

Bill No. 12 of 2019

(Authorised English Translation)

**The Rajasthan Micro, Small And Medium Enterprises
(Facilitation Of Establishment And Operation) Bill, 2019**

(To be introduced in the Rajasthan Legislative Assembly)

A

Bill

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

Whereas, with a view to promote inclusive economic growth and employment generation, the State aims to address the specific needs of the micro, small and medium enterprises and promote entrepreneurship, it is expedient to give effect to exemption from certain approvals and inspections required for establishment and operation of micro, small and medium enterprises;

Be it enacted by the Rajasthan State Legislature in the Seventieth Year of the Republic of India, as follows:-

1. Short title, extent and commencement.- (1) This Act may be called the Rajasthan Micro, Small and Medium Enterprises (Facilitation of Establishment and Operation) Act, 2019.

(2) It extends to the whole of the State of Rajasthan.

(3) It shall be deemed to have come into force on and from 4th March, 2019.

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

(a) “Acknowledgment Certificate” means the acknowledgment certificate issued under section 5;

(b) “approval” means any permission, no-objection, clearance, consent, approval, registration, licence and the like, required under any Rajasthan Law in connection with the establishment or operation of an enterprise in the State of Rajasthan;

(c) “Competent Authority” means any department or agency of the Government or a local authority, statutory body, State owned corporation, Panchayati Raj Institution, Municipality, Urban Development Authorities, Urban Improvement trust or any other authority or agency constituted or established by or under any Rajasthan 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 Empowered Committee (DEC)” means the District Empowered Committee constituted under section 3 of the Rajasthan Enterprises Single Window Enabling and Clearance Act, 2011(Act No. 7 of 2011);

(e) “enterprise” means a micro, small or medium enterprise;

(f) “Government” means the State Government of Rajasthan;

(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 (Central Act No. 27 of 2006), as amended from time to time;

(h) “nodal agency” means the nodal agency referred to in section 3;

(i) “notification” means a notification published in the Rajasthan Gazette and the word ‘notified’ shall be construed accordingly;

(j) “prescribed” means prescribed by the rules made under this Act;

(k) “State” means the State of Rajasthan; and

(1)“State Empowered Committee (SEC)” means the State Empowered Committee constituted under section 3 of the Rajasthan Enterprises Single Window Enabling and Clearance Act, 2011(Act No. 7 of 2011).

3. Nodal Agency.-(1) Subject to superintendence, direction and control of the Government and the State Empowered Committee, Bureau of Investment Promotion shall be the State level Nodal Agency for the purpose of this Act.

(2) Subject to superintendence, direction and control of the Government and the District Empowered Committee, District Industries Centre shall be the District level Nodal Agency for the purpose of this Act.

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

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

(b) to maintain the record 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.

5. Filing of Declaration.- (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 moved the Competent Authority to so obtain all or any of the approvals as defined 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 completed in all respects, 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. Effect of the Acknowledgement Certificate.- (1) An Acknowledgment Certificate issued under section 5 shall, for all purposes, have effect as if it is an approval as defined 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 approvals as defined in clause (b) of section 2 within six months from the date of such expiry:

Provided that the 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. It shall also not entitle a person to use the land falling in restricted category namely pasture land, water body, etc. as specified in section 16 of the Rajasthan Tenancy Act, 1955 (Act No.3 of 1955).

(2) During the period of three years 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.

7. Exemption.- 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 under section 5.

8. Protection of action taken in good faith.- 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 for anything which, in good faith, is done or intended to be done under this Act or any rules made thereunder.

9. Act to override other laws.- (1) The provisions of this Act shall have effect, notwithstanding anything inconsistent therewith contained in any other Rajasthan 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:-

- (a) Rajasthan Tenancy Act, 1955 (Act No. 3 of 1955);
- (b) Rajasthan Land Revenue Act, 1956 (Act No. 15 of 1956);
- (c) Rajasthan Urban Improvement Act, 1959 (Act No.35 of 1959);
- (d) Rajasthan Gramdan Act, 1971 (Act No.12 of 1971);
- (e) Jaipur Development Authority Act, 1982 (Act No. 25 of 1982);
- (f) Rajasthan Panchayati Raj Act, 1994 (Act No. 13 of 1994);
- (g) Rajasthan Municipalities Act, 2009 (Act No. 18 of 2009);
- (h) Jodhpur Development Authority Act, 2009 (Act No. 2 of 2009); and
- (i) Ajmer Development Authority Act, 2013 (Act No. 39 of 2013).

10. Savings.- 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.

11. Power to remove difficulties.- (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:

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 this section shall be laid, as soon as may be, after it is made, before the House of the State Legislature.

12. Power to make rules.- (1) The State Government may, by notification in the Official Gazette, make rules to carry out the provisions of this Act.

(2) All rules made under this Act shall be laid, as soon as may be, after they are so made, before the House of the State Legislature, while it is in session, for a period not less than fourteen days which may be comprised in one session or in two successive sessions and, if before the expiry of the session in which they are so laid or of session immediately following, the House of the State Legislature makes any modification in any such rules or resolves that any such rules should not be made, such rules shall, thereafter, have effect only in such modified form or be of no effect, as the case may be, so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done thereunder.

13. Repeal and savings.- (1) The Rajasthan Micro, Small and Medium Enterprises (Facilitation of Establishment and Operation) Ordinance, 2019 (Ordinance No. 1 of 2019) is hereby repealed.

(2) Notwithstanding such repeal and without prejudice to the provisions of the Rajasthan General Clauses Act, 1955 (Act No. 8 of 1955), all things done, actions taken or orders made under the said Ordinance shall be deemed to have been done, taken or made under this Act.

STATEMENT OF OBJECTS AND REASONS

Entrepreneurs of micro, small and medium enterprises face numerous challenges in starting a business including obstacles relating to approvals from various Government Departments.

Micro, small and medium enterprises have major contribution in inclusive economic growth and employment generation. Therefore, in order to facilitate rapid growth and establishment of micro, small and medium enterprises, it was considered appropriate to give exemption to micro, small and medium enterprises from various approvals and inspections required for establishment and operation of such enterprises for an initial period of three years and also to allow them a period of six months thereafter to obtain such approvals.

Since, the Rajasthan Legislative Assembly was not in session and circumstances existed which rendered it necessary for the Governor of Rajasthan to take immediate action, he, therefore, promulgated the Rajasthan Micro, Small and Medium Enterprises (Facilitation of Establishment and Operation) Ordinance, 2019 (Ordinance No. 1 of 2019) on 4th March, 2019, which was published in Rajasthan Gazette, Part IV(B), Extraordinary, dated 4th March, 2019.

The Bill seeks to replace the aforesaid Ordinance.

Hence the Bill.

परसादी लाल,
Minister Incharge.

**MEMORANDUM REGARDING DELEGATED
LEGISLATION**

Clause 5 of the Bill, if enacted, shall empower the State Government, to prescribe the form and manner in which a Declaration of Intent may be furnished to the State level nodal agency.

Clause 12 of the Bill, if enacted, shall empower the State Government to make rules generally for carrying out the provisions of this Act.

The proposed delegation is of normal character and relates to the matters of detail.

परसादी लाल,
Minister Incharge.

2019 का विधेयक सं. 12

राजस्थान सूक्ष्म, लघु और मध्यम उद्यम (स्थापना और प्रवर्तन का सुकरीकरण) विधेयक, 2019

(जैसाकि राजस्थान विधान सभा में पुरःस्थापित किया जायेगा)

राजस्थान विधान सभा

राजस्थान में सूक्ष्म, लघु और मध्यम उद्यमों की स्थापना और प्रवर्तन के लिए कतिपय अनुमोदनों और निरीक्षणों से छूट के लिए और उससे संसक्त या आनुषंगिक विषयों के लिए उपबंध करने हेतु विधेयक।

(जैसाकि राजस्थान विधान सभा में पुरःस्थापित किया जायेगा)

प्रमिल कुमार माथुर,
सचिव।

(परसादी लाल, प्रभारी मंत्री)

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**THE RAJASTHAN MICRO, SMALL AND MEDIUM
ENTERPRISES (FACILITATION OF ESTABLISHMENT
AND OPERATION) BILL, 2019**

(To be introduced in the Rajasthan Legislative Assembly)

RAJASTHAN LEGISLATIVE ASSEMBLY

A

Bill

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

(To be introduced in the Rajasthan Legislative Assembly)

**Pramil Kumar Mathur,
Secretary.**

(Parsadi Lal, **Minister-Incharge**)