

The Haryana Special Economic Zone Act, 2005
Haryana Act No. 9 of 2006

hl677

[Dated 23rd January, 2006]

Haryana Government, Legislature Department

No. Leg.10/2006. - The following Act of the Legislature of the State of Haryana received the assent of the Governor of Haryana on the 17th January, 2006, and is hereby published for general information :-

An Act to set up Special Economic Zones to promote and establish large self-contained industrial townships, with world class infrastructure, to accelerate and facilitate both public and private sector participation in an internationally competitive and hassle free environment for export promotion thereby securing large dividends in terms of economic and industrial development and to act as strong catalytic of regional development in the State.

Be it enacted by the Legislature of the State Haryana in the Fifty-sixth Year of the Republic of India as follows :-

CHAPTER I

Preliminary

1. Short title, extent and commencement. - (1) This Act may be called the Haryana Special Economic Zone 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 in the Official Gazette, appoint.

2. Definition. - (1) In this Act, unless the context otherwise requires, -

(a) "amenities" means and includes roads, water supply, street lighting, power supply, sewerage, drainage, public works, tourist spots, open spaces, parks, landscaping and play fields and such other conveniences, as the State Government may, by notification, specify to be an amenity for the purpose of this Act;

(b) "Appendix" means Appendix appended to this Act;

(c) "building" means and includes, -

(i) a house, out-home factory, offices/buildings relating to information technology, health, education, research and other social infrastructure, stable, godown, shed, hut-wall and any other

- structure whether of masonry, bricks, mud, wood, metal or any other material whatsoever;
- (ii) a structure on wheels or simply resting on the ground without foundations;
 - (iii) a shop, vessel, boat, tent, van and any other structure used for human habitation or used for keeping or storing any articles or goods; and
 - (iv) the gardens, grounds, carriages and stables, if any, appurtenant to any building which is intended to be used for residential, industrial, commercial, institutional or any other purposes, whether in actual use or not;
- (d) "building operations" include re-building operations, structural alterations of, or additions to buildings and other operations normally undertaken in connection with the construction of buildings;
 - (e) "controlled area" means an area declared under Section 4 of the Punjab Scheduled Roads and Controlled Areas Restriction of Unregulated Development Act, 1963 (41 of 1963);
 - (f) "existing State law" means any State law which is applicable in the State of Haryana;
 - (g) "Government" means the Government of the State of Haryana;
 - (h) "infrastructure" means industrial, commercial or social or residential infrastructure and any other facility necessary for the development of the Special Economic Zone;
 - (i) "land" means any land including super structure situated within the Special Economic Zone;
 - (j) "occupier" means a person who occupies a site or building within Special Economic Zone and includes his successor, assignee and administrator;
 - (k) "off-zone supplier" means a unit located outside the Special Economic Zone providing goods or services or both to the Developer, Co-Developer, occupier or resident;
 - (l) "operator" means a person engaged by the Developer for providing infrastructure or any amenity in the Special Economic Zone;
 - (m) "person" includes an individual, whether resident in India or outside India, a Hindu undivided family, co-operative society, a company, whether incorporated in India or outside India, a firm, proprietary concern, or an association of persons or body of individuals, whether incorporated or not, local authority and any agency, office or branch

owned or controlled by such individual, Hindu undivided family, co-operative, association, body, authority or company;

- (n) "prescribed" means prescribed by rules made under this Act;
- (o) "project" means a Special Economic Zone project including any other project essential for the sustainability of Special Economic Zone as deemed appropriate and recommended by the project approval committee for approval of the Board;
- (p) "project approval committee" means a project approval committee constituted under Section 4;
- (q) "project evaluation committee" means a project evaluation committee constituted under Section 3;
- (r) "Special Economic Zone" means the area approved by the project approval committee to be the Special Economic Zone under Section 4 and notified by the Government under Section 5;
- (s) "unit" means an enterprise, or part thereof, which occupies space within the Special Economic Zone carrying on business as approved by the Development Commissioner;
- (t) "urban area" shall have the same meaning as assigned in the Haryana Development and Regulation of Urban Areas Act, 1975 (8 of 1975);
- (u) "value addition" includes any activity that brings about a change in an article or articles as a result of some process, treatment, and/or labour and results in transformation into new and different article with enhanced value so understood in commercial parlance and shall also include packaging.

(2) All other words and expressions used and not defined in this Act but defined in the Special Economic Zones Act, 2005 (Central Act 28 of 2005), shall have the meanings respectively assigned to them in the said Act.

CHAPTER II

Constitution of Committees and Special Economic Zone

3. Constitution and functions of project evaluation committee. - (1) The Government shall by notification in the Official Gazette, constitute, for the purposes of this Act, a committee to be called project evaluation committee.

(2) The project evaluation committee shall consist of -

- (a) Secretary to Government, Haryana, Chairman
Industries and Commerce
Department
- (b) Director, Town and Country Planning Member

Department

- (c) Managing Director, Haryana State Member Industrial Development Corporation
 - (d) Managing Director, Haryana Vidyut Member Prasaran Nigam
 - (e) Engineer-in-Chief, Irrigation Member Department
 - (f) Representative of Finance Member Department not below the rank of Joint Secretary
 - (g) Concerned Managing Director, Uttar Member Haryana Bijli Vitran Nigam or Dakshin Haryana Bijli Vitran Nigam
 - (h) Director, Industries and Commerce Member-Department Secretary
- (3) The Committee shall perform the following functions, namely :-
- (a) to evaluate the project and in case the project satisfies the objects of this Act, it shall recommend it to the project approval committee for acceptance, approval, disapproval or modification in the project, as the case may be;
 - (b) to assess the desirability of the project in relation to Special Economic Zone already approved and the availability of water and power before making recommendations;
 - (c) to ensure that the setting up of this project does not adversely affect the prospects and sustainability of the projects already approved.

4. Constitution and functions of project approval committee. - (1) The Government shall by notification in the Official Gazette, constitute, for the purposes of this Act, a committee to be called project approval committee.

(2) The project approval committee shall consist of -

- (a) Chief Secretary to Government, Chairman Haryana
- (b) Secretary to Government, Haryana, Member Finance Department
- (c) Secretary to Government, Haryana, Member Industries and Commerce Department
- (d) Secretary to Government, Haryana, member Town and Country Planning Department
- (e) Secretary to Government, Haryana, Member Environment Department

(f) Director, Industries and Commerce member-
Department Secretary

(3) For the purposes of performing its functions, the Chairman may co-opt any other officer as member of the committee as deemed fit.

(4) The project approval committee shall perform the following functions, namely:-

(a) it shall approval, modify or reject any proposal for the establishment of Special Economic Zone on the basis of the recommendations of the project evaluation committee:

Provided that project approved by the committee shall have precedence over the development plan indicating the broad land uses, if any :

Provided further that the Developer shall not be required to apply for seeking change of land use if Special Economic Zone falls within the controlled area declared by Town and Country Planning Department, Haryana, and also shall not be required to apply for the licence under the provisions of the Haryana Development and Regulation of Urban Areas Act, 1975 (8 of 1975);

(b) the Member-Secretary of the committee shall forward for approval the recommendations of the committee to the Board;

(c) it shall review the progress of implementation of the project by the applicant at such intervals as it may deem necessary.

5. Notification of Special Economic Zone. - The Government shall notify in the Official Gazette the boundaries and extent of area of the Special Economic Zone after receiving approval as specified in clause (b) of sub-section (4) of Section 4.

CHAPTER III

Procedure to apply for project approval

6. Processing and disposal of application for approval of Developer. -

(1) A Developer shall identify the area for the development of Special Economic Zone and apply in Appendix A (20 copies) to the Director, Industries and Commerce Department, Haryana, Chandigarh. The project *inter alia* shall contain the prefeasibility report, phased development components of the Special Economic Zone and the objects to be achieved.

(2) The Director, Industries and Commerce Department, Haryana, on receipt of application shall forward the proposal to the concerned department for comments.

(3) The project evaluation committee shall consider the comments received from the concerned departments and shall examine the viability and other economic indicators of the project justify the necessity of setting up of the proposed Special Economic Zone.

(4) The recommendations of the project evaluation committee shall be sent to the project approval committee.

(5) The project approval committee shall accord approval in principle, if land for the project is not in possession of the Developer.

(6) The project approval committee shall forward the final concurrence to the Central Government subject to the terms and conditions as laid down by it, after the physical possession of the land has vested in the Developer.

7. Land for Special Economic Zone. - (1) The Government may transfer land owned, acquired or controlled by it to the Developer as per provisions of the Land Acquisition Act, 1894 (1 of 1894), and the rules made thereunder and as per State Government policy.

(2) The Developer may acquire land independently from private parties by purchase, lease or otherwise.

CHAPTER IV

Power and Functions of Developer

8. Duties, functions and powers of Developer. - (1) Subject to the provisions of this Act, the Developer shall have the duty to secure planned development of the Special Economic Zone and provide for the establishment, construction, installation, operation, maintenance and management of the infrastructure and amenities in the zone.

(2) Without prejudice to the generality of the provisions contained in sub-section (1), the Developer shall exercise and perform the following powers and functions, namely :-

- (a) to prepare a development plan of the Special Economic Zone in conformity with the rules framed under this Act or adhered to by the Developer under sub-section (3) or as may be adopted by the Government under sub-section (4) of Section 17 and to implement such plan after obtaining the approval of the Approval Committee;
- (b) to demarcate and develop sites for industrial, commercial including Free Trade and Warehousing Zone, residential and other purposes according to the approved plan;
- (c) to allocate and transfer, either by way of sale or lease or otherwise, plots of land, building or installations for industrial, commercial, residential or other purposes subject to his own title in relation to such plots or land, building or installation;
- (d) to regulate the erection of buildings and setting up of industries in accordance with the building plan as approved by the Development Commissioner;

- (e) to demarcate the boundary of the Special Economic Zone and any parts thereof and to construct and maintain demarcation structures, as per provisions of sub-sections (3) and (4) of Section 17;
- (f) to fix rates for transfer of land, building or installations by way of sale, lease or otherwise from time;
- (g) for the purpose of providing, maintaining or continuing any amenity and infrastructure in the Special Economic Zone, the Developer may levy such charges, as he may consider necessary, in respect of any land, building, installations or any other infrastructure upon the user/occupier thereof; and
- (h) to perform such other functions as may be prescribed from time to time.

9. Provision for infrastructure or amenity by Developer. - (1) the Developer may engage an off-zone supplier, operator, or any other person for the purposes of providing infrastructure or amenity.

(2) Where any infrastructure or amenity is provided, the Developer shall have the power to levy charges for the use of service so provided.

(3) The Developer may delegate the power of collection of the charges for the use of services to the agency providing the infrastructure or amenity.

10. Generation and supply of electricity. - (1)(a) The Developer or the Co- Developer shall be permitted to generate electricity in or outside the Special Economic Zone for consumption in the Special Economic Zone.

(b) Units located in the Special Economic Zone, individually or in groups shall be permitted to generate electricity in or outside the Special Economic Zone for self-consumption.

(c) Units located in the Special Economic Zone, individually or in groups shall be permitted to avail of supply of electricity by sourcing it through open access from generators directly and wheel electricity to the Special Economic Zone for consumption, subject to such payment as may be required for open access and wheeling of electricity.

(2) Groups of units in the Special Economic Zone will be considered a separate class of consumer and shall be permitted to avail supply of electricity at a determined tariff from the existing licensee.

(3) The Developer or the Co-Developer of the Special Economic Zone or an association of units located in the Special Economic Zone can, unless exempted under the Electricity Act, 2003 (Central Act 36 of 2003), obtain a distribution license or a franchise for distribution of electricity within the Special Economic Zone or in part(s) thereof.

(4) For the purpose of regulation of safety and other requirements of the electrical system, including installations and equipments under the Indian Electricity Rules, 1956, the Development Commissioner or his nominee shall be authorized to exercise the powers of an Electrical Inspector.

(5) No electricity duty or cess shall be levied on the businesses of generation, transmission and distribution of electricity and on consumption of electricity within Special Economic Zone.

CHAPTER V

Exemption from State Taxes, Duties, Fees, Cess and Levies

11. Exemption from State taxes, duties, fees, cess and levies. - (1) The following shall be exempt from payment of any tax, duty, fees, cess or any other levies under any existing State law, namely :-

- (i) any goods exported out of or imported into the Special Economic Zone;
- (ii) inter-unit transaction of goods with the Special Economic Zone;
- (iii) goods from the Special Economic Zone sent for value addition to the domestic tariff area and returned to the Special Economic Zone thereafter; and
- (iv) services that provide value addition to a product within the Special Economic Zone.

(2) All transactions and transfers of immovable property or documents related thereto within the Special Economic Zone shall be exempted from stamp duty.

CHAPTER VI

Powers and Functions of Development Commissioner

12. Powers and functions of Development Commissioner. - (1) The Development Commission shall supervise, oversee and coordinate the activities of agencies engaged in the development of the Special Economic Zone and may exercise all powers and functions as may from time to time be vested in him by the Central Government or the State Government.

(2) Notwithstanding anything contained in any existing State law, the Development Commissioner shall exercise the following powers for the grant of approvals/sanctions to the entrepreneur, so as to provide for a single window clearance system in the Special Economic Zone, namely :-

- (a) the powers of the Labour Commissioner and Chief Inspector of Factories in respect of labour laws;
- (b) the powers of the Haryana Pollution Control Board with regard to no objection certificate and consent under the Water (Prevention and Control of Pollution) Act, 1974 (6 of 1974) and the Air (Prevention and control of Pollution) Act, 1981 (14 of 1981); and

(c) the powers of the Director, Town and Country Planning Department, Haryana, exercisable under the provisions of the Punjab Scheduled Roads and Controlled Areas Restriction of Unregulated Development Act, 1963 (41 of 1963) and the Haryana Development and Regulation of Urban Areas Act, 1975 (8 of 1975).

CHAPTER VII

Miscellaneous

13. Act to override other laws. - Notwithstanding the provisions contained in the existing State Law governing the use of the land and building, amenities, utilities, supplies and any other activity, the provisions of this Act shall prevail.

14. Control of Government. - The Development Commissioner shall carry out such directions as may be issued to him from time to time by the Government for the efficient administration of this Act :
Provided that the Development Commissioner shall keep informed about the progress of the approved project at such intervals as may be directed by the Government.

15. Protection of action taken in good faith. - No suit, protection or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done in pursuance of this Act or rules made thereunder.

16. Power to remove difficulties. - (1) If any difficulty arises in giving effect to the provisions of this Act, the Government may, by notification, make such order, not inconsistent with the provisions of this Act, as may appear to it to be necessary or expedient for the removal of difficulty :
Provided that no such order shall be made after the expiration of two years from the date of coming into force 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.

17. Power to make rules. - (1) The State Government may, by notification in the Official Gazette, make rules for carrying 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 annulment shall be without prejudice to the validity of anything previously done under that rule.

(3) Wherever a Special Economic Zone is approved in the controlled areas, the Government may direct the Developer to adhere to the provisions of

building rules framed under the Punjab Scheduled Roads and Controlled Areas Restriction of Unregulated Development Act, 1963 (41 of 1963).

(4) In case the site falls outside the controlled area, the Government may, by notification in the Official Gazette, adopt the building rules referred to in sub-section (3) to maintain a parity among the Developers.

18. Power to make regulations. - The Development Commissioner may make regulations not inconsistent with this Act and the rules made thereunder for the purpose of giving effect to the provisions of this Act.

19. Saving of operation of other laws. - Nothing in this Act shall affect, -

- (i) any right, privilege, obligation or liability acquired, accrued or incurred under any other law;
- (ii) any penalty, forfeiture, or punishment incurred under any other law;
- (iii) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation or liability; and

any such investigation, legal proceeding or remedy may be instituted, continued or enforced, and any such penalty, forfeiture or punishment may be imposed, as if this Act had not been passed.

Appendix A

{see Section 6(1)}

To

The Director,
Industries and Commerce Department, Haryana,
Chandigarh.,

Subject :- Application for setting up Special Economic Zone.

1. Name of *SEZ Developer (in block: letters)
2. Full address of the SEZ Developer :
3. Name of the SEZ Developer: (Government undertaking/public/private/ proprietorship/others) (please specify)
4. Name of the proposed SEZ :
5. Type of the proposed SEZ: (Multiproduce or sector specific/others) (please specify)
6. Location of the proposed SEZ :
7. Particulars of the land area of the: proposed SEZ acquired or to be acquired along with its map

8. Detailed project report/feasibility:
report of proposed SEZ
 9. Investment and mode of financing of:
the proposed SEZ
 10. Employment likely to be generated :
 11. Name and complete address of the:
persons to be contacted
 12. Any other information :
- (Signature of applicant)
- (*SEZ is Special Economic Zone)