrepreneurs. It would attract more investment in Rajasthan. For easy implementation of the ordinance, the Bureau of Investment Promotion (BIP) would serve as a nodal agency at the state level and the District Industries Centres at the district level respectively," the release from the chief minister's office said.

The delay in obtaining approvals and clearances have forced investors to shelve their projects in the past. That's why a majority of proposals for new enterprises have not taken off the ground.

While the ordinance will remove the bureaucratic hurdles, there is scepticism. Industry experts said what happens if the projects fail to get approvals after three years. They said the companies who would have already invested most of the earmarked money for the project will be in deep trouble if they cannot get approvals.