The Haryana Industrial Promotion Act, 2005

Act 6 of 2006

Keyword(s):
Clearances, Entrepreneur, Industrial Undertaking, Nodal Agency
PART I

HARYANA GOVERNMENT
LEGISLATIVE DEPARTMENT

Notification
The 16th January, 2006

No. Leg. 6/2006.—The following Act of the Legislature of the State of Haryana received the assent of the Governor of Haryana on the 9th January, 2006, and is hereby published for general information:—

HARYANA ACT NO. 6 OF 2006

THE HARYANA INDUSTRIAL PROMOTION ACT, 2005

AN

ACT

to provide for simplification of regulatory framework for speedy implementation of industrial and other projects in the State of Haryana by providing single point time bound clearances required for setting up industrial undertakings and assistance to promoters, reducing the procedural requirements, rationalizing the documents and to ensure hassle free operation for the promotion of industrial development and facilitation of new investments and to provide for a investor friendly environment in the State of Haryana

B: enact by the Legislature of the State of Haryana in the Fifty-sixth Year of the Republic of India as follows:—

CHAPTER I

1. (1) This Act may be called the Haryana Industrial Promotion Act, 2005.

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

(3) It shall come into force on such date as the State Government may, by notification, appoint.

2. In this Act, unless the context otherwise requires,—

(a) “any State law” means any law of the Legislature of the State of Punjab as amended and adapted in its application to the State of Haryana and the law made by the Legislature of the State of Haryana:

(b) “authority” means any department of the State Government or a local authority or any statutory Board, Corporation or other authority established by the State Government and entrusted with the powers and responsibility to grant or issue clearances:
"clearance" means, issue or issue of an objection certificate, affidavits, consents, approvals, permissions, registration, endorsements, licences and the like, by any authority or authorities in connection with setting up an industrial undertaking in the State of Haryana;

"Committee" means the High Powered Clearance Committee, State Level Clearance Committee, District Level Clearance Committee, as the case may be;

"District Level Clearance Committee" means a Committee constituted under section 3;

"entrepreneur" means a person or a body of persons or a company, having majority investment or controlling interest in an industrial undertaking;

"State Government" means the Government of the State of Haryana;

"High Powered Clearance Committee" means the Committee constituted under section 3;

"industrial undertaking" means an undertaking engaged in manufacturing or processing or both or providing service of doing any other business or commercial activity as may be specified by the State Government;

"Nodal Agency" means the Nodal Agency at the State level or at the district level constituted under section 7;

"prescribed" means prescribed by rules made under this Act; and

"State Level Clearance Committee" means the Committee constituted under section 4.

CHAPTER II

3. (1) The State Government may, by notification, constitute a single point clearance committee called "High Powered Clearance Committee" consisting of such members as may be prescribed.

(2) The Committee shall perform the following functions, namely:

(i) to meet at such times and at such places and adopt such procedure to transact its business as may be prescribed;

(ii) to receive Composite Application Forms for grant of clearances for setting up industrial units with proposed investment of Rs. 20,000 crores and above;
(v) to inform the entrepreneur the date on which his application may be deemed to have been approved in the case of deemed approval;

(v) the member of the Committee shall personally attend the meeting and in case he is unable to attend the meeting, he may depute a senior level officer to attend the meeting with a written authorization to take appropriate decision in the meeting.

(3) The Committee shall be the final authority in granting clearances. The clearances given by the Committee shall be binding on all concerned authorities and such authorities shall issue the required clearances to the entrepreneur within stipulated time.

4. (1) The State Government may, by notification, constitute a single point clearance committee called the “State Level Clearance Committee” consisting of such members as may be prescribed.

(2) The Committee shall perform the following functions, namely:

(i) to meet at such times and at such places and adopt such procedure to transact its business as may be prescribed;

(ii) to receive Composite Application Forms for grant of clearances for setting up industrial units with proposed investment of above Rs. 5.00 crores and below Rs. 30.00 crores;

(iii) to review and monitor the processing of application by the authority and forward the orders of the authority to the applicant;

(iv) to inform the entrepreneur the date on which such applications may be deemed to have been approved in the case of deemed approval;

(v) the member of the Committee shall personally attend the meeting and in case he is unable to attend the meeting, he may depute a senior level officer to attend the meeting with a written authorization to take appropriate decision in the meeting.

(3) The State Level Clearance Committee shall be the final authority in granting clearances. The clearances given by the Committee shall be binding on the authorities concerned and such authorities shall issue the required clearances to the entrepreneur within stipulated time.
5. (1) The State Government may, by notification, constitute a single point clearance committee at the district level called the “District Level Clearance Committee” consisting of such members, as may be prescribed.

(2) The Committee shall perform the following functions, namely :-

(i) to meet at such times and at such places and adopt such procedure to transact its business as may be prescribed;

(ii) to receive Composite Application Forms for grant of clearances for setting up industrial units with proposed investment up to Rs. 5.00 crores;

(iii) to review and monitor the processing of application by the authority and forward the orders of the authority to the applicant;

(iv) to inform the entrepreneur the date on which such applications may be deemed to have been approved in the case of deemed approval;

(v) the member of the Committee shall personally attend the meeting.

(3) The District Level Clearance Committee shall be the final authority in granting the clearances. The clearances given by the Committee at the district level shall be binding on the authorities concerned and such authorities shall issue the required clearance certificate to the entrepreneur within the stipulated time.

6. (1) Any person aggrieved by the decision of the High Powered Clearance Committee, State Level Clearance Committee and District Level Clearance Committee disapproving the project may, within thirty days from the date of receipt of communication of the decision of the Committee appeal to the appellate authority as may be prescribed and different appellate authorities may be prescribed in respect of the appeal against the decision of different level of Committees.

(2) The appellate authority shall after following such procedure as may be prescribed, dispose of the appeal within the period of one month from the date of its receipt.

7. (1) The State Government may, by notification, appoint the “Investment Promotion Centre, Chandigarh” as a “Nodal Agency” at the State level and “District Industries Centre” as the “District Nodal Agency” at the District level.

(2) The Nodal Agency shall provide secretarial support to the District Level Clearance Committee, State Level Clearance Committee and High Powered Clearance Committee.

(3) The functions of Nodal Agency at the District level and State level shall among others include the following, namely :-
to carry out investment promotion activities;
(b) to guide and assist entrepreneurs to set up industries in the
District/State;
(c) to guide regarding procedure to obtain the required
clearances from the authorities;
(d) to issue Composite Application Form to the entrepreneurs
and also to receive the forms from them and to arrange
required clearances from authorities within stipulated
time;
(e) to provide secretarial support to the High Powered Clearance
Committee, State Level Clearance Committee and the
District Level Clearance Committee; and
(f) to perform any other function as may be entrusted to it by
the State Government.

8. The State Government shall prescribe Composite Application Forms
for the use of entrepreneurs.

9. Notwithstanding anything contained in any State law for the time
being in force,—

(a) the State Government may prescribe the procedure for
processing and disposal of Composite Application Forms;
(b) the State Government may prescribe time limit for
processing and disposal of Composite Application Forms
by the authorities;
(c) the authority may ask for additional information before the
expiry of the period stipulated for the disposal of such
clearance with a copy to Nodal Agency:

Provided that such request for additional information
shall be made only once by the authority;
(d) the entrepreneur shall furnish the required information
to the authority and also to the Nodal Agency
simultaneously;
(e) after receipt of the additional information, the authority
shall pass orders on the applications before the expiry of
the stipulated time from the date of receipt of such additional
information and send the same to the Nodal Agency so that
the same can be given to the applicant;
(f) the Committee shall examine the order passed by any
authority, rejecting any clearance or approving it with
modification and if the Committee considers that there are
valid grounds for a change in such decision, it shall take
a decision which shall be binding on the authority.
(4) Every entrepreneur shall furnish an undertaking at the time of submitting the duly completed Composite Application Form and thereafter once in a year to the Nodal Agency that he shall comply with the provisions of this Act and the rules made thereunder. The undertaking shall be furnished in such form as may be prescribed.

(2) The undertaking furnished by the entrepreneur shall be accepted by the authorities for the purpose of issuing and granting clearance and giving other benefits to the entrepreneur.

11. (1) The authority notwithstanding anything contained in any State law for the time being in force, shall issue clearances within the stipulated time limit failing which such clearances shall be deemed to have been issued.

(2) The entrepreneur may proceed to execute the work or take other action following the deemed approval, but not so as to contravene any of the provisions of this Act or rules or bye-laws made thereunder to such clearances.

12. Any entrepreneur who fails to comply with the conditions of undertaking given to the Nodal Agency, shall on conviction be punishable with fine which may extend to five thousand rupees on first offence and for the second or subsequent offence with fine which may extend to ten thousand rupees.

13. (1) Where an offence under this Act is committed by a company, the company, as well as every person in charge of and responsible to the company for the conduct of its business at the time of the commission of the offence shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed with the consent or connivance of, or is attributable to any neglect on the part of any director, manager, secretary or other officer, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanations.—For the purposes of this section,—

(a) "company" means any body corporate and includes a proprietorship, firm or other association of individuals; and

(b) "director" in relation to a firm means an individual in case of proprietorship and a partner in case of partnership firm.
14. (1) The State Government may, by notification, make rules to carry out the purposes of this Act.

(2) Every rule made under this Act shall be laid as soon as may be, after it is made, before the House of the State Legislature, while it is in session. If the House agrees in making any modification in the rule or the House agrees that the rule should not be made, the rule 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 annulling shall be without prejudice to the validity of anything previously done under that rule.

15. No suit or legal proceedings shall lie against the chairman or other members of the Committee or any employee of such Committee in respect of anything which is in good faith done or intended to be done under this Act or any rule made thereunder.

16. If any difficulty arises in giving effect to the provisions of this Act, the State Government may, by order, not inconsistent with the provisions of this Act, remove such difficulty:

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

R. S. MADAN,
Secretary to Government, Haryana,
Legislative Department.