



12th February, 2021/18667

Ms. Neelam Rani, IFS
Managing Director
Industrial Extension Bureau
Government of Gujarat
18/2 Udyog Bhavan
Sector 11, Gandhinagar 382 010
Gujarat, India.

Respected Madam,

Greetings from Gujarat Chamber of Commerce and Industry (GCCCI).

We request you to kindly refer to your email dated 29th January, 2021 requesting suggestions for minimizing regulatory compliances for businesses.

Accordingly, we are sending herewith the details in the specified format, with a request to kindly take them up for discussion and consider them positively.

With Regards,

Sincerely,

Yogendrakumar Trivedi
Secretary General

Natubhai Patel
President

Hemant N. Shah
Sr. Vice President

K. I. Patel
Vice President

Pathik S. Patwari
Hon. Secretary

V. P. Vaishnav
Hon. Secretary (R)

Sachin K. Patel
Hon. Treasurer

Suggestions for minimizing regulatory compliances burden on businesses

Sr. No.	Name of the Act/Section/Process/Scheme	Problem Statement	Suggestion given by Industry Association
1	Gujarat Industrial Development Act, 1962, Gujarat Provincial Municipal Corporations Act, 1949 and Gujarat Town Planning and Urban Development Act, 1976	<p>These laws contain provisions for taxation for infrastructure development which are duplicating and without very clear demarcations in many industrial estates. This causes a scenario where the no authority takes responsibility of the pending work, thereby causing delays and confusion.</p> <ul style="list-style-type: none"> The entrepreneur who owns the industry has to take multiple licenses from various authorities and have to renew it from time to time which is a very lengthy, time consuming and costly process. This is true even though many provisions in the Acts governing these authorities are duplicating in nature. In case of accidents in factories, it is seen that multiple agencies such as Police Department, Factory Inspector, Boiler Inspector etc. come into action simultaneously which creates undue difficulties for the owner. 	<ul style="list-style-type: none"> The duplicating provisions under these Acts should be removed for the industrial estates and a single authority should be assigned all work for the estate. Also, there should not be dual charges being charged for the same service by different authorities.
2	Single authority for industries	<ul style="list-style-type: none"> The entrepreneur who owns the industry has to take multiple licenses from various authorities and have to renew it from time to time which is a very lengthy, time consuming and costly process. This is true even though many provisions in the Acts governing these authorities are duplicating in nature. In case of accidents in factories, it is seen that multiple agencies such as Police Department, Factory Inspector, Boiler Inspector etc. come into action simultaneously which creates undue difficulties for the owner. 	<ul style="list-style-type: none"> It is suggested that a single authority should be responsible completely for the industries and there should be a single combined license to be obtained by the entrepreneur. The licenses should be granted for a longer period of time, with provision for updating changes made in the intermediary period. In case of accidents, a single authority should be involved initially. The authority may, if required, then involve the other authorities subsequently.

3	Timeline for providing basic infrastructure in GIDCs	<ul style="list-style-type: none"> • Currently in many estates there is a delay in providing basic infrastructure due to which there is a delay in starting the production by the units. • This reduces the time in hand available to the entrepreneur to start production and sometimes they also have to pay non-utilization charges. 	<ul style="list-style-type: none"> • There should be a fixed time deadline for providing the basic infrastructure such as roads, water, electricity connection etc. for the GIDCs. • Non-utilization period should be counted only after providing the basic infrastructure.
4	Disbursement of funds under various schemes	<ul style="list-style-type: none"> • The disbursement of funds under various schemes takes too much time, due to which the industries, especially the MSME units have to suffer. 	<ul style="list-style-type: none"> • The disbursement of funds under the various schemes should be made in a time bound manner. • Advance allocation of funds should be made for the schemes so that the disbursement is not delayed due to lack of funds.
5	Confusions caused due to frequent amendments in Acts/Rules	<p>The frequent amendments in Rules/Acts cause below confusions:</p> <ul style="list-style-type: none"> • Lack of complete information with the officials. • Each time an amendment to an act or rule is made, a new circular is issued. This creates great deal of confusion as multiple circulars have to be referred together to get an idea of the current status. 	<ul style="list-style-type: none"> • Trade and industry should be an active part of the formulating process of acts and rules. Public discussion and consultative process with the industry should be at the time of framing the laws or rules. • The acts introduced should be such that they can run smoothly at least for a decade without any amendments. • The changes should be made in the master circular itself and a new revised master circular should be issued. On issuance of a revised circular, all back dated circulars on the same subject should be automatically repealed. These should be made available on the website. • Exemptions from provisions of Acts/Rules should be accompanied with subsequent removal of required compliances.
6	Abolishment of Professional Tax in Gujarat	The collection of professional tax increases the burden on businesses, while it is not adding significantly in state revenue.	<ul style="list-style-type: none"> • Professional Tax should be abolished in the state to reduce compliance burden on businesses.

Cal

Patenting and Trademark Regulations for the MSMEs and Start-ups

- There is no nodal agency to act as a contact point between the MSMEs and Patent registration agencies.
- There still exists some lack of awareness amongst MSME sector in understanding Patents and its prosecutions.
- Currently 80% patents in the country are filed by MNCs and the share of patents filed by MSMEs is too small
- Separate procedure has to be followed for filing patent for the same product in different applicable countries thereby adding to costs and compliances. The MSMEs find it difficult to follow these procedures due to lack of necessary technical

- Various incubation centers, facilitation centers for MSMEs at state level could be organized and governed. A contact node between MSME and Patent (IPR) attorney could be developed that maintains and manages IPRs for MSME. Such incubation centers will function as a management body that can regulate and manage the patent portfolios of MSME

- IPR awareness programs focusing on patents should be organized by the authority at definite intervals for MSME and a system or a separate body for the same could be created in collaborations with industries/bodies like GCCCI.

- Fund generation for patent prosecution is still one of the major drawbacks for MSME. Separate funding system/body could be created to fund the research and development and patent filings by MSME to promote substantial filings by MSME. Also, the procedure of funding the MSME needs to be simplified. Government should incentivize the patentee from the state through separate tax mechanisms/benefits or some reliefs

- Necessary human resources/ empanelment of legal advisors, technical members for same may be scheduled and provided to MSMEs for correct path determination so that compliances can be accurately handled by professional hands with economical costs.

		skills/manpower for the same.	
8	Insurance/Risk Management Process for Industries	<ul style="list-style-type: none"> The clearance process for insurance claims made by industries is lengthy and time-consuming Such delays especially in times of COVID-19 is causing lot of difficulties for the industries A carpet risk assessment is made for the MSMEs and they are in general classified as high-risk industries 	<ul style="list-style-type: none"> Process of clearance of insurance claims made by industries in cases of genuine accidents should be simplified Government certifications required as part of the claim procedure should be made more speedy Individual risk assessment should be there instead of a carpet risk assessment
9	Fire NOC	<ul style="list-style-type: none"> Time Limit for the Fire NOC/License should be extended upto five years 	<ul style="list-style-type: none"> Time Limit for the Fire NOC/License should be extended upto five years for the Industrial units and if such units have license under the factory act should be exempted from NOCs
10	Udyog Aadhar	<ul style="list-style-type: none"> In case an entrepreneur has set up two separate businesses in two different locations and therefore requires two separate Udyog Aadhar Numbers, he is unable to do so as it is linked to his Aadhar No. and does not allow second entry to be made. 	<ul style="list-style-type: none"> Multiple entries should be allowed to be made with a single Aadhar Number in genuine cases
11	Permission for Warehousing should be given in GIDC Plots	<ul style="list-style-type: none"> It is difficult and costly for the MSMEs and even the large units to set up and operate their warehouses from out of the GIDC Estate. It also creates problems related to loading of goods, transportation and delivery. 	<ul style="list-style-type: none"> To encourage Ease of Doing Business GIDC should give permission for warehousing in GIDC plots.
12	Rates of Performance Guarantee applicable for State PSUs	<ul style="list-style-type: none"> The Central Government recently reduced the 	<ul style="list-style-type: none"> The applicable rates of performance guarantee for State PSUs should also be reduced to 3-5%.

		<p>performance guarantee rates from existing 15% to 3-5% for the Central PSUs in view of COVID-19. Similar reduction should be made applicable also by the State PSUs.</p>	
13	<p>Mandatory requirements of keeping price/stock boards for commodities exempted from the provision of Essential Commodities Act</p>	<ul style="list-style-type: none"> This mandatory requirement of keeping price/stock boards is unnecessarily adding to the compliances of the traders 	<ul style="list-style-type: none"> We suggest the Civil Supplies Department as well as District Collectors to give necessary instructions and promote "Ease of Doing Business" by removing the mandatory requirements for keeping price/stock boards.
14	<p>Documents required by DISCOMs for load extension and other processes</p>	<ul style="list-style-type: none"> It is often observed that different electricity distribution companies (DISCOMs) are seeking different documents for load extension and other processes. Even for load reduction / merger etc., discoms are seeking copy of NA approval (in some cases it is 40-50 years old), copy of approved layout plan, copy of GPCB NOC etc. Insistence on such unnecessary documents is causing undue delays. 	<ul style="list-style-type: none"> Such unnecessary documents should not be insisted upon by the DISCOMs.



YOGENDRAKUMAR TRIVEDI
SECRETARY GENERAL
GUJARAT CHAMBER OF
COMMERCE & INDUSTRY