

Haryana Enterprises Promotion Act, 2016
(Haryana Act No. 6 of 2016)

h1730

[Dated 11.4.2016]

An Act to provide for simplification of regulatory framework and to assist the promoters in speedy implementation of industrial and other projects in the State of Haryana by providing single point time bound clearances required for setting up of enterprise under one roof and reducing the procedural requirements, rationalizing the documents and to ensure ease of doing business for the promotion of industrial development and facilitation of new investments and to provide for an investor friendly environment in the State of Haryana.

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

1. Short title and commencement. - (1) This Act may be called the Haryana Enterprises Promotion Act, 2016.

(2) It shall be deemed to have come into force with effect from the 14th August, 2015.

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

(a) "*any State law*" means any law made or adopted by the State Legislature;

(b) "*authority*" means any Department of the State Government or a local authority or any statutory Board, Corporation or any other authority established by the State Government and entrusted with the powers and responsibility for grant or issue of clearances in connection with the setting up of an enterprise in the State;

(c) "*clearances*" means grant or issue of no objection certificate, allotment, consent, approval, permission, registration, enrolment, licence by any authority in connection with the setting up of enterprise in the State or expansion of existing enterprise;

(d) "*deemed clearance*" means a clearance deemed to have been given on the expiry of a period specified under the rules prescribed under this Act or any State law;

(e) "*District Level Clearance Committee*" means a Committee constituted under section 8;

- (f) "*District Industries Centre*" means the office of Joint Director or Deputy Director, Industries and Commerce Department, Haryana at district level;
- (g) "*entrepreneur*" means an entity who decides to set up an enterprise and includes (i) an individual; (ii) a Hindu undivided family; (iii) a company; (iv) a registered firm; (v) a Limited Liability Partnership as per the Limited Liability Partnership Act, 2008 (Central Act 6 of 2009); (vi) an association of persons or a body of individuals, whether incorporated or not, in India or outside India; (vii) any corporation established by or under any Central, State or Provincial Act or a Government Company as defined under clause (45) of section 2 of the Companies Act, 2013 (Central Act 18 of 2013); (viii) any body corporate incorporated by or under the laws of a country outside India; or (ix) a co-operative society registered under any law relating to co-operative society;
- (h) "*Empowered Executive Committee*" means the Committee constituted under section 4;
- (i) "*enterprise*" means an undertaking engaged in manufacturing, processing or both or providing service including software development;
- (j) "*Haryana Enterprises Promotion Board*" means the Board constituted under section 3;
- (k) "*Haryana Enterprises Promotion Centre*" means the Centre constituted under section 5 ;
- (l) "*prescribed*" means prescribed by the rules made under this Act;
- (m) "*State*" means the State of Haryana;
- (n) "*State Government*" means the Government of the State of Haryana.

3. Haryana Enterprise Promotion Board. - (1) The State Government shall, by notification constitute the Haryana Enterprises Promotion Board under the Chairmanship of the Chief Minister and such other members, as may be prescribed.

(2) The Haryana Enterprises Promotion Board shall consist of a two tier system viz. the Empowered Executive Committee at State Level and the District Level Clearance Committee at district level for grant of project clearances.

(3) The Haryana Enterprises Promotion Board shall be the Apex body for all matters relating to the enterprise development and shall perform the following functions, namely:-

- (i) to frame the regulations and procedures for conduct of its business and allocating functions to the Empowered Executive Committee;

- (ii) to create, sanction, abolish and re-designate the posts in the Haryana Enterprises Promotion Centre and the District Industries Centres;
- (iii) to monitor, supervise and review the functioning of the Empowered Executive Committee and the District Level Clearance Committees;
- (iv) to approve any incentives, relaxations, exemptions or grant clearances on the recommendations of the Empowered Executive Committee in mega projects and ultra mega projects beyond the package of fiscal incentives under the Enterprises Promotion Policy, 2015;
- (v) to grant clearance on the recommendations of the Empowered Executive Committee and the District Level Clearance Committee, where the powers of approval are vested with the State Government;
- (vi) to approve the annual budget, accounts and reports including audit reports of the Haryana Enterprises Promotion Centre; and
- (vii) to adopt such procedure for transaction of its business, as may be prescribed.

4. Empowered Executive Committee. - (1) The State Government shall, by notification, constitute the Empowered Executive Committee for considering the projects with such investment and for grant of Change of Land Use permission for such area, as may be prescribed, under the Chairmanship of Principal Secretary to the Chief Minister and such other members, as may be prescribed. The Empowered Executive Committee shall exercise powers of authority as devolved upon it under respective Acts, rules or regulations, if any, regarding grant of clearances and incentives in time bound manner upto the stage/ date of commencement of production/ operations of project. In case any authority is unable to devolve its power to the Empowered Executive Committee, it shall delegate such powers to its officer deputed in the Empowered Executive Committee.

(2) The Administrative Secretary of Industries and Commerce Department shall be the Chief Executive Officer and shall perform such functions, as may be prescribed. The Managing Director, Haryana State Industrial and Infrastructure Development Corporation Limited shall be the Additional Chief Executive Officer and the Director General or Director, Industries and Commerce Department shall be the Deputy Chief Executive Officer. The office of the Empowered Executive Committee shall be located in the Directorate of Industries and Commerce, Haryana, Chandigarh. The staff of the Directorate of Industries and Commerce, Haryana, shall be suitably fortified with the deputationists from various departments to serve the Empowered Executive Committee.

(3) The Empowered Executive Committee shall work under the overall supervision and guidance of the Haryana Enterprise Promotion Board and shall perform the following functions:-

- (i) to adopt such procedure for transaction of its business, as may be prescribed;
- (ii) to process online composite application forms for grant of clearances for setting up of new projects or expansion of existing units with such proposed investments, as may be prescribed;
- (iii) to inform the entrepreneur the date on which such application may be deemed to have been approved in the case of deemed clearances;
- (iv) to review and monitor the processing of applications received by the Haryana Enterprises Promotion Centre;
- (v) to grant approvals for establishment of industrial parks in private sector;
- (vi) to act as single point agency for resolution of issues pertaining to multiple departments and settling the inter-departmental disputes of the existing industrial units;
- (vii) to carry out such other functions, as may be assigned to it by the Haryana Enterprises Promotion Board or the State Government;
- (viii) to refer any matter to Haryana Enterprises Promotion Board with its recommendations or suggestions.

(4) The Empowered Executive Committee shall be the final authority for granting clearances. The clearances given by the Committee shall be binding on the authority concerned.

(5) The Empowered Executive Committee may appoint from time to time, any sub-committee under the Chairmanship of Administrative Secretary to Government, Haryana, Industries and Commerce Department and experts from Industries or related fields as it considers necessary, to assist it in carrying out its functions and to facilitate investment in the State.

5. Haryana Enterprises Promotion Centre. - (1) The State Government shall constitute the Haryana Enterprises Promotion Centre with Administrative Secretary to Government, Haryana, Industries and Commerce Department as the Chief Executive Officer and consisting of such other members, as may be prescribed.

(2) The Haryana Enterprises Promotion Centre shall provide secretarial service to the Haryana Enterprises Promotion Board and the Empowered Executive Committee and shall have complete data base on availability of land, water, power, finance etc. and the Acts, rules, regulations and bye-laws of all the institutions engaged in industrial development. The Haryana Enterprises Promotion Centre shall showcase the State as an ultimate destination for investment and it shall perform the following functions, namely:-

- (i) to act as a single point contact agency under one roof to provide information and hand-holding services for venture location to

prospective entrepreneurs particularly with regard to various clearances needed for implementation of the projects, availability of land and present level of infrastructure in the State and to assist entrepreneurs in submission of applications for approvals/ registration to different organizations;

- (ii) to receive applications for the allotment of industrial plot to Non-Resident Indians and foreign investors under reserved quota of Haryana State Industrial and Infrastructure Development Corporation Limited and Haryana Urban Development Authority for processing;
- (iii) to keep close liaison with offices of Ministry of Commerce and Industry, Ministry of External Affairs, Ministry of Food Processing etc. to capture the projects at the initial stage especially with regard to foreign direct investment;
- (iv) to perform any other function, as may be prescribed.

6. Bureau of Industrial Policy and Promotion. - (1) The Investment Promotion Centre constituted under the Haryana Industrial Promotion Act, 2005 (6 of 2006), shall be renamed as the Bureau of Industrial Policy and Promotion and shall function under the guidance of the Administrative Secretary to Government, Haryana, Industries and Commerce Department. The Director or Director General, Industries and Commerce Department shall be the Chief Executive Officer and shall have its offices at Delhi and Chandigarh.

(2) The objective of Bureau of Industrial Policy and Promotion shall be to policy outreach, continuous engagement with the industry in an ongoing basis, tracking investment proposals, investment promotion, resolving issues relating to Non-Resident Indian and foreign direct investment, hand-holding investors and converting investment queries into investment commitments.

(3) The officers not below the rank of Divisional Town Planner, Assistant General Manager, Haryana State Industrial and Infrastructure Development Corporation Limited, Environment Engineer, Assistant Director Industrial Safety and Deputy General Manager, Uttar Haryana Bijli Vitaran Nigam, Deputy General Manager, Dakshin Haryana Bijli Vitaran Nigam, Joint Director, Industries, consultants, professionals from the consultancy firms or such other officers as recommended by the Chief Executive Officer with the approval of State Government shall be part of the Bureau of Industrial Policy and Promotion.

7. Foreign Investment Promotion Board and Non Resident Indian Investment Cell. - The State Government shall, by notification, constitute Foreign Investment Promotion Board and Non-Resident Indians Investment Cell for catalyzing foreign direct investments and non-residents investments in the State.

8. District Level Clearance Committee. - (1) The State Government shall, by notification, constitute District Level Clearance Committee under

the Chairmanship of the Deputy Commissioner having such members, as may be prescribed. The authority shall delegate its power to the members of the District Level Clearance Committee for grant of clearances under its respective Acts, rules or regulations, if any, for approval of projects with such investment or for grant of Change of Land Use permission for such area, as may be prescribed.

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

- (i) to adopt such procedure for transaction of its business, as may be prescribed;
- (ii) to process online composite application forms for grant of clearances for setting up industrial units with proposed investment;
- (iii) to review and monitor the processing of applications by the District Industries Centres;
- (iv) to inform the entrepreneur the date on which such application may be deemed to have been approved in the case of deemed clearances; and
- (v) such other functions, as may be prescribed.

(3) The District Level Clearance Committee shall be the final authority to grant clearances. The clearances given by the District Level Clearance Committee shall be binding on the authority.

(4) The District Level Clearance Committee shall examine the order passed by any authority, rejecting any clearance or approving it with modification and if the District Level Clearance Committee considers that there are valid grounds for a change in such decision, it shall take a decision after recording the reasons, which shall be binding on the authority.

9. Online Composite Application Form. - There shall be an online composite application form for the use of entrepreneurs on the web portal of the Industries and Commerce Department for receiving online composite applications forms. On receiving an application, the Haryana Enterprises Promotion Centre or the District Industries Centre shall collate, process, secure clearances from the authorities in such manner, as may be prescribed. All the processing and clearances shall be given in respect of authority through the web portal.

10. Undertaking. - Every entrepreneur shall furnish an undertaking in such form, as may be prescribed at the time of submitting the duly completed online composite application form that he shall comply with the provisions of this Act and the rules made thereunder, and in case of non compliance of any provisions of the Act or rules made thereunder, the entrepreneur shall be liable to penalties as provided under section 15.

11. Deemed clearances. - (1) The Haryana Enterprises Promotion Centre and the District Industries Centre shall issue clearances within such time

limit, as may be prescribed after obtaining approval of the Haryana Enterprises Promotion Board, Empowered Executive Committee or District Level Clearance Committee, as the case may be, 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 clearance, but not so as to contravene any of the provisions of this Act or rules made thereunder.

12. Notified services. - The Industries and Commerce Department may notify industrial services relating to industrial promotion in the State under the Haryana Right to Service Act, 2014 (4 of 2014).

13. Grievance Redressal Mechanism. - The State Government shall create a grievance redressal mechanism for resolving the grievances of the entrepreneurs.

14. Appellate authority. - (1) Any person aggrieved by the decision of the Empowered Executive Committee may within a period of thirty days from the date of receipt of communication of the decision of the Committee, appeal to the Haryana Enterprises Promotion Board in such manner, as may be prescribed.

(2) Any person aggrieved by the decision of the District Level Clearance Committee may within a period of thirty days from the date of receipt of communication of the decision of the Committee appeal to the Empowered Executive Committee in such manner, as may be prescribed.

(3) 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.

15. Penalties. - Any entrepreneur who fails to comply with the conditions of undertaking, for the first instance of non-compliance shall be liable to pay fine which shall be fifty thousand rupees and for subsequent non-compliance, shall be liable to pay fine which may extend to one lakh rupees.

16. Act to over-ride other laws. - The provisions of this Act and the rules made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other State Law.

17. Power to make rules. - (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.

18. Protection of action taken in good faith. - No suit or legal proceedings shall lie against the Chairman of the Haryana Enterprises Promotion Board, the Empowered Executive Committee, the District Level Clearance Committee or other members of the Board or Committees or any officer or employee of such Board or Committees in respect of anything which is in good faith done or intended to be done under this Act or any rule made thereunder.

19. Power to remove difficulties. - 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.

20. Repeal and savings. - (1) The Haryana Industrial Promotion Act, 2005 (6 of 2006), is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the Act so repealed shall be deemed to have been done or taken under the corresponding provisions of this Act.