

**Government of Punjab**  
**Department of Industries & Commerce**

**NOTIFICATION**

**No.5/58/2002IIB/4630**

**Dated : 11.8.2005**

The Governor of Punjab is pleased to formulate the Special Economic Zone Policy to facilitate the development of Special Economic Zones in the State of Punjab as under:-

**1. Preamble**

Government of India has announced the Policy of Special Economic Zones (SEZs) which are to be deemed foreign territory for tariff and trade operations. Development of SEZs is expected to promote establishment of large, self contained areas supported by world class infrastructure oriented towards export promotion. SEZs are expected to give boost to the economic and industrial development of the State leading to generation of new employment opportunities.

Therefore, Government of Punjab intends to facilitate setting up of SEZs in the State. For this purpose, it has been decided to formulate this SEZ Policy to provide a comprehensive framework for establishment, operation and sustainability of SEZs in the State of Punjab.

**2. Objective**

Punjab Government had notified new Industrial Policy in March, 2003 with the objective to create special thrust in the areas where Punjab has an edge in terms of cost and competitiveness. Now, therefore, to further boost the growth of such industries, State Government will encourage the development of product specific and multi-product SEZs in accordance with the guidelines of Government of India as notified vide No. F.2(1)/3/2001-EPZ dated 24.1.2002 and as amended from time to time.

**3. Definitions**

In this Policy, unless there be something repugnant in the subject or context:-

- (a) 'Policy' means the Punjab SEZ Policy.
- (b) 'Authority' means the Authority set up under this Policy to oversee the implementation of SEZ Policy.
- (c) 'Board' means the Zonal Board constituted by Government of India under the SEZ Scheme of the Government of India.
- (d) 'Committee' means the Single Window Committee constituted under this Policy.
- (e) 'Developer' means a person or body of persons, company, firm or such other private or Government undertaking, who develops, builds, designs, organises, promotes, operates, maintains and/or manages a part or whole of the infrastructure and other facilities in the SEZ.
- (f) 'Development Commissioner' means the officer so appointed by Government of India under Government of India's Policy on SEZ.
- (g) 'GOI' means Government of India.
- (h) 'GOP' means Government of Punjab.

- (i) 'Unit' means the unit / enterprise which occupies space within the SEZ for carrying out its approved business / industrial production activities.

**4. Single Window Clearance**

Government of Punjab shall liberalise the regulatory frame work relating to SEZs by taking following steps:-

- (a) Most of the clearances shall be brought under deemed clearance route, meaning thereby that in case the clearance is not conveyed within prescribed time schedule, it would deemed to have been granted.
- (b) In respect of other cases, clearances shall be given at a single point by the Single Window Committee as per guidelines laid down for this purpose.

**5. Environment**

NOCs, consents and other clearances required from the Pollution Control Board for units and activities within the SEZ shall be granted in time bound manner. However, the activities / projects which fall within the ambit of the environmental impact assessment required under the notification of 1994 of Government of India, Department of Environment & Forest as amended from time to time will have to obtain environment clearance from Ministry of Environment & Forest, Government of India or from any such authority to whom powers for this purpose are delegated by GOI.

**6. Power**

The Developer of SEZ will have freedom to set up independent power plant for dedicated provision of power to SEZ including generation, transmission and distribution within the SEZ. The option of grid connectivity to draw power from the Punjab State Electricity Board grid shall also be available on the basis of 'pay and use' without any standby charges.

**7. Water Supply**

The Developer of SEZ shall be permitted to set up system and facilities for water extraction, treatment, transmission and distribution within the Zone, provided that applicable standards in this regard are fully met and complied with. The Developer shall also be permitted to fix and collect the tariff for supply of water within the Zone. The Developer shall be at liberty to request the concerned department of GOP for providing such infrastructure within the SEZ on payment of due charges.

Provided that, the use of ground / surface water within the SEZ will be subject to State and National Water Policy.

**8. Sales Tax, Levy, Cess and Duties**

All SEZ units and SEZ Developers will be exempted from the payment of following taxes:-

- (i) Sales Tax / VAT
- (ii) Purchase Tax
- (iii) Octroi

- (iv) Electricity Duty on power purchased from PSEB and for consumption within SEZ. The exemption in Electricity Duty will be restricted to 5% of basic Electricity Duty. Additional 5% towards Social Cess will be payable by the SEZ units.
- (v) Stamp Duty and Registration Fee on purchase of land by developer for establishing SEZ and first sale of Plots / Land in SEZ : The exemption will be limited to 6% basic Stamp Duty, while 3% surcharge for Social Welfare Fund will be chargeable in area where it is applicable.
- (vi) Property / House Tax
- (vii) Education / Infrastructure / any other cess.

**9. Labour Regulations**

- (i) The powers of Labour Commissioner, GOP will be delegated to the Development Commissioner so appointed in respect of the SEZ.
- (ii) The System of Self Certification in respect of Labour laws notified under the scheme of Labour department shall be followed by the units in SEZ.
- (iii) All units and other establishments set up in SEZ shall be declared as 'Public Utility Services' under the provisions of the Industrial Dispute Act, 1947.

**10. Inspections**

No authority / representative of any department / agency of Government of Punjab shall carry out any physical inspection without the prior approval of Development Commissioner of SEZ specifying the purpose of inspection.

**11. Law & Order**

GOP and the Developer of SEZ shall make appropriate and exclusive arrangements within and around the SEZ for maintenance of Law & Order.

**12. Management of Zones**

- (i) SEZ as approved by Government of India and the designated area falling within it shall be considered for declaring as Industrial Township under the provisions of Article 243 (Q) of the Constitution of India. If so declared, a Township authority shall be constituted by the GOP for carrying out the development, operation, management and maintenance of the functions of the Zone and the designated area.
- (ii) The Developer shall erect substantial boundary marks defining the limits of the Zone.

**13. Levy of Charges**

For providing, maintaining or continuing any civic amenity or facility within the SEZ, the Developer may levy reasonable charges considered necessary on the occupier of any site or building.

**14. Single Window Committee**

The Single Window Committee will be headed by the Development Commissioner of SEZ and will include officers of all key departments such as Excise & Taxation, Labour, Local Government, Environment, PSEB, Industries

etc. Developer of SEZ as well as units located therein will submit their applications for approvals / clearances / permission in respect of any department / agency of GOP to this Committee.

**15. Registration of SSI units**

Provisional as well as permanent registration of SSI units in the SEZ shall be done by the Development Commissioner SEZ or an officer working under him. However, the concerned officer shall provide all the details to concerned General Manager, District Industries Centre on monthly basis.

**16. Review Committee**

GOP shall constitute a Committee under the Chairmanship of Chief Secretary to facilitate the setting up of SEZ and review the progress regarding SEZ from time to time. The Committee shall consist of:-

- |        |  |          |
|--------|--|----------|
| (i)    | Chief Secretary  | Chairman |
| (ii)   | Principal Secretary, Department of Industries & Commerce |          |
| (iii)  | Principal Secretary, Department of Labour & Employment   |          |
| (iv)   | Financial Commissioner, Department of Excise & Taxation  |          |
| (v)    | Secretary, Department of Power                           |          |
| (vi)   | Development Commissioner of the concerned SEZ.           |          |
| (vii)  | Director of Industries & Commerce                        |          |
| (viii) | Managing Director, PSIEC                                 |          |

Dated : 10.08.2005

S.C. Agrawal  
Principal Secretary  
Industries & Commerce, Punjab