



The Gujarat Micro, Small and Medium Enterprises (Facilitation of
Establishment and Operation) Act, 2019

Act 26 of 2019

Keyword(s):

Acknowledgement Certificate, District Level Facilitation Committee, Micro, Small or Medium Enterprise, Nodal Agency, Single Window Facilitation Committee

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Separate paging is given to this Part in order that it may be filed as a Separate Compilation.

PART IV

Acts of Gujarat Legislature and Ordinances promulgated and Regulations
made by the Governor.

The following Act of the Gujarat Legislature, having been assented to by the Governor on the 16th December, 2019 is hereby published for general information.

K. M. LALA,
Secretary to the Government of Gujarat,
Legislative and Parliamentary Affairs Department.

GUJARAT ACT NO. 26 OF 2019.

(First published, after having received the assent of the Governor, in the "Gujarat Government Gazette", on the 17th December, 2019).

AN ACT

to provide for exemption from certain approvals and inspections for establishment and operation of the micro, small and medium enterprises in the State of Gujarat and matters connected therewith or incidental thereto.

It is hereby enacted in the Seventieth Year of the Republic of India as follows:-

1. (1) This Act may be called the Gujarat Micro, Small and Medium Enterprises (Facilitation of Establishment and Operation) Act, 2019.

Short title,
extent and
commencement.

- (2) It extends to the whole of the State of Gujarat.
- (3) It shall be deemed to have come into force on the 24th October, 2019.

Definitions.

2. In this Act, unless the context otherwise requires:-

- (a) "Acknowledgement Certificate" means the acknowledgement certificate issued under section 5;
- (b) "approval" means any permission, no-objection, clearance, consent, approval, registration, license and the like, required under any State Law in connection with the establishment or operation of an enterprise in the State of Gujarat;
- (c) "Competent Authority" means any department or agency of the Government or local authority, statutory body, State owned corporation, Panchayati Raj Institution, Municipality, Urban Development Authorities, Urban Improvement Trusts or any other authority or agency constituted or established by or under any State Law or under administrative control of the Government, which is entrusted with the powers or responsibilities to grant or issue approval for establishment or operation of an enterprise in the State;
- (d) "District Level Facilitation Committee (DLFC)" means the District Level Facilitation Committee constituted under section 5 of the Gujarat Single window Clearances Act, 2017;
- (e) "enterprise" means a micro, small or medium enterprise;
- (f) "Government" means the Government of Gujarat;
- (g) "micro, small or medium enterprise" means the Micro, Small or Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006;
- (h) "nodal agency" means the nodal agency referred to in section 3;

Guj. 29 of
2017.

27 of 2006.

Guj. 29 of
2017.

- (i) "prescribed" means prescribed by rules made under this Act;
- (j) "State" means the State of Gujarat;
- (k) "Single Window Facilitation Committee (SWFC)" means the Single window Facilitation Committee constituted under section 6 of the Gujarat Single window Clearances Act, 2017;
- (l) "Undertaking" means a letter to be taken from enterprise under a prescribed format to include that the enterprise shall ensure appropriate labour welfare measures, adequate fire safety and environmental measures as required by the law.

Guj. 29 of
2017.

3. (1) Subject to superintendence, direction and control of the Government, the Investor Facilitation Agency (IFA) constituted under section 8 of the Gujarat Single window Clearances Act, 2017 shall be the State level Nodal Agency for the purposes of this Act.

Nodal
Agency.

- (2) Subject to superintendence, direction and control of the Government and the District Level Facilitation Committee, the District Industries Centre (DIC) shall be the District level Nodal Agency for the purposes of this Act.

4. (1) Subject to the superintendence, direction and control of the Government, the powers and functions of the nodal agencies shall be as follows:-

Powers
and
functions
of nodal
agencies.

- (a) to assist and facilitate establishment of enterprises in the State; and

- (b) to maintain the records of declaration of intent received and Acknowledgement Certificate issued under this Act.

- (2) The Government may assign such other powers and functions to the nodal agencies as it may deem fit for giving effect to the provisions of this Act.

**Filing of
Declaration.**

5. (1) Any person who intends to start an enterprise may furnish to the State level nodal agency a declaration of intent to start an enterprise in such form and in such manner as may be prescribed.

Explanation. - Any person who has applied to the Competent Authority to obtain all or any of the approvals as referred to in clause (b) of section 2 before the commencement of this Act may also opt to furnish declaration of intent to start an enterprise under this sub-section.

(2) On receipt of a declaration of intent, the State level nodal agency shall, forthwith, issue an Acknowledgment Certificate, in the prescribed form to the person who furnished the declaration under sub-section (1).

6. (1) An Acknowledgment Certificate issued under section 5 shall for all purposes, have effect as if it is an approval as referred to in clause (b) of section 2, for a period of three years from the date of its issuance and after the expiry of the said period of three years, the enterprise shall have to obtain required approval as referred to in clause (b) of section 2 within six months from the date of such expiry:

Provided that the enterprise may apply for necessary permission under the respective laws within a period of three years from the date of issuance of acknowledgment certificate:

Provided further that such Acknowledgement Certificate shall not entitle a person to use a land in deviation to the land use specified in the master plan wherever such plan is in force:

Provided also that the Acknowledgement Certificate shall not entitle a person to use the land falling in restricted category as specified in clause (b) of section 65B of the Gujarat Land Revenue Code, 1879:

Provided also that any agricultural land on which a person wishes to start an enterprise shall be deemed to be a non-agricultural land under the provisions of section 65B of the Gujarat Land Revenue Code, 1879:

**Effect of the
Acknowledgment
Certificate.**

**Bom. V of
1879.**

**Bom. V of
1879.**

Provided however that the relaxation shall not be given to the enterprise from the provisions of-

- Bom. V of 1879.** (i) section 73AA of the Gujarat Land Revenue Code, 1879;
- Bom. LXVII of 1948.** (ii) sections 43 and 63AA of the Gujarat Tenancy and Agricultural Lands Act, 1948;
- Bom. XCIX of 1958.** (iii) sections 57 and 89A of the Gujarat Tenancy and Agricultural Lands (Vidarbha Region and Kutch Area) Act, 1958;
- Sau. Ord. XLI of 1949.** (iv) section 55 of the Saurashtra Gharkhed, Tenancy Settlement and Agricultural Lands Ordinance, 1949.

(2) During the period of three years as specified in sub-section (1), no competent authority shall undertake any inspection for the purpose of or in connection with, any approval as defined in clause (b) of section 2:

Provided that the competent authority shall be empowered to undertake an inspection during the said period of three years in cases where the enterprise has applied for necessary permission under the respective laws within a period of three years from the date of issuance of acknowledgment certificate.

7. Where the Government or any authority under it is empowered to exempt any enterprises from any approval or inspection or any provisions relating thereto under any Central Act, the Government or, as the case may be, any such authority shall, subject to the provisions of such Central Act, exercise such powers to grant such exemption to an enterprise established in the State for at least a period of three years from the date of issue of the acknowledgement certificate issued under sub-section (2) of section 5.

8. No suit prosecution or other legal proceedings shall lie against the Government or Nodal Agency or Competent Authority or any employee of the Government, Nodal Agency or Competent Authority in respect of anything which is done or intended to be done in good faith under this Act or any rules made thereunder.

Exemption.

Protection of action taken in good faith.

Act to
override
other
laws.

9. (1) The provisions of this Act shall have effect, notwithstanding anything inconsistent therewith contained in any other State law, for the time being in force.

(2) In particular and without prejudice to the generality of the foregoing provisions of this Act, such provisions shall have effect notwithstanding anything inconsistent therewith contained in the following enactments and the provisions of these enactments shall be read as amended in conformity with the provisions of this Act, namely:-

Bom. V of 1879.

Bom. LXVII
of 1948.

Bom. LIX
of 1949.

Sau. Ord. XLI
of 1949.

Bom. XCIX
of 1958.

Guj. 34 of 1964.

President's
Act 27 of 1976.

Guj. 18 of 1993.

- (a) the Gujarat Land Revenue Code, 1879;
- (b) the Gujarat Tenancy and Agricultural Lands Act, 1948;
- (c) the Gujarat Provincial Municipal Corporations Act, 1949;
- (d) the Saurashtra Gharkhed, Tenancy Settlement and Agricultural Lands Ordinance 1949;
- (e) the Gujarat Tenancy and Agricultural Lands (Vidarbha Region and Kutch Area) Act, 1958;
- (f) the Gujarat Municipalities Act, 1963;
- (g) the Gujarat Town Planning and Urban Development Act, 1976;
- (h) the Gujarat Panchayats Act, 1993.

Savings.

10. Subject to the provisions of section 7, nothing in this Act shall be construed as exempting any enterprise from the application of the provisions of any law for the time being in force, or any regulatory measures and standards prescribed thereunder, except to the extent expressly provided in this Act.

Power
to make
rules.

11. (1) The State Government may, by notification in the *Official Gazette*, make rules for carrying out the purposes of this Act.

(2) All rules made under this Act shall be subject to the condition of previous publication.

(3) All rules made under this Act shall be laid for not less than thirty days before the State Legislature as soon as may be after they are made and shall be subject to rescission by the State Legislature or to such modifications as the State Legislature may make during the session in which they are so laid or session immediately following.

(4) Any rescission or modification so made by the State Legislature shall be published in the *Official Gazette*, and shall thereupon take effect.

12. (1) If any difficulty arises in giving effect to the provisions of this Act, the Government may, by order published in the *Official Gazette*, make such provisions not inconsistent with the provisions of this Act, as may appear to it to be necessary for removing the difficulty:

**Power to
remove
difficulties.**

Provided that no such order under this section shall be made after the expiry of a period of two years from the commencement of this Act.

(2) Every order made under sub-section (1) shall be laid, as soon as may be, after it is made before the State Legislature.

13. (1) The Gujarat Micro, Small and Medium Enterprises (Facilitation of Establishment and Operation) Ordinance, 2019 is hereby repealed.

**Repeal and
savings.**

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance, shall be deemed to have been done or taken under this Act.

Guj. Ord. 1
of 2019.