

**PUNJAB GOVT. GAZ. (EXTRA), SEPT. 24, 2009  
(ASVN 2, 1931 SAKA)**

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**PART-I**

DEPARTMENT OF LEGAL AND LEGISLATIVE AFFAIRS, PUNJAB

**Notification**

The 24<sup>th</sup> September, 2009

**No.19-Leg./2009.** – The following Act of the Legislature of the State of Punjab received the assent of the Governor of Punjab on the 8<sup>th</sup> September, 2009, and is hereby published for general information :-

**THE PUNJAB SPECIAL ECONOMIC ZONES ACT, 2009  
(Punjab Act No.17 of 2009)**

AN

**ACT**

*to provide for the establishment of Special Economic Zones to promote and set up self-contained large 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 and for the matters connected therewith or incidental thereto.*

BE it enacted by the Legislature of the State of Punjab in the Sixtieth Year of the Republic of India as follows :-

<b>Short title and commencement</b>	<b>(1)</b>	(1)	This Act may be called the Punjab Special Economic Zones Act, 2009.
		(2)	It shall come into force on such date, as the State Government may, by notification in the Official Gazette, appoint.
<b>Definitions</b>	<b>(2)</b>	(1)	In this Act, unless the context otherwise requires –
		(a)	“amenities” includes roads, water supply, street lighting, power supply, sewerage drainage, public works, tourist sports, open spaces, parks, landscaping and play fields and such other conveniences, as the State Government may, by notification, declare to be an amenity for the purposes of this Act;
		(b)	“building” includes – (i) a house, out-home factory, offices or 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 for any other purposes, whether in actual use or not;
- (c) “building operations” includes re-building operations, structural alterations of, or additions to buildings and other operations normally undertaken in connection with the construction of buildings;
  - (d) “Director” means the Director of Industries and Commerce, Punjab;
  - (e) “infrastructure” includes industrial, commercial, social or residential infrastructure or any other facility necessary for the development of the Special Economic Zone;
  - (f) “land” means any land including super structure situated within the Special Economic Zone;
  - (g) “occupier” means a person, who occupies a site or building within the Special Economic Zone and includes his successor, assignee and administrator;
  - (h) “off-zones supplier” means a unit located outside the Special Economic Zone providing goods or services or both to the Developer, Co-developer, occupier or resident;
  - (i) “operator” means a person engaged by the Developer for providing infrastructure or any amenity in the Special Economic Zone;
  - (j) “planning area” means a regional planning area, a local planning area or a site for a new town declared as such under Section 56 of the Punjab Regional and Town Planning and Development Act, 1995 (Punjab Act No.11 of 1995);
  - (k) “prescribed” means prescribed by rules made under this Act;
  - (l) “project” means a Special Economic Zone project including any other project, essential for the sustainability of the Special Economic Zone as deemed appropriate and recommended by the Project Approval Committee;

- (m) "Project Approval Committee" means a Project Approval Committee, constituted under Section 3;
- (n) "section" means a section of this Act;
- (o) "Special Economic Zone" shall have the same meaning as assigned to it in the Special Economic Zones Act, 2005 (Central Act 28 of 2005);
- (p) "unit" means an enterprise, or part thereof, which occupies space within the Special Economic Zone carrying on business as approved by the Development Commissioner; and
- (q) "value addition" includes any activity that brings about a change in an article as a result of some process, treatment. or labour. and results in transformation into a new and different article with enhanced value so understood in commercial parlance and shall also include packaging.

(2) The words and expressions used in this Act, but not defined, shall have the same meaning as assigned to them in the Special Economic Zones Act, 2005 (Central Act 28 of 2005).

**Constitution of the Project Approval Committee**

- (3)**
- (1) The State Government shall, by notification in the Official Gazette, constitute for the purposes of this Act, a Committee, to be called the Project Approval Committee.
  - (2) The Project Approval Committee shall consist of the following members, namely :-
    - (i) the Chief Secretary to Government of Punjab : Chairman
    - (ii) the Financial Commissioner, Revenue and Secretary to Government of Punjab, Department of Revenue and Rehabilitation; : Member
    - (iii) The Financial Commissioner, Excise and Taxation and Secretary to Government of Punjab, Department of Excise & Taxation; : Member
    - (iv) the Principal Secretary to Government of Punjab, Department of Finance; : Member
    - (v) the Principal Secretary to Government of Punjab, Department of Local Government; : Member
    - (vi) the Principal Secretary to Government of Punjab, Department of Industries and Commerce; : Member
    - (vii) the Principal Secretary to Government of Punjab, Department of Labour and

Employment;

- (viii) the Secretary to Government of Punjab, : Member  
Department of Power;
- (ix) the Secretary to Government of Punjab, : Member  
Department of Housing and Urban  
Development;
- (x) the Secretary to Government of Punjab, : Member  
Department of Environment;
- (xi) the Managing Director, Punjab Small : Member  
Industries and Export Corporation; and
- (xii) the Director, Department of Industries : Member-  
and Commerce. Secretary

(3) For the purposes of performing its functions, the Chairman may co-opt any other officer as member of the Project Approval Committee as he may deem appropriate.

**Functions of the  
Project Approval  
Committee**

**(4)** The Project Approval Committee (hereinafter referred to as the Committee) shall perform the following functions, namely:-

- (1) The Committee shall approve, modify or reject any proposal for the establishment of a Special Economic Zone placed before it; Provided that the project approved by the Committee is in consonance with the Development Plan or Master Plan of the area; Provided further that the Developer shall not be required to apply for seeking change of land use, if the Special Economic Zone falls within the planning area and also shall not be required to apply for a licence as required under the Punjab Apartment and Property Regulation Act, 1995, which shall be deemed to have been granted. However, layout zoning plans and building plans shall be got approved from the competent authority.
- (2) The Member-Secretary of the Committee shall forward the recommendations of the Committee to the Government of India for approval.
- (3) The Committee shall review the progress of implementation of the project at such intervals, as it may deem necessary.

**Notification on  
Special  
Economic Zone**

**(5)** The State Government shall notify in the Official Gazette, the boundaries and extent of the area of the Special Economic Zone after receiving approval as mentioned in sub-section (2) of the Section 4.

**Application for  
development of  
Special  
Economic Zone**

**(6)** (1) The Developer shall identify the area for the development of Special Economic Zone and shall apply in the Form, appended to this Act to the Director for approval.

- (2) On receipt of the application, the Director shall forward the proposal to the concerned department for comments.
- (3) The concerned department shall furnish its comments in respect of the proposal within the prescribed period. In case, the comments are not furnished by the Department within the prescribed period, then it shall be deemed that the proposal has been approved by the department.
- (4) On the receipt of the comments from the concerned department or in case of deemed approval to the proposal, as mentioned in sub-section (3), the Director shall send the proposal to the Project Approval Committee for consideration.
- (5) On receipt of the proposal, sent by the Director under sub-section (4), the Project Approval Committee shall consider the proposal and examine the viability of other economic aspects of the project justifying the necessity of setting up of the proposed Special Economic Zone.
- (6) If the Project Approval Committee after consideration comes to the conclusion that the proposal is justified, then it will accord its approval in principle, in case, the Developer is not in possession of land, on which the project is to be developed. In case, the Developer is in possession of the land, on which the project is to be developed, then the Project Approval Committee shall accord its formal approval.
- (7) After the formal approval of the Project Approval Committee is accorded under sub-section (6), the Director shall forward the proposal to the Central Government for approval subject to such terms and conditions, as may be specified by the Project Approval Committee.

**Land for Special Economic Zone**

- (7) (1) The State Government may transfer land owned, acquired or controlled by it to the Developer as per the provisions of the Land Acquisition Act, 1894 (Central Act 1 of 1894) and the rules made thereunder, as per the State policy.
- (2) The Developer may, himself acquire land from any person by purchase, lease or allotment.

**Duties and functions of the Developer**

- (8) (1) Subject to the provisions of this Act, it shall be the duty of the Developer to secure planned development of the Special Economic Zone. The Developer shall establish, construct, install, operate, maintain and manage the Special Economic Zone and shall also provide therein necessary infrastructure and amenities.
- (2) Without prejudice to the generality of the provisions of 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 such manner, as may be prescribed;
  - (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 allotment, plots, land, buildings or installations for industrial, commercial, residential or other purposes;
  - (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 demarcated structures;
  - (f) to fix rates for transfer of land, building or installations by way of sale, lease or allotment; and
  - (g) to perform such other functions, as may be prescribed.
- (3) 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, installation or any other infrastructure upon the user or occupier thereof.

**Providing of infrastructure or amenity by the Developer**

- (9)**
- (1) The Developer may engage an off-zone supplier, operator, or any other person for the purpose 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 collecting the charges for the use of services to any agency, providing the infrastructure or amenity.
  - (4) The Developer or off zone supplier, operator or any other person, engaged for providing infrastructure in a Special Economic Zone, shall pay charges to the concerned Local authority, in case any infrastructure connectivities or maintenance services are provided by such authority.
  - (5) The Developer shall be responsible for maintenance of the Special Economic Zone area.

**Generation and supply of electricity**

- (10)**
- (1) (a) The Developer or the Co-developer shall be permitted to generate electricity in or outside the Special Economic Zone, for consumption;

- (b) The 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; and
  - (c) The 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 or through 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) The power tariff for the sale of power to various categories of consumers in the Special Economic Zone will be charged by the Punjab State Electricity Board at such rate, as may be determined by the Punjab State Electricity Regulatory Commission on year to year basis.
  - (3) The Developer or Co-developer of the Special Economic Zone or an association of units located in the Special Economic Zone, unless exempted under the Electricity Act, 2003 (Central Act 36 of 2003), shall obtain a distribution license or a franchise for distribution of electricity with the Special Economic Zone.
  - (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 having requisite qualifications, 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 the Special Economic Zone.

**Exemption from State taxes, duties, fees, cess and levies**

- (11) (1) The following shall be exempted from the payment of any tax, duty, fee, cess or any other levy under the Relevant Act, enacted by the Punjab State Legislature, namely :-
  - (i) any goods exported out of or imported into the Special Economic Zone;
  - (ii) any inter-unit transaction of goods within the Special Economic Zone;
  - (iii) any goods from the Special Economic Zones, sent for value addition to the domestic tariff area and returned to the Special Economic Zone thereafter;
  - (iv) any service providing for the value addition to a product within the Special Economic Zones;

- (v) any service, provided to the Special Economic Zone developer or a unit in Special Economic Zone for authorized operations;
- (vi) stamp duty and registration fee on purchase of land for establishing a Special Economic Zone;
- (vii) stamp duty and registration fee on the first transfer or lease of immovable property within the Special Economic Zone. However, all subsequent transfers or leases shall be liable to levy of stamp duty and registration fee; and
- (viii) levy of social security cess on purchase of land for establishing a Special Economic Zone, and on the first transfer or lease of immovable property within the Special Economic Zone.

(2) The exemption from payment of tax under this Act, shall be allowed to the Developer of a Special Economic Zone and to the Special Economic Zone Unit as per the Punjab Special Economic Zone Policy, notified by the State Government, - vide No.5/58/2002IIB/4630, dated the 11<sup>th</sup> August, 2005.

(3) The Department of Labour of the State Government shall be competent to declare any unit or establishment, set up in the Special Economic Zones as public utility service under the Industrial Disputes Act, 1947.

**Powers and functions of the Development Commissioner**

- (12)**
- (1) The Development Commissioner shall supervise and coordinate the activities of agencies engaged in the development of the Special Economic Zone.
  - (2) Notwithstanding anything contained in any law made by the Punjab State Legislature, for the time being in force, the Development Commissioner, shall exercise the following powers for the grant of approval or sanction to the Developer and the Unit in order to provide for a single window clearance system in the Special Economic Zone, namely:-
    - (a) the powers, exercised by the Labour Commissioner and the Chief Inspector of Factories in respect of Labour Laws;
    - (b) the powers exercised by the Punjab Pollution Control Board with regard to the grant of consent under the Water (Prevention and Control of Pollution) Act, 1974 (Central Act 6 of 1974) and the Air (Prevention and Control of Pollution) Act, 1981 (Central Act 14 of 1981). However, the Development Commissioner shall consult the Punjab Pollution Control Board, wherever he considers necessary; and



(c) the powers exercised by the Chief Town Planner, Punjab, under the Punjab Regional and Town Planning and Development Act, 1995 and the Punjab Apartment and Property Regulation Act, 1995. However, the Development Commissioner shall consult the Chief Town Planner, Punjab, wherever he considers necessary.

- Overriding effect** (13) The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law enacted by the Punjab State Legislature for the time being in force.
- Protection of actions taken in good faith** (14) No suit or other legal proceedings shall lie against any person for anything, which is done in good faith or intended to be done in pursuance of the provisions of this Act or the rules made thereunder.
- Power to remove difficulties** (15) (1) If any difficulty arises in giving effect to the provisions of this Act, the State 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 a period 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 State Legislature.
- Power to make rules** (16) (1) The State Government may, by notification in the official Gazette, make rules for carrying out the purposes of this Act.
- (2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:-
- (a) to specify the period for furnishing comments under sub-section (3) of section 6;
- (b) to prescribe functions under clause (g) of sub-section (1) of section 8; and
- (c) to prescribe the manner for preparing development plan under clause (a) of sub-section (2) of section 8.
- (3) Every rule made under this section shall be laid, as soon as may be, after it is made, before the House of the State Legislature, while it is in session for a total period of ten days, which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session in which it is so laid or the successive sessions as aforesaid, the House agrees in making any modification in the rules 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.

**FORM**  
**[ See Section 6(1) ]**

To

The Director,  
Department of Industries & Commerce, Punjab,  
Chandigarh

**Subject:      Application for setting up of Special Economic Zone.**

1. Name of the Special Economic Zone Developer :  
(in block letters)
2. Full address of the Special Economic Zone :  
Developer
3. Nature of the Special Economic Zone Developer :  
(whether Government Undertaking / public /  
private / proprietorship / others)
4. Name of the proposed Special Economic Zone :
5. Type of proposed Special Economic Zone :  
(Multiproduct or sector specific / others)
6. Location of the proposed Special Economic Zone :
7. Particulars of the land area of the Special :  
Economic Zone acquired or to be acquired along  
with its map
8. Detailed project report / feasibility report of the :  
proposed Special Economic Zone
9. Investment and mode of financing of the :  
proposed Special Economic Zone
10. Employment likely to be generated :
11. Implementation period :
12. Name and complete address of the persons, to :  
be contacted
13. Any other information

Note – The application shall be made in twenty copies.

(Signature of Developer)

REKHA MITTAL  
Secretary to Government of Punjab  
Department of Legal and Legislative Affairs