

THE UTTAR PRADESH DEVELOPMENT COUNCIL ACT, 2006¹

(U. P. Act No. 11 of 2006)

[As passed by the Uttar Pradesh Legislature, assented to by the Governor on April 1, 2016 and published in U.P. *Gazette extra-ordinary* on April 5, 2006.]

AN

ACT

to provide for the establishment of the Uttar Pradesh Development Council in the State to advise the Government on the steps to be taken for preparing investment friendly climate in the State, establishment and development of industries, giving special status/incentives to specific industries according to the investment made, remove the bottlenecks/barriers towards the process of industrialization and to attract investment in the State, simplify the Government procedures, rationalize the labour laws so as to increase employment opportunities in the State and other matters connected therewith or incidental thereto.

IT IS HEREBY enacted in the Fifty-seventh Year of the Republic of India as follows :—

CHAPTER-1 PRELIMINARY

Short title and commen- cement

1. (1) This Act may be called the Uttar Pradesh Development Council Act, 2006.

(2) It shall be deemed to have come into force on October 15, 2003.

Definitions

2. (a) “Board” means the Board of Governors of the predecessor Council ;

(b) “Chairman” means the Chairman of the Council ;

(c) “Convener” means the Convener of the Council ;

(d) “Council” means the Uttar Pradesh Development Council established under section 3 ;

(e) “Member” means a member of the Council ;

(f) “Predecessor Council” means the Uttar Pradesh Development Council, first established by Industrial Development Department, Government of Uttar Pradesh in Office Memorandum no. 55 (Sachiv-Ga Camp)/Au. Vi. Anu-6, dated the October 15, 2003 and subsequently registered as a Society on thirty first day of March, 2004 at serial number 2348/2003-2004 by the Registrar of Societies, Uttar Pradesh under the Societies Registration Act, 1860 ;

(g) “Secretary” means the Member Secretary of the Council.

1. For S.O.R. see at the end of this Act.

CHAPTER-II
ESTABLISHMENT, CONDUCT OF BUSINESS, FUNCTION, POWERS, FUNDS
ACCOUNTS AND AUDIT OF THE COUNCIL

**Establishment
of the Council**

3. (1) There shall be established in the State a Council by the name of the Uttar Pradesh Development Council.

(2) The Council shall be a body corporate.

(3) The Council shall for all purposes be deemed to be a local authority.

(4) The Head Office of the Council shall be at Lucknow and it may have officers at such other places as it may consider necessary.

**Constitution
of the Council**

4. (1) The Council shall consist of, —

(a) the Chairman to be appointed by the State Government :

Provided that the Chairman of the predecessor Council shall be deemed to have been the Chairman of the Council from the date of his appointment as Chairman of the predecessor Council :—

- | | | |
|--|---|--|
| (b) Chief Secretary to the Government of Uttar Pradesh ; | — | <i>ex-officio</i>
<i>Convener</i> |
| (c) Industrial Development Commissioner and Principal Secretary to the Government of Uttar Pradesh ; | — | <i>ex-officio</i>
<i>Member</i>
<i>Secretary</i> |
| (d) Principal Secretary to the Government of Uttar Pradesh in the Department of Energy ; | — | <i>ex-officio</i>
<i>Member</i> |
| (e) Principal Secretary to the Government of Uttar Pradesh in the Department of Finance ; | — | <i>ex-officio</i>
<i>Member</i> |
| (f) Principal Secretary to the Government of Uttar Pradesh in the Department of Excise ; | — | <i>ex-officio</i>
<i>Member</i> |
| (g) Principal Secretary to the Government of Uttar Pradesh in the Department of Tax and Registration ; | — | <i>ex-officio</i>
<i>Member</i> |
| (h) Principal Secretary to the Government of Uttar Pradesh in the Department of Revenue ; | — | <i>ex-officio</i>
<i>Member</i> |
| (i) Principal Secretary to the Government of Uttar Pradesh in the Public Works Department ; | — | <i>ex-officio</i>
<i>Member</i> |
| (j) Principal Secretary to the Government of Uttar Pradesh in the Department of Tourism; | — | <i>ex-officio</i>
<i>Member</i> |

- (k) Principal Secretary to the Government of Uttar Pradesh in the Department of Environment; — *ex-officio Member*
- (l) Principal Secretary to the Government of Uttar Pradesh in the Department of Labour ; — *ex-officio Member*
- (m) Chairman and managing Director, Uttar Pradesh Power Corporation Limited ; — *ex-officio Member*
- (n) Prominent persons from various sectors of the economy not exceeding twelve to be nominated by the State Government :

Provided that a member of the predecessor Council nominated by the State Government shall be deemed to have been the member of the Council from the date of his nomination to the predecessor Council and shall continue till he vacates his office.

(2) The State Government or the Council may also nominate suitable persons as special invitees from time to time :

Provided that the special invitees nominated by the State Government or the Council from time to time for the predecessor Council shall be deemed to have been special invitees of the Council from the date of their nomination to the predecessor Council.

(3) The Council may invite any person to attend a meeting of the Council for the purpose of assisting or advising it on any matter, and the person so invited may take part in any proceedings of the Council but shall have no right to vote.

(4) No act or proceeding of the Council shall be invalid by reason of the existence of any vacancy in, or defect or irregularity in the constitution of the Council or its act or proceeding.

Terms of office of Chairman and other members

5. (1) The Chairman of the Council shall hold office for 5 years unless his term is determined earlier by the State Government by notification in the *Gazette* and shall be eligible for reappointment.

(2) A person nominated under clause (n) of sub-section (1) of section 4 shall, unless his term is determined earlier by the State Government by order, continue to be a member for a period of 5 year and shall be eligible for re-nomination.

(3) The Chairman or any other member referred to in sub-sections (1) and (2) may at any time by writing under his hand addressed to the State Government resign his office or membership, and/or such resignation being accepted, he shall be deemed to have vacated his office.

(4) The Chairman and the members referred to in sub-section (2) shall be honorary.

Staff of the Council

6. (1) The Council may, with prior approval of the State Government, create suitable posts for its proper functioning.

(2) The Council may appoint or employ against the posts created under sub-section (1) temporarily or permanently or on contract basis, suitable persons as per the procedure approved by the State Government and pay them such wages, salaries etc. and allow them such other benefits including the benefits of Provident Fund. Gratuity etc. as may be approved by the State Government.

(3) Any person appointed by the Council or any of its functionaries, in contravention of the provisions of this section, shall be void *ab-initio* and his services shall be liable to be summarily terminated on this ground at any time following its determination.

(4) The Council may appoint staff of the Government or any organization to be its part-time functionary with the prior approval thereof :

Provided that such of the above functionaries, as were functioning in the predecessor Council, shall continue to do function in the Council.

**Functions of
the Council**

7. The functions of the Council shall be, —

- (a) to advise the State Government on the steps to be taken for
 - (i) promoting investment friendly climate in the State ;
 - (ii) establishment and development of industries and services ;
 - (iii) giving special status/incentives to industries and services ;
 - (iv) removing the bottlenecks/barriers in the process of industrialization and investment in the State ;
 - (v) economic development, including industrialization of various regions and local areas of the State ;
 - (vi) attracting investment in the State ;
 - (vii) simplification of the government procedures ;
 - (viii) rationalizing the Labour Laws so as to increase employment opportunities in the State ;
- (b) any other functions as may be prescribed.

**Powers of the
Council**

8. (1) To facilitate the functions of the Council, the Council may call for any information from any department of the State Government or any authority or any other agency under the State Government.

(2) The Council may call for consultation any officer or functionary of the State Government or any agency or authority, functioning under the State Government.

**Procedure to
conduct the
meetings**

9. The procedure to conduct the meetings for the Council shall be such as may be prescribed by regulation.

Delegation of powers

10. Subject to the provisions of this Act, the Council may by general or special order, delegate, to any committee to be appointed by it or to the Convener Secretary or any other officer of the Council such of its power and duties under this Act as it deems fit.

Authentication of orders and other instruments of the Council.

11. All proceedings of the Council shall be authenticated by the signature of the Chairman and all orders and other instruments of the Council shall be authenticated by the signature of the secretary or such other officer of the Council as may be authorized by the Chairman in this behalf.

Funds of the Council

12. (1) The Council shall have its own funds to be called the Council Fund which shall be a local fund to which shall be credited all moneys received by or on behalf of the Council.

(2) The Council may obtain grants from the Government of India and the contribution from the statutory bodies, cooperative societies and companies and may also collect fees and charges for the services rendered.

(3) Notwithstanding anything contained in section 16, the Council Fund shall be managed and controlled by the Council as autonomous body.

Accounts and Audits

13. (1) The Council shall maintain proper accounts and other relevant records and prepare annual statement of accounts including the balance sheet in such form as may be determined by the Council.

(2) The accounts of the Council shall be subject to audit annually by the Director, Local Fund Audit :

Provided that in place of or in addition to the Director, Local Fund Audit, the State Government may entrust the audit to the Accountant General, Uttar Pradesh or Comptroller and Auditor General of India or to any other auditor in respect of grants made by it.

(3) The accounts of the Council, as certified by the auditors together with the audit reports thereon, shall be placed before the Council annually or at such times as may be directed by it.

CHAPTER — III
RULES AND REGULATIONS

Power to make rules

14. The State Government may, by notification in the Gazette, make rules for carrying out the purposes of this Act :

Provided that the State Government may make rules retrospectively from a date not before that date of commencement of the Act.

Power to make regulation

15. (1) The Council may make the regulations, not inconsistent with this Act or the rules made thereunder for the administration and affairs of the Council.

(2) In particular and without prejudice to the generally of the foregoing powers, such regulations may provide for all or any of the following matters, namely :—

(a) summoning and holding of meetings of the Council, the conduct of business at such meetings and number of members necessary to form quorum thereat ;

(b) the power and duties of the Convener and the Secretary of the Council ;

(c) the salaries, allowances and the conditions of service of its officers and employees ;

(d) the allowance to be paid to its Chairman, Members and other invitees for attending its meetings and meetings of its committees;

(e) the management of the properties of the Council.

**Control by the
State
Government**

16. Subject to the provisions of section 12, the Council, the Chairman, the Convener or the Secretary shall carry out such directions as may be issued to it from time to time by the State Government for the efficient administration of this Act.

CHAPTER — IV

MISCELLANEOUS

**Vesting
abatement and
savings**

17. (1) With effect from the date of the establishment of the Council, the predecessor Council shall cease to exist and abate and all its assets, liabilities, rights and obligations shall vest in the Council.

(2) Notwithstanding the vesting and abatement of the predecessor council anything done or any action taken or continuing by the said predecessor Council, shall be deemed to have been taken and done or continued by the Council.

(3) All suits and other legal proceedings instituted or defended or which might but for vesting and transfer under sub-section (1) have been instituted or defended by or against the predecessor Council may be continued or instituted or defended by or against the Council.

**Decision of the
State
Government
on the vesting
of property to
be final**

18. Where any doubt or dispute arises as to whether any property or asset has vested in the Council under section 17 or any rights, liabilities or obligations have become the rights, liabilities and obligations of the Council under that section such doubt or dispute shall be referred to the State Government whose decisions shall be final.

Protection

19. No suit, prosecution or other legal proceeding shall lie against any person or anything which is done in good faith or intended to be done under this Act or any rules or regulations made thereunder.

**Power to
remove
difficulties**

20. (1) If any difficulty arises in giving effect to the provisions of this Act, the State Government may, by order published in the

**Dissolution of
the Council**

official Gazette, make such provisions not inconsistent with the provisions of this Act, as may appear to it to be necessary or expedient for removing the difficulty.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of State Legislature.

21. (1) Where the State Government is satisfied that the purposes for which the Council was established under this Act have been substantially achieved or is of the opinion that the Council is not being able to achieve the objectives for which it was established, so as to render the continued existence of the Council in the opinion of the State Government unnecessary, the State Government may by notification declare that the Council shall be dissolved with effect from such date as may be specified in the notification ; and the Council shall be deemed to be dissolved accordingly.

(2) From the said date, —

(a) all properties, funds and dues which are vested in, or realizable by the Council shall vest in or be realizable by, the State Government ;

(b) all liabilities which are enforceable against the Council shall be enforceable against the State Government.

STATEMENT OF OBJECTS AND REASONS

The Uttar Pradesh Development Council had been constituted by the State Government on October 15, 2003 to advise the State Government on the steps to be taken for preparing investment friendly climate in the State, establishment of the industries, giving special status and incentives to the industries according to the investments made, removing the bottlenecks and barriers towards the industrialization and to attract investment in the State, simplifying the Government procedures, rationalizing the labour laws so as to increase employment opportunities in the State and other matters connected therewith. Several prominent and leading personalities in various sectors of Indian economy were nominated as members of the Council. Resourcing on their wisdom, the Council has been recommending, from time to time, various policy initiatives to the State Government on which the State Government announced several policy formulations for the development of various sectors of the State economy. As a consequence of these policy initiatives by the State Government, the State has been able to attract proposals for investments during the year 2005 to the extent of over rupees thirty three thousand crores, a record for the State. Several other States have borrowed from these policy formulations. It has been possible for the Council to make the new policy-recommendations because of freedom of thought and autonomy of functioning by the Council. It has been decided to make a law to establish the said Council as a local authority with autonomous status with retrospective effect, to enable it to discharge its responsibilities more effectively for the development and benefit of the State.

The Uttar Pradesh Development Council Bill, 2006 is introduced accordingly.

