

**Haryana Industrial Promotion Act, 2005**  
**(Haryana Act No. 6 of 2006)**

**hl754**

[Dated 16th January, 2006]

**Haryana**  
**Legislative Department,**

**Government**

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 an investor friendly environment in the State of Haryana.

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

## **CHAPTER I**

- 1. Short title, extent and commencement.** - (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.

### **Object & Reasons6**

**Coming into force.** - Haryana Government, Industries Department, Notification, dated the 1st February, 2006 No. SO 16/H.A. 6/2006/S.1/2006. - In exercise of the powers conferred by sub-section (3) of Section 1 of the Haryana Industrial Promotion Act, 2005 (Act 6 of 2006), the Governor of Haryana hereby appoints 1st February, 2006, to be the date from which the said Act shall come into force.

**2. Definitions.** - 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;

- (c) "*clearances*" means grant or issue of no objection certificate, allotments, consents, approvals, permissions, registration, enrolments, licences and the like, by any authority or authorities in connection with setting up an industrial undertaking in the State of Haryana;
- (d) "*Committee*" means the High Powered Clearance Committee, State Level Clearance Committee, District Level Clearance Committee, as the case may be;
- (e) "*District Level Clearance Committee*" means a Committee constituted under State Government 5;
- (f) "*entrepreneur*" means a person or a body of persons or a company, having majority investment or controlling interest in an industrial undertaking;
- (g) "*State Government*" means the Government of the State of Haryana;
- (h) "*High Powered Clearance Committee*" means the Committee constituted under Section 3;
- (i) "*industrial undertaking*" means an undertaking engaged in manufacturing or processing or both or providing service or doing any other business or commercial activity as may be specified by the State Government;
- (j) "*Nodal Agency*" means the Nodal Agency at the State level or at the district level constituted under Section 7;
- (k) "*prescribed*" means prescribed by rules made under this Act; and
- (l) "*State Level Clearance Committee*" means the Committee constituted under Section 4.

## CHAPTER II

**3. Constitution, functions and powers of High Powered Clearance Committee.** - (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. 30.00 crores and above;
- (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 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 deput 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. Constitution, functions and powers of State Level Clearance Committee.** - (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 approve;
- (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. Constitution, functions and powers of District Level Clearance Committee.** - (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 upto 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. Appeal.** - (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 appeals against the decision of different level of Committee.

(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. Appointment and functions of Nodal Agency.** - (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 :-

- (a) to carry out investment promotional 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. Composite Application Forms.** - The State Government shall prescribe Composite Application Forms for the use of entrepreneurs.

**9. Processing and disposal of Composite Application Forms.** - 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 be take a decision which shall be binding on the authority.

**10. Undertaking.** - (1) 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 forms 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. Deemed approval.** - (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. Penalty.** - 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. Offences by companies etc.** - (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 that commission of the offence 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.

*Explanation.* - 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. 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. 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.

**15. Protection of action taken in good faith.** - 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. 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 :

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.