

Best Practice 02: Exemption to Industries from Taking Approvals for a Period of 3 Years

Overview

The Madhya Pradesh government introduced a groundbreaking reform through the "Madhya Pradesh Udyogon Ki Sthapna Evam Parichalan Ka Saralikaran Adhiniyam, 2023," notified on 6th April 2023. This initiative exempts industrial units from obtaining specified approvals and inspections for a period of three years, allowing businesses to focus on establishing and operationalizing their projects without regulatory hurdles. The system was made live on 11th April 2023.

Implementation

Under this reform, industrial units are required to register on the state single-window system (<https://invest.mp.gov.in>) and submit the 'Intention to Invest with Acknowledgement Certificate' form. Upon scrutiny, an Acknowledgement Certificate is issued, enabling businesses to commence construction and operationalization without the need for additional approvals or inspections during the validity period of the certificate. The initial phase covers 22 approvals across seven departments.

Pre-Reform Scenario

Before this reform, industries had to obtain multiple approvals from various state departments, leading to significant compliance burdens, delays in project timelines, and increased costs. Businesses were required to coordinate with multiple departments, prolonging the establishment process and delaying commercial operations.

Objective

The primary goal of the initiative is to ease the regulatory framework for industrial units in Madhya Pradesh by exempting specified approvals and inspections for three years. This ensures a hassle-free environment for the establishment and operationalization of industries in the state.

Stakeholder Consultations

The reform was developed following extensive consultations with stakeholders, including departmental officers and industry representatives.

The discussions focused on identifying approvals to be included under the Act and ensuring the exemptions align with industry requirements.

Impact

- **Reduction in Procedures:** The Act has significantly reduced the need for multiple approvals, clearances, and inspections for three years from the issuance of the Acknowledgement Certificate.
- **Number of Businesses Benefited:** Over 380 industries have already applied for exemptions under this initiative, initiating their construction projects.
- **Reduction in Time and Cost:** The system has streamlined the approval process, reducing the time and cost associated with obtaining multiple permissions. It also minimizes investor visits to departmental offices, enabling pre-establishment and pre-operation approvals to be submitted in one go.

Replicability

The reform serves as a model for other states and ministries, demonstrating how legislative changes and streamlined processes can ease regulatory burdens and improve the business environment.

Relevant Portal

Investors can access the system and avail services through the portal: <https://invest.mp.gov.in>.

This initiative highlights Madhya Pradesh's commitment to promoting ease of doing business and fostering industrial growth in the state.

**List of approvals for which the exemption would be provided
(multiple selection)**

S No.	Approvals Exempted	Act	Department
1	Approval of Factory Plan Layout	Factories Act 1948 (GoI)	Labour Department
2	Factory License	Factories Act 1948 (GoI)	Labour Department
3	Registration under Shops and Establishment Act	Madhya Pradesh Shops and Establishments Act, 1958 (GoMP)	Labour Department
4	Registration (of establishment employing Building and Other Construction Worker)	Building & Other Workers (Regulation of Employment and Conditions of Service) Act, 1996 (GoI)	Labour Department
5	Registration of Principal Employer employing Inter State Migrant Workers	Inter-State Migrant Workmen Act, 1979 (GoI)	Labour Department
6	Registration of Principal Employer under Contract Labour (Regulation and Abolition) Act, 1970	Contract Labour (Regulation and Abolition) Act, 1970 (GoI)	Labour Department
7	Licenses to Contractors under Contract Labour (Regulation and Abolition) Act, 1970	Contract Labour (Regulation and Abolition) Act, 1970 (GoI)	Labour Department
8	Building Construction Permission in Industrial Area for MPIDC, MSME and S&T	Bhumi Vikas Niyam 2012 MP Nagar thatha Gram Nivesh Adhinyam, 1973 (GoMP)	1. MPIDC 2. UADD 3. P&RD
9	Registration of Boiler	The Boiler Act 1923 (GoI)	Directorate of Boiler
10	Permission to Transfer Boiler	The Boiler Act 1923 (GoI)	Directorate of Boiler

S No.	Approvals Exempted	Act	Department
11	Manufacturing of Boilers	The Boiler Act 1923 (GoI)	Directorate of Boiler
12	Registration under Boiler Act to work as Manufacturer	The Boiler Act 1923 (GoI)	Directorate of Boiler
13	Registration under Boiler Act to work as Repairer	The Boiler Act 1923 (GoI)	Directorate of Boiler
14	Registration under Boiler Act to work as Erector	The Boiler Act 1923 (GoI)	Directorate of Boiler
15	Land Diversion from Agriculture to Industrial Purpose in Non-Planning Areas.	MP Land Revenue Code 1959 (GoMP)	Revenue Department
16	Development plan approval (Land for Industrial Purpose)	MP Nagar thatha Gram Nivesh Adhinyam, 1973 (GoMP)	Urban Development & Housing Department
17	Fire Plan Approval	Bhumi Vikas Niyam 2012 (GoMP)	Urban Development & Housing Department
18	Trade License	MP Municipal Corporation Act, 1956 (GoMP)	Urban Development & Housing Department
19	License for Manufacturer of Weights and Measures	Legal Metrology Act 2009 (GoI)	Controller Weights & Measures
20	License for Repairer of Weights and Measures	Legal Metrology Act 2009 (GoI)	Controller Weights & Measures
21	Building Construction Permission in Industrial Area under MPIDC/ MSME/ Department of Science and Technology (Non-Planning Areas)	Bhumi Vikas Niyam 2012 MP Nagar thatha Gram Nivesh Adhinyam 1973 (GoMP)	Controller Weights & Measures

S No.	Approvals Exempted	Act	Department
22	Electrical Safety Certificate	Central Electricity Authority Regulations 2010 (GoI)	Energy Department