

THE UTTAR PRADESH SPECIAL ECONOMIC ZONE
DEVELOPMENT AUTHORITY ACT, 2002¹

[U. P. Act No. 10 of 2002]

Amended by

U. P. Act No. 09 of 2006

[As passed by the Uttar Pradesh Legislature, assented to by the Governor on September 6, 2002, under Article 200 of the Constitution of India and was published in the Uttar Pradesh Gazette Extraordinary, dated September 7, 2002.]

AN

ACT

to provide for the constitution of an Authority for the development of certain areas in the State into industrial and urban economic zone and for mailers connected therewith or incidental thereto.

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

Short title **1.** This Act may be called the Uttar Pradesh Special Economic Zone Development Authority Act. 2002.

Definitions **2.** In this Act,—

(a) "Amenities" means basic and essential services such as roads, water supply, street lighting and power supply sewerage, drainage, collection, treatment and disposal of industrial waste, municipal waste etc., public health and education, firefighting services, public parks and such other community facilities, services or conveniences as the State Government may, by notification, specify to be an amenity for the purposes of this Act ;

(b) "Authority" means the authority constituted under section 3 of the Act ;

(c) "Chief Executive Officer" means the officer appointed as such under section 4 ;

(d) 'Developer' means a person or body of persons, company, firm or such other private or government undertaking, who develops, builds, designs, organizes, promotes, finances, operates, maintains, manages part or whole of the infrastructure and other facilities of the Zone and is who selected by the Authority and notified as such by the State Government or the Government of India, as the case may be ;

(e) "Development Area" means any area notified by the State Government for the Development of the economic zone.

1. For Statement of Objects and Reasons please see at the end of this Act.

(f) "Special Economic Zone" means a part or the whole of the development area notified under section 5 of the Foreign Trade (Development & Regulation) Act 1992 ;

(g) "occupier" means a person who occupies a site or building within the Special Economic Zone and includes his successors and assignee.

(h) "transferee" means a person to whom any land or building is transferred in any manner whatsoever, under this Act and includes his successor and assignee.

(i) "infrastructure facilities" means specialised services to be used by specific user or a specific group of users and includes the following specialized services namely :-

(i) generation and supply of electricity,

(ii) water extraction, treatment and distribution,

(iii) waste water treatment and solid waste management,

(iv) sanitation and sewerage system,

(v) airport and rail system,

(vi) roads, bridges, over-bridges, and

(vii) any other public facility of similar nature as may be notified by the Government.

(j) the words and expressions building, development, to erect a building and land shall have the meanings respectively assigned to them in the Uttar Pradesh Urban Planning and Development Act, 1973.

**Establishment
of Special
Economic
Zone**

¹ **[2-A.** (1) Any person desirous of establishing the Special Economic Zone shall make an application in such form containing such particulars and documents and accompanied by such fees as may be prescribed, to the State Government.

(2) The State Government shall scrutinize the application received under sub-section (1) and recommend the same, with modification, if any, to the Government of India for its approval and declaration of the area to be the Special Economic Zone and notifying the developer for such Special Economic Zone.]

**Constitution
of the
Authority**

3. (1) The State Government may, by notification, constitute for the purposes of this Act, an Authority to be called the Special Economic Zone Development Authority.

(2) The Authority shall be a body corporate.

(3) The Authority shall consist of the following:

1. [Ins. by sec. 2 of U. P. Act No. 09 of 2006.](#)

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(a) the Chief Secretary to the Movement of Uttar Pradesh.	<i>Chairman</i>
(b) the Agricultural Production Commissioner	<i>Member</i>
(c) Industrial Development Commissioner	<i>Member</i>
(d) the Secretary to the State Government in the Finance Department.	<i>Member</i>
(e) the Secretary to. the State Government in the Industrial Development Department.	<i>Member</i>
(f) the Secretary to the State Government in the Agriculture Department.	<i>Member</i>
(g) the Secretary to the State Government in the Food Processing Industry Department.	<i>Member</i>
(h) Secretary to State Government in the Agricultural industry and Agricultural Export Promotion Department.	<i>Member</i>
(i) the Secretary to the Government in the Small Scale industries Department.	<i>Member</i>
(j) the Secretary to the Government in the Planning Department.	<i>Member</i>
(k) the Secretary to the State Government in the Housing Department.	<i>Member</i>
(l) the Chief Executive Officer, Greater Noida	<i>Member</i>
(m) the Chief Executive Officer, NOIDA	<i>Member</i>
(n) the Chief Executive officer, UPSIDC	<i>Member</i>
(o) the Chief Executive officer of the Zone	<i>Member-Secretary</i>

In addition, the Authority may co-opt such members as it may consider necessary for satisfactory discharge of its functions.

Explanation:— For the purpose of this sub-section, the expression "the Secretary" where there is a Principal Secretary in the Department, shall mean "the Principal Secretary".

(4) The headquarters of the Authority shall be at such place as may be notified by the State Government.

(5) The procedure to the conduct of the meetings for the Authority shall be such as may be prescribed.

(6) No act or proceeding of the Authority shall be invalid by reason only of the existence of the any vacancy or defect in the constitution thereof.

**Chief
Executive
Officer**

4. (1) The Development Commissioner usually appointed by the Government Chief Executive of India shall be the Chief Executive Officer of the Authority and shall be the whole time officer of. The Authority.

(2) The Chief Executive Officer shall be entitled to receive, from the funds of the Authority, such salary and allowances and be governed by such conditions of service as may be determined by a general order of the State Government in this behalf.

(3) The Chief Executive Officer shall exercise such powers and perform such duties as may as specified in the regulations or as may be delegated to him by the Authority.

**Staff of the
Authority**

5. (1) Subject to such control and restrictions as may be determined by a general or special order of the State Government, the Authority may appoint such number of officers and employees as may be necessary for the performance of its functions, and may determine their grades and designations.

(2) Subject to the provisions of sub-section (1) the officers and employees of the Authority shall be entitled to receive from the funds of the Authority such salaries and allowances and shall be governed by such other conditions of services as may be determined by the Authority.

**Effect of an
area being
notified as
Special
Economic
Zone**

6. Consequent to an area being notified as Special Economic Zone,—

(a) the units established in such zone notified as such shall be entitled to all fiscal benefits and exemptions granted by Government of India from time to time.

(b) the area under such zone shall be deemed to be an Industrial Township and any other' Industrial Township declared before within the Special Economic Zone area, shall stand dissolved and shall be replaced by the Special Economic Zone-industrial Township.

(c) all the benefits incentives notified by the State Government from time to time for Special Economic Zones shall be applicable to units established in the Special Economic Zone.

**Functions of
the Authority**

7. (1) The function of the Authority shall be to secure the planned development of the development area.

(2) Without prejudice to the generality of sub-section (1), the Authority shall perform the following functions-

(a) to acquire land in the Special Economic Zone, by agreement or through proceedings under the Land Acquisition Act, 1894 for the purposes of this Act ;

(b) to prepare a plan for the development of the Development Area, which may also outline guidelines with regard to Floor Area Ratio

(FAR), ground coverage, Environmental provisions (green spaces, drainage), fire safety measure etc ;

(c) to prepare Techno-Economic Feasibility report or as the case may be, detailed project report for any project considered to be necessary for the development of the Zone and take measures to invite private investments for such project and ensure its implementation ;

(d) to select a developer for a part or whole of the infrastructure and other facilities of the Zone ;

(e) to enter into suitable joint venture arrangement for development of different components of the Development Area including subsequent transfer of ownership of the project to the joint venture partner;

(f) to co-ordinate with other departments and ensure timely implementation of projects and plans prepare by it ;

(g) to resolve disputes of commercial nature between the agencies providing services and consumers thereof within the territorial jurisdiction of the Authority ;

(h) may delegate any or all its powers to the developer in his designated area, as the case may be; and

(i) any other function that may be notified by the Government.

Power of the Authority in respect of transfer of land

8. The Authority, may sell, lease or otherwise transfer whether by auction, allotment or otherwise any land or building belonging to the Authority in the Development area, on such terms and conditions as it may think fit to impose subject to any rules or regulations that may be made under this Act.

Levy of taxes by the Authority

9. (1) For the purposes of providing, maintaining or continuing any amenity in the Development Area, the Authority may, with the previous approval of the State Government, levy such annual taxes as it may consider necessary in respect of any site or building on the occupier thereof, provided that the total incidence of such taxes shall not exceed one per cent of the market value of such site, or building, as the case may be.

Explanation-For the purposes of this sub-section, the expression market value means, the amount of—

(a) consideration, in the case of sale : or

(b) premium. in the case of lease : or

(c) the minimum value determined in accordance with the Uttar Pradesh Stamp (Valuation of Property) Rules, 1997 made under the Indian Stamp Act, 1899, whichever is more.

(2) If, the State Government considers it necessary or expedient in the public interest it may by a general or special order exempt

wholly or partly any occupier or any class thereof from the taxes levied under sub-section (1).

Provisions for infrastructure

10. (1) The Authority may provide any infrastructure facility of its own or may engage a Government or private agency in the manner prescribed for the purpose of providing an infrastructure facility.

(2) Where any infrastructure facility is provided, the Authority shall have the power to levy user-charges for the service so provided.

(3) The rates of the user-charges referred to in sub-section (2) shall be fixed for different categories of the users by the authority, so however, that it ensures an annual return not exceeding sixteen per cent post-tax return on the capital investment made in providing the infrastructure facility.

(4) The Authority may delegate the power of collection of the user-charges to the agency providing the infrastructure facility.

Explanation— For the purposes of this section—

(a) the expression "provide" includes development, construction, installation, maintenance and operation of the infrastructure facility;

(b) the expression "post-tax return" means the net return that accrues after payment of the income tax that may be found to be payable on the gross return.

Functions of the Developer

11. (1) The function of the Developer shall be to secure the planned development of the zone and to provide for the operation, maintenance, management and administration of the zone.

(2) Consequent to a Developer being so selected by the Government, the entire responsibility of planned development of the development area or the Special Economic Zone shall lie with the Developer and the Authority shall have no role in the implementation of the Economic Zone ;

Provided that for that part of the development area which is not notified as the Special Economic Zone, the Authority shall have all the powers of a Developer ;

Provided further that any part of a Special Economic Zone for which no Developer is selected, the Authority shall have all the powers of a Developer.

(3) Without prejudice to the generality of sub-section (1), the developer, may perform the following functions :—

(a) prepare a plan for the development of the zone in conformity with the environmental, FAR, ground coverage, fire safety guidelines outlined by the Authority, demarcate and develop sites for industrial, commercial and residential purposes according to the plan;

(b) lay down the purpose for which a particular site or plot of

land shall be used, namely, for industrial, commercial or residential purpose or for any other specified purpose;

(c) provide infrastructure for industrial, commercial and residential purposes;

(d) provide amenities;

(e) allocate and transfer either by way of sale or lease or otherwise plots of land for industrial, commercial or residential purposes ;

(f) regulate the erection of buildings and setting up of industries;

(g) develop, construct, install, operate, manage and maintain infrastructure facilities for providing specialised services either by itself or through any other person authorised by it on its behalf.

Power of Developer in respect of transfer of land

12. The Developer may sell, lease or otherwise transfer whether by auction allotment or otherwise any land or building belonging to the Authority in the Special Economic Zone on such terms and conditions as it may think fit to impose subject to the terms and conditions governing its appointment and notification as a Developer.

Levy of fees by Developer

13. For the purposes of providing, maintaining or continuing any amenity in the Special Economic Zone, the developer may, levy such annual fees as it may consider necessary in respect of any site or building on the occupier thereof.

Provision for infrastructure facilities

14. (1) The Developer may provide any infrastructure facility of its own or may engage a Government or private agency in the manner prescribed for the purposes of providing an infrastructure facility.

(2) Where any infrastructure facility is provided, the developer shall have the power to levy user-charges for the service so provided.

(3) The Developer may delegate the power of collection of the user-charges to the agency providing the infrastructure facility.

Explanation— For the purposes of this section—

the expression "provide" shall include development, Construction, installation, maintenance and operation of the infrastructure facility.

Review Committee

15. (1) In the case where infrastructure is to be provided by the Developer, a Review Committee shall be formed for every sector consisting of the following members :—

(a) the nominee of the Developer ;

(b) the Development Commissioner ;

(c) the Representatives of units/residents/service providers or other such interest group, if any.

(2) The Review Committee shall review and decide within the terms of appointments of the Developer, the works and other matters between the Developer and the Consumers.

(3) The Review Committee shall meet at such places and at such times as may be deemed necessary.

**Unit
Approval
Committee**

16. (1) The State Government, may by notification, either empower the Development Commissioner or constitute for the purposes of this Act, a Committee to be called the Special Economic Zone Unit Approval Committee. The Chief Executive officer of the authority shall be the Chairman of the committee and the committee shall consist of representatives of all concerned departments such as labour, environment and pollution, industries, trade tax, power, etc.

(2) The Unit Approval Committee shall grant necessary local and State level clearances, approvals, Licenses or registrations as the case may be, for setting up of a unit within the Economic Zone, including,—

- (i) environment clearance for site ;
- (ii) no objection certificate/consent for establishment under Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981;
- (iii) site clearance on behalf of Factories and Boilers Inspectorate ;
- (iv) approval of factory plan under Factories Act, 1948 ;
- (v) licence for running and operating the Unit, if required ;
- (vi) registration of Boilers on behalf of Chief Inspector of Boilers;
- (vii) power load approval, if required ;
- (viii) any other approval so notified or required ;

(3) The Unit Approval Committee may, invite such experts or representatives of other departments as it may consider necessary for expeditious grant of approvals and clearances.

(4) The Unit Approval Committee shall supervise and monitor various clearances, approvals, licences or registrations and in cases of violations/non-compliance shall take appropriate action as per relevant applicable laws.

(5) The Unit Approval Committee may appoint an agency to supervise and monitor various licences and approvals etc. granted by it and may call for any information required to monitor such clearances and permissions etc.

**Applications
of certain
provisions of
President's
Act XI of
1973**

17. The provisions of Chapter VII and sections 30, 32, 40, 41, 42, 43, 44, 45, 46, 47, 49, 50, 51, 53 and 58 of the Uttar Pradesh Urban Planning and Development Act, 1973, as re-enacted and modified by the Uttar Pradesh President's (Re-enactment with

Modifications) Act, 1974, shall mutatis mutandis apply to the Authority with the adaptation that—

(a) any reference to the aforesaid Act shall be deemed to be a reference to this Act;

(b) any reference to the Authority constituted under the aforesaid Act shall be deemed to be a reference to the Authority constituted under this Act ; and

(c) any reference to the Vice-Chairman of the Authority shall be deemed to be a reference to the Chief Executive Officer.

Application of certain provisions of industrial Area Development Act

18. The provisions of sections 10, 13, 14, 15 and 16 of the Uttar Pradesh Industrial Area Development Act, 1976, shall mutatis mutandis apply to the Authority with the adaptation that—

(a) any reference to the aforesaid Act shall be deemed to be a reference to this Act;

(b) any reference to the Authority constituted under the aforesaid Act shall be deemed to be a reference to the Authority constituted under this Act; and

(c) any reference to the Vice-Chairman of the Authority shall be deemed to be a reference to the Chief Executive Officer.

Overriding effect of the Act

19. The area declared as Development Area or as Special Economic Zone under this Act, such area or part thereof if included in the master plan or the zonal development plan under the Uttar Pradesh Urban Planning and Development Act, 1973, or any other development plan under any other Uttar Pradesh Act, shall be deemed to be excluded from any such plan from the date of such declaration.

Power to make rules

20. The State Government may, by notification, make rules for carrying out the purposes of this Act.

Power to make regulations

21. (1) The Authority may, with the previous approval of the State Government, make regulations not inconsistent with the provisions of this Act or the rules made thereunder for the administration of the affair of the Authority.

(2) in particular, and without prejudice to the generality of the foregoing power, such regulation may provide for all or any of the following matters, namely:—

(a) the summoning and holding of meeting of the Authority, the time and place where such meeting are to be held, the conduct of business at such meetings, and the number of members necessary to form a quorum thereat;

(b) the powers and duties of the Chief Executive Officer ;

(c) the form of register of applications for permission to erect a building ;

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- (d) the management of properties of the Authority ;
- (e) fees to be levied in the discharge of its functions ;
- (f) charges to be collected by any person for providing any infrastructure facility.
- (g) such other matters as are to be provided for in the regulations.

**Modification
of certain
enactments
in relation to
Special
Economic
Zone**

22. The enactments set out in the Schedule in relation to the Special Economic Zones either cease to apply or apply with such modifications as the State Government may by notification specify.

SCHEDULE

(See section 22)

List of Enactments

1. U. P. Trade Tax Act, 1948
2. Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964
3. Uttar Pradesh Shops and Commercial Establishments Act,
1962
4. UP Electricity (Duty) Act, 1952

STATEMENT OF OBJECTS AND REASONS

Several reformatory steps have been taken by the Government of India since 1991 relating to Industrial and Export Import Policy. In this connection, establishment of Special Economic Zones in various States have been planned under the Export-Import Policy 2000-2001 declared by the Ministry of Commerce and Industry of the Government of India. In order to further the aforesaid scheme, it has been decided to make a law to provide for the constitution of an Authority for development of certain areas in the State as industrial and urban Special Economic Zones and for matters connected therewith or incidental thereto.

The Uttar Pradesh Special Economic Zone Development Authority Bill, 2002 is introduced accordingly.
