

# Chhattisgarh Audyogik Nivesh Protsahan Adhiniyam, 2002

CHHATTISGARH

India

## Chhattisgarh Audyogik Nivesh Protsahan Adhiniyam, 2002

### Act 7 of 2002

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Chhattisgarh Audyogik Nivesh Protsahan Adhiniyam, 2002(No. 7 of 2002)Last Updated 29th October, 2019Published in Chhattisgarh Rajpatra, dated 24-4-2002.An Act to promote industrial investments in the State of Chhattisgarh, by vesting certain rights specified herein, in a person or persons including bodies, corporate, intending to make investments in various economic sectors for furthering industrial and economic growth; and to empower an agency or agencies designated by the State for facilitating such investments by making processes and procedures transparent and mutually beneficial, in the best interests of the investors and the State of Chhattisgarh and further, to cast certain obligations and responsibilities on such agencies to perform functions entrusted to them within specified period.Be it enacted in the fifty-third year of the Republic of India, as follows:-

## Chapter I Preliminary

### 1. Short title, extent and commencement.

(1)This Act may be called The Chhattisgarh Audyogik Nivesh Protsahan Adhiniyam, 2002 (No. 7 of 2002).(2)It extends to the whole of the State of Chhattisgarh ;(3)It shall come into force from a date as may be notified in the State Government Gazette.

### 2. Definitions.

- In this Ordinance, unless the context otherwise requires :-(i)"Board" means the State Investment Promotion Board, under Section 9;[(i-a) "Advisory Board" means the State Industries Advisory Board constituted under Section 9; [Inserted by Act No. 16 of 2004, dated 2.1.2005.](i-b) "Clearance" means and includes grant or issue of no objection certificate, consent, enrolment, registration, permission, approval, licence, allotment, and the like by any competent authority in

connection with setting up of an industrial undertaking in the State of Chhattisgarh.(i-c) "Competent Authority" means and includes any Department or Agency of the State Government, Gram Panchayat, Municipality or other local body, which is entrusted with the powers and responsibilities to grant or issue any clearance,](ii)"District Committee" means the District Investment Promotion Committee under Section 3;[\*\*\*] [Omitted '(iii) Divisional Committee means the Divisional Investment Promotion Committee under Section 6;' by Act No. 16 of 2004, dated 2.1.2005.](iv)"Industrial Facilitation Services" means the assistance provided by the State Government from the time the investor submits a valid project proposal to the State Investment Promotion Board till the time the project goes into commercial production;[(iv-a) "Industrial Undertaking" means and includes an undertaking engaged in manufacturing or processing or both or providing service or doing any other business or commercial activity specified by the State Government;] [Inserted by Act No. 16 of 2004, dated 2.1.2005.](v)"Government" means the State Government of Chhattisgarh;(vi)"Government Agency" means any department of the Government or any body corporate, by whatever name called, owned or controlled by the Government;(vii)"Investment" means any or all of the preliminary and pre-operative expenses, capital expenditure, lease on land and equipment, interest during construction, and administrative expenses etc., relating to the project;(viii)"Investor" means any person or persons, or his authorized nominees, including Companies incorporated under the Indian Companies Act, 1956, Public Trusts registered under the Public Trusts Act, Private Trusts registered under the Indian Trusts Act, 1882 (No. 2 of 1882), registered Societies ; and shall include any other bodies corporate including those from outside India qualified to invest in India under relevant laws for the time being in force or under the relevant policies of the Government of India or the State Government as may be applicable at the time of such investment;(ix)"Local Co-ordination Committee" means a committee constituted under Section 14;(x)"Local Government" means and includes, Municipal bodies, by whatever name called, constituted under Article 243-Q of the Constitution of India, and Panchayats constituted under Article 243-B therein;[(x-a) "Nodal Agency" means the State level or the District level agency notified under sub-section (1) of Section 12.] [Inserted by Act No. 16 of 2004, dated 2.1.2005.](xi)"Project" means a project to be undertaken by the investor,in which he proposes to make investment in the State;(xii)"Project Affected Persons" means and includes all persons affected due to displacement or acquisition of land owned by them by the establishment of a project;(xiii)"Secretary" means a Secretary of the State Government, by whatever name called.

## Chapter II

## Investment Promotion Authorities

### 3. District Investment Promotion Committee.

(1)The State Government shall constitute for each District, a Committee to be designated as the District Investment Promotion Committee for promoting and facilitating the implementation of industrial or other projects.

#### **4. [ [Inserted by Act No. 16 of 2004, dated 2.1.2005.]**

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4. Constitution of the District Investment Promotion Committee.- A District Investment Promotion Committee shall consist of the following members, namely :-(a) A Chairperson, who shall be the Collector of the Revenue District.(b) Such number of persons from the District, not exceeding five, as the State Government may nominate from the fields of industry, trade and commerce, labour and education.(c) General Manager of the District Trade and Industries Centre by whatever name designated, who shall be ex-officio the Convenor of the Committee.(d) Representative of the Chhattisgarh State Electricity Board, not below the rank of an Executive Engineer, by whatever name designated.(e) Nominee of the Department of Labour of the State Government not below the rank of an Assistant Commissioner.(f) Nominee of the Department of Forests of the State Government not below the rank of a Divisional Forest Officer.(g) Nominee of the Department of Water Resources of the State Government, not below the rank of an Executive Engineer.(h) Nominee of the Department of Public Works of the State Government, not below the rank of an Executive Engineer.(i) Nominee of the Department of Mineral Resources, of the State Government, being not below the rank of a District Mining Officer.(j) Nominee of the Department of Agriculture of the State Government, not below the rank of a Deputy Director.(k) Chairperson of the relevant Local Government in whose jurisdiction the Project is proposed to be located, or his nominee not below the rank of the Commissioner or Chief Municipal Officer in the case of an urban body, or not below the rank of a Chief Executive Officer in the case of a Zila Panchayat.(l) Nominee of the Department of Housing and Environment of the State Government, not below the rank of an Assistant Director of the Town & Country Planning Organization.

#### **5. Functions and overriding powers of the District Investment Promotion Committee.**

(1) Notwithstanding anything contained in any law enacted by the Legislative Assembly of the State and for the time being in force, each District Committee shall, for the purpose of promoting and facilitating investments in projects, exercise powers of any Local Government or of any authority or agency of the State Government within the District, in respect of the following :-(a) allotment of land in identified industrial area for the project or projects;(b) identification, allocation and facilitation of sources of water and other utilities including electric power;(c) all approvals in respect of matters relating to the implementation of the project from the local Governments; and (d) approvals, if any, relating to matters concerning the welfare of labour.(2) The District Committee shall hold at least one meeting every month. Provided that the State Government may at any time require in writing that a meeting of the District Committee be held, and the Committee shall then proceed to hold meeting as expeditiously as it can, but not later than seven working days in any case, to dispose such matters as may be referred to it.(3) The members of the District Committee shall be jointly and severally responsible for providing [such services and within such time period as may be prescribed] [Substituted 'the services specified in Schedule-II within the time period prescribed therein' by Act No. 16 of 2004, dated 2.1.2005.], provided that if the time period can not be adhered to for any reason, the investor and the [State Board] [Substituted 'Divisional Committee' by Act No. 16 of

2004, dated 2.1.2005.] shall be communicated in writing before the expiry of the period.

**6. [ [Omitted by Act No. 16 of 2004, dated 2.1.2005.]**

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6. Divisional investment promotion committee and meetings thereof.- (1) The State Government shall constitute for each Revenue Division, a Committee to be designated as the Divisional Investment Promotion Committee for promoting and facilitating the implementation of industrial and other projects.

**7. [ [Omitted by Act No. 16 of 2004, dated 2.1.2005.]**

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7. Constitution of the Divisional Investment Promotion Committee.- A Divisional Investment Promotion Committee shall consist of the following members, namely,-(a) A Chairperson, who shall be the Commissioner of the Revenue Division.(b) Such number of persons, not exceeding five, as the State Government may nominate from the fields, of industry, trade and commerce, labour and education.(c) Collector of the District in which the Project is proposed.(d) Chairperson of the Chhattisgarh State Electricity Board or his nominee not below the rank of a Chief Engineer.(e) Secretary in charge of matter relating to Labour, or his nominee not below the rank of a Deputy Commissioner.(f) Secretary in charge of matter relating to Forests, or his nominee not below the rank of a Conservator of Forests.(g) Secretary in charge of matter relating to Water Resources, or his nominee not below the rank of a Chief Engineer.(h) Secretary in charge of matter relating to Public Works, or his nominee not below the rank of a Superintending Engineer.(i) Secretary in charge of matter relating to Mining, or his nominee not below the rank of a Joint Director.(j) Secretary in charge of matter relating to Agriculture, or his nominee not below the rank of a Joint Director.(k) Chairperson of the relevant Local Government in whose jurisdiction the Project is proposed to be located, or his nominee not below the rank of the Commissioner or Chief Municipal Officer in the case of an urban body, or not below the rank of Chief Executive Officer in the case of a Zila Panchayat.(l) Secretary in charge of matter relating to Housing and Environment, or his nominee not below the rank of a Deputy Director of the Town and Country Planning Organization.(m) A nominee of the Secretary in charge of the matter relating to Industries, not below the rank of a Joint Director, who shall be the ex-officio Convenor of the Committee.

**8. [ [Omitted by Act No. 16 of 2004, dated 2.1.2005.]**

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8. Functions and overriding powers of the Divisional Investment Promotion Committee.- (1) Notwithstanding anything contained in any law enacted by the Legislative Assembly of the State and for the time being in force, each Divisional Committee shall, for the purpose of promoting and facilitating investments, exercise powers of any local Government or of any authority or agency of the State Government within the Division, in respect of the following :-(a) identification and

allotment of land for the project or projects;(b) identification, allocation and facilitation of sources of water and other utilities including electric power;(c) all approvals in respect of matters relating to the implementation of the project from the local Governments;(d) approvals, if any, relating to the Chhattisgarh Environment Protection Board.Explanation.- For the purposes of this clause the Divisional Committee shall be deemed to be an Officer of the Board for the exercise of powers delegated by it, and(e) approvals, if any, relating to matters concerning the welfare of labour.(2) The Divisional Committee shall hold at least one meeting every month :Provided that upon request in writing by an investor, a meeting of the Divisional Committee may be held within two weeks of such requisition :Provided further that if no meeting is held upon such request and within the said period, the investor shall be informed in writing the reasons therefor :Provided also that the State Government may at any time require in writing that a meeting of the Divisional Committee be held, and the Committee shall then proceed to hold a meeting as expeditiously as it can, but not later than seven working days in any case, to dispose of such matters as may be referred to it.(3) The members of the Divisional Committee shall be jointly and severally responsible for providing the services specified in Schedule II within the time period prescribed therein ; provided that if the time period can not be adhered to for any reason the investor and the State Board shall be communicated in writing before the expiry of the time period.

## **9. [ State Investment Promotion Board and State Industry Advisory Board. [Substituted by Act No. 16 of 2004, dated 2.1.2005.]**

- State Government shall constitute a State Investment Promotion Board and a State Industry Advisory Board for promoting and facilitating implementation of industrial and other projects in the State.]

## **10. Constitution of the State Investment Promotion Board.**

(1)The State Investment Promotion Board shall consist of the following members, namely :-(a)A Chairperson, who shall be the Chief Minister of Chhattisgarh.(b)A Vice-Chairperson, who shall be the Minister-in-charge of matters relating to Industries.[\*\*\*] [Omitted '(c) Such member or persons, not exceeding seven, as the State Government may nominate from the fields of industry, trade and commerce, labour and academics.' by Act No. 16 of 2004, dated 2.1.2005.](d)Minister-in-charge of matters relating to Finance.(e)Minister-in-charge of matters relating to Energy.(f)Minister-in-charge of matters relating to Labour.(g)Minister-in-charge of matters relating to Forests.(h)Minister-in-charge of matters relating to Water Resources.(i)Minister-in-charge of matters relating to Agriculture.(j)Minister-in-charge of matters relating to Public Works.(k)Minister-in-charge of matters relating to Minerals.(l)Minister-in-charge of matters relating to Local Government.(m)Minister-in-charge of matters relating to Housing and Environment.(mm)[ Minister in charge of matters relating to Revenue.] [Inserted by Act No. 16 of 2004, dated 2.1.2005.](n)State Minister-in-charge of matters relating to Industries.(o)Chief Secretary of the Government-; and(p)Secretary in charge of matters relating to Industries by whatever name designated, shall ex-officio be the Convenor of the [Board] [Substituted 'Committee' by Act No. 16 of 2004, dated 2.1.2005.](2)The State Board shall have the power to regulate its own procedure.(3)[ The State Board may constitute one or more Committee and may delegate any of its

powers and functions to such Committee.(4)The State Industry Advisory Board shall consist of the following members, namely:-(a)A Chairperson, who shall be the Chief Minister of the State.(b)A Vice-Chairperson, who shall be the Minister in charge of matters relating to Industries.(c)Ministers in charge and secretaries of such other Departments of the State Government, as the State Government may specify.(d)Such number of persons, not exceeding five, as the State Government may nominate from amongst the office bearers of the organisations representing commerce, trade and industry.(e)Such number of eminent persons and experts, not exceeding five, as the State Government may nominate from the fields of commerce, trade and industry.(f)Such number of persons, not exceeding five, as the State Government may nominate from the fields of labour and human resource development.(g)Secretary in charge of matters relating to Industries, by whatever name designated, shall ex-officio be the Convener of the Advisory Board.]

## **11. Functions and overriding powers of the State Investment Promotion Board.**

(1)Notwithstanding anything contained in any law enacted by the Legislative Assembly of the State and for the time being in force, the State Board shall, for the purpose of promoting and facilitating investments, exercise powers of the State Government or any authority or agency under it, in respect of the following :-(a)[ Cases referred to it by any District Committee in respect of which there is difference of opinion amongst members of such Committee; [Substituted by Act No. 16 of 2004, dated 2.1.2005.](b)Cases referred to it by the State level nodal agency in respect of which any competent authority has failed to take decision within the time limit prescribed under clause (b) of sub-section (5) of Section 12;(c)Cases referred to it by any competent authority for decision in connection with any approval required under any enactment of the State Legislature for implementation of investor's project;(d)Cases requiring recommendation of the State Government or any State Government Agency for obtaining approval of the Central Government under any enactment of Parliament for implementation of investor's project, referred to the Board by;-(i)the competent authority itself, or(ii)the State level nodal agency where a competent authority has failed to take decision within the time limit prescribed under clause (b) of sub-section (5) of Section 12;(e)Representations received from investors against decisions of District Committees;(f)Suo motu examination and review of any decision taken by a District Committee or the Committee constituted under sub-section (3) of Section 10;(g)Such other matters as may be prescribed:Provided that the Board, while proceeding to decide any matter that ought to have been decided by any Department or Agency of the State Government, shall call for the views or comments, as the case may be, of the concerned Department or Agency;Provided further that if no views or comments are received by the Board within the time limit fixed by it, it shall be competent for the Board to proceed and decide the matter:Provided also that the Board shall not decide any matter which involves a financial grant or tax concession if such grant or concession, as the case may be, is not provided for in the appropriate policy of the State Government.] [Added by Act No. 16 of 2004, dated 2.1.2005.](2)[ The Board shall ordinarily meet once a month or at such intervals as may be necessary for expeditious approval of investment proposals.] [Substituted by Act No. 16 of 2004, dated 2.1.2005.]Provided that upon a request in writing by an investor, a meeting of the State Board may be held within two weeks of such requisition :Provided further that if no meeting is held upon such request and within the said period, the investor shall be informed in writing the reasons therefor.

## Chapter III

### Services for The Investors

#### 12. [ [Substituted by Act No. 16 of 2004, dated 2.1.2005.]

(1)The State Government may, by a notification to be published in the Official Gazette, appoint a State level nodal agency and a District level nodal agency for each District.(2)The State level nodal agency shall be a cell under the State's Industries Department headed by the Convener of the State Board and the District Industries Centre shall be the District level nodal agency.(3)The State level nodal agency and the District level nodal agencies shall be the Points of Investor Contact and shall be responsible for obtaining clearances required by an investor for establishing industrial undertaking in the State.(4)The State level nodal agency and District level nodal agencies shall provide secretarial support to the State Board and District Committees, respectively.(5)Notwithstanding anything contained in any law enacted by the State Legislature for the time being in force, the State Government may prescribe;-(a)the procedure for processing and disposal of applications received by the State level and District level nodal agencies; and(b)time limits for processing and disposal of applications by competent authorities:Provided that the State Government shall not prescribe anything under this subsection which is inconsistent with any enactment of Parliament or has been or ought to be prescribed by the Central Government under such enactment.(6)All proposals of expression of interest and applications in connection with investment in the State shall be submitted to, and received by, an authorized officer of the concerned nodal agency as per jurisdiction laid down in Schedule-I.(7)The applications received by the nodal agency shall be processed and disposed off in the manner prescribed.(8)Notwithstanding anything contained in any law enacted by the State legislature for the time being in force, the State Government may prescribe the clearances required by an investor in respect of which failure of the competent authority to pass final order on investor's application within the prescribed time limit shall result in deemed approval.(9)The nodal agency shall inform the applicant the date of receipt of his application referred to in sub-section (8) by the competent authority and the date on which the application was deemed to have been approved under sub-section (8).(10)The applicant may proceed to execute the work or take other action following the deemed approval referred to in sub-section (8), but not so as to contravene any of the substantive provisions of Acts or rules or bye laws applicable to such clearances.]

#### 13. Facilitation services for the Investor.

(1)The appropriate Point of Investor Contract shall cause to provide to the investor, free of any charges, such person or persons, being officers of the Government or any of its agencies or authorities, to assist the investor in any or all such activities as may be incidental to the purpose of investment :Provided that any service as may be required, other than the Investor Facilitation Services, shall be paid for by the investor, on such fee, charges or terms as may be laid down or prescribed by the appropriate authority under any law, or rules thereof, for the time being in force.(2)The District Committee [\*\*\*] [Omitted 'or Divisional Committee' by Act No. 16 of 2004, dated 2.1.2005.] or the State Board, as the case may be, acting through the appropriate Point of

Investor Contact, shall at every stage in the implementation of the project, and after its completion, continue to assist the investor, or where appropriate, the project authorities, for the maintenance of a work environment conducive to successful project activities.

#### **14. Local Co-ordination Committee.**

(1) There shall be formed, upon a request to be made in writing by the investor, a Local Co-ordination Committee for a project for the purpose of resolving local issues that arise in the timely implementation of the project. (2) Each such Committee shall consist of such persons as may be nominated by the investor, the Local Government, and the State Government or the Collector of the District. (3) The Local Co-ordination Committee shall meet at such time and place as the Committee may decide. (4) The Local Co-ordination Committee shall, as expeditiously as it may, bring to the notice of the District Committee [\*\*\*] [Omitted 'or Divisional Committee' by Act No. 16 of 2004, dated 2.1.2005.] or the State Board, as the case may be, all matters requiring attention of the concerning Committee or the Board ; which shall thereupon proceed expeditiously to remove such difficulties. (5) The nominee of the Collector of the District shall maintain records of the business transacted by the Local Co-ordination Committee and take necessary follow up action.

#### **15. Confidentiality.**

- No agency or authority of the Government or the Local Government, as the case may be, including functionaries therein, shall disclose to any other investor or to a person not duly authorized, any information forming the intellectual property of the investor or any other information regarding the project without the consent of such investor : Provided, that all information in respect of the terms and conditions of the investment being made in the State and the facilities, if any, provided to the investor by the Government or any of its agencies or authorities, or by any Local Government, shall be notified by the State Board for information of the public.

#### **16. Transitional Provisions.**

- The provisions of this Act shall apply to all investment proposals that have been under consideration of the State Government or any of its agencies, authorities or undertakings on the date the Act comes into force.

### **Chapter IV**

### **Obligation of The Investor**

#### **17. Commitment for investment.**

- The investor shall proceed to take action under Chapter III of this Act, only after satisfying himself of the feasibility of investing in the State.



## 18. Commitment for project affected persons.

- The investor shall undertake to discharge his obligations for the Project Affected Persons whose land is acquired for the project by training at least one member of each family of such persons in skills that would ensure employment to the person so trained, either under the investor or otherwise.

## Chapter V Exceptions

### 19. Exceptional grounds for rejection.

- The District Committee [\*\*\*] [Omitted 'or Divisional Committee' by Act No. 16 of 2004, dated 2.1.2005.] or the State Board, as the case may be, shall not reject any proposal except for reasons to be communicated in writing to the investor within seven working days of such rejection :Provided further, that the investor may submit a revised proposal redressing the grounds of rejection of the initial proposal within a further period of fifteen working days, and any such revised proposal shall be deemed to be a new proposal for the purpose of Schedule II of the Act.

### 20. [ Power to make rules. [Substituted by Act No. 16 of 2004, dated 2.1.2005.]

(1)The State Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.(2)Without prejudice to the generality of the foregoing power, such rules may provide for all or any of the matters which may be, or, are required to be prescribed.(3)Every rule made under this Act, shall be laid immediately before the Legislative Assembly of the State if it is in session, and if it is not in session, in the session immediately following the date on which such rule is notified.][Schedule I] [Substituted by Act No. 16 of 2004, dated 2.1.2005.]The Investment Promotion Authorities referred to in Chapter II shall receive, process and issue approvals in respect of applications for industrial and other investments in the State of Chhattisgarh, as per the following classification.

Investment Promotion Authority	Limit of Capital Investment.
State Investment Promotion Board	(i) All Project proposals above Rs. 10.00 crore  (ii) All project proposals below Rs. 10.00crore, where the project area falls in more than one district.
District Investment Promotion Committee	Rs. 10.00 crore or below, provided the entireproject area falls within the same district.

[Schedule II] [Omitted by Act No. 16 of 2004, dated 2.1.2005.]

[SeeSections 5, 8, and 12]The investor shall be entitled to services from the Investment Promotion Authorities under Chapter II, within the periods of time indicated against each activity :-(1)

Preliminary Meeting with Convenor of the Board or the Committee as the case may be within 7 working days from the date of expression of intent.(2) Response to investor's proposal within 7 working days from the date of expression of intent or 3 working days from the date of the Preliminary Meeting whichever is later to be conveyed by the Point of Investor Contact.(3) Memorandum of Understanding to be signed within 15 working days from the date of communication of response to the proposal followed by firm agreement as convenient to the investor between the investor and the appropriate agency or authority or undertaking of the Government.(4) Land transfer in the case of Government revenue lands, 45 working days from the date of identification and application to the Point of Investor Contact and payment of value thereof ; and Section 4 notification for Land Acquisition to be made within 15 working days ; land transfer through private negotiations would be facilitated and once settled between the investor and the private land owners the mutation and registration formalities shall be completed within 30 working days all land transfers have to be consistent with Constitutional and statutory provisions in regard to land in the Vth Schedule areas.(5) Clearances in respect of other Local Government, or statutory requirements of the State Government or its agencies or authorities shall be obtained within a period of 30 working days from the date of land transfer, or 75 working days from the date of identification of the site ; whichever is earlier.(6) Arrangement for requirements of infrastructure such as power shall be made within 45 working days from the date of transfer, or 75 working days from the date of identification of the site for the project; whichever is earlier.(7) All recommendations such as for mining or environmental clearances, wherever required to be forwarded to the Central Government, shall be so forwarded, complete in all respects of documentation, within 45 working days from the date of transfer of land, or 75 working days from the date of identification of the site ; whichever is earlier.(8) Preliminary Site visit for deciding on the location may be arranged free of cost if so required by the investor within 2 working days for the preliminary meetings with the members of the Board or the Committees.