

Chandigarh Administration
Information Technology Department

NOTIFICATION

No. 27/IT/2005/2122

The 14th March, 2005

SEZ Policy of Chandigarh Administration.

I. Preamble :- Whereas it is considered necessary and expedient to promote the Industry in general, including the Knowledge Industry comprising IT, IT Enabled Service and Business Process Outsourcing (BPO) Companies in Chandigarh to generate employment, increase exports and boost the economy.

Therefore the Administration will promote the setting up of Special Economic Zones (SEZs) which would be Industrial/IT Habitats wherein investing companies would receive single window clearance and would be able to avail of the benefits as per the SEZ Policy of Government of India.

II. Necessity :- Chandigarh is a growing city and is the hub of the region. Over the years it has enabled itself to be a rich human resource centre which is a permissible for growth & setting up of any modern

industry particularly IT,ITES and BPOs and services sector. Therefore in order to provide employment in sufficient numbers to the qualified and employable youth of Chandigarh and the region, Special Economic Zones (SEZ's) should be set up in Chandigarh which would attract the industry from India and abroad to Chandigarh for investment. The technology sector, which is growing at a rapid rate, and which is likely to provide jobs in a large numbers, would be promoted through the SEZ. The policies of GOI relating to SEZ are extremely attractive and therefore it is considered necessary by the Administration to enable the setting up of SEZ's in the Union Territory of Chandigarh.

III. Definitions.

(1) In this Policy, unless the context otherwise requires,-

(a) "amenities" means basic and essential services such as, roads, water supply, street lighting, power supply, sewerage, drainage, collection, treatment and disposal of industrial waste, collection and management of municipal solid waste, public health, education, fire fighting services, public parks and such other community facilities or services as the Administration may, by notification specify to be an amenity for the purposes of this Policy

(b) "SEZ Authority" means the Authority set up under this Policy to oversee the implementation of the SEZ Policy.

(c) "Developer" means a person or body of person, company, firm and such other private or Government undertaking, who develops, builds, designs, organizes, promotes, operates, maintains or manages a part of whole of the infrastructure facilities in the SEZ.

(d) "Development Commissioner" means the Development Commissioner of the Zonal Board, appointed by the Central Government;

(e) "Infrastructure facilities" means industrial, commercial and social infrastructure or any other facilities for the development of the Special Economic Zone.

(f) "Occupier" means a person who occupies a site or building within a Special Economic Zone and includes his successors and assigns;

(g) "Operator" means a person engaged by the developer in providing infrastructure services in whole or in part in the Zone;

(h) "Unit" means the Unit which has been approved for setting up in the Special Economic Zone by the Single Window Committee;

(i) "Single Window Committee" means the Single Window Committee constituted under this Policy.

(j) "Zonal Board" means the Special Economic Zone Development Board established under the SEZ scheme of the Central Government.

IV. Modalities :- SEZ's would be set up by the Administration in a planned and phased manner as per the requirements of the Union Territory of Chandigarh under the SEZ Scheme. The application for setting up an SEZ would be forwarded by the concerned Department of the Administration to the GOI in the Ministry of Commerce with a project report outlining the details of the project and the cause of action for setting up the SEZ and the functional modalities thereof. A single window committee would be set up by the Administration for clearing all cases/applications relating to the SEZ.

For existing projects/technology parks like the Chandigarh Technology Park, the Administration would move an application to the GOI for converting the Project into an SEZ so that the benefits of the SEZ scheme can be available to investing companies in the SEZ. Existing schemes like the Software Technology Park of India (STPI) schemes which are applicable to such Project/Parks would also continue to be applicable, wherever permissible.

V. Facilities :- The Chandigarh Administration and the SEZ Authority will provide the following facilities to units located in the SEZs.

1. **Power Supply** :- All applicable benefits relating to Power Supply which the Administration has declared for Industrial/IT/ITES/BPO units in the Union Territory of Chandigarh will be applicable in the SEZ.

The Developer of the SEZ will be permitted to establish independent power plants (IPPs) and will be permitted to establish dedicated provision of power to the SEZ including generation and transmission and distribution for the SEZ. The developer will collaborate with the Engineering Department of Chandigarh Administration and other agencies like the Power Grid and BBMB for this purpose.

2. **Water Supply** :- The SEZ authority shall ensure the provision of adequate water supply within the SEZ. The Engineering Department of Chandigarh Administration will provide infrastructure till the boundaries of the SEZ. The SEZ authority shall be at liberty to request the Engineering Department of the Administration for providing such infrastructure within the SEZ on payment of due charges.

3. **Environment** :- NOCs, consents and other clearances required from the Chandigarh Pollution Control Board for units and activities within

the SEZs would be granted by the Single Window Committee (SWC) working under the administrative supervision and control of the designated Development Commissioner of the SEZs. The activities/projects which fall within the ambit of the Environmental Impact Assessment Notification, 1994 (as amended on 4.5.1994) and the Notification of the Ministry of Environment dated July 2004, will have to obtain environment clearance from Ministry of Environment and Forest, Government of India. In the event Government of India delegates the powers to the designated Development Commissioner or other authority within the SEZ, the clearances may be sought accordingly.

4. **Sales Tax, Duties, Local Taxes and Levies**

SEZs and units within the SEZs and also the developers of such SEZs will be exempted from the following local taxes

1. Sales Tax/VAT
2. Purchase Tax
3. Property Tax
4. Stamp Duty
5. Electricity Duty

In respect of all transactions made between units/establishments within the SEZs and in respect of the supply of goods and services to units/establishments. If such direct exemption in respect of the transactions is not possible due to legal constraints, the above mentioned local taxes would be re-imbursed by the Administration to such eligible units.

5. **Labour Regulations:** - The powers of the Labour Commissioner, Chandigarh Administration will be delegated to the designated Development Commissioner or other authority in respect of area within the SEZ.

The Single Window Committee (SWC) will grant permission in respect of any application required by units/developers within the SEZ as per rules. Except in urgent circumstances the prior permission of the Development Commissioner or other designated authority of the SEZs would be required for the conduct of inspections by the Labour Commissioner in respect of units and other establishments located within the SEZs. All units and other establishments in the SEZs will be declared as “Public Utility Services” under the provisions of the Industrial Disputes Act as applicable to Chandigarh U.T.

6. **Law and Order** :- The Administration and the Developer of the SEZ shall make appropriate and exclusive arrangements within and around the SEZ for maintenance of law and order.

7. **SEZ Management Societies** :- Chandigarh Administration will set up and/or will facilitate the setting up of SEZ Management Societies to carry out such activities as are necessary for the maintenance, supervision and control of the SEZ concerned.

8. **Single Window Committee** :- Chandigarh Administration would set up a Single Window Committee (SWC) for each SEZ in order to facilitate permissions/processing of applications in respect of any department of the Administration. This facility would be available to the developers of the SEZs as well as to the occupiers of the SEZs. The Single Window Committee will be headed by the Development Commissioner of the SEZ authority and will include representatives of all key departments such as Engineering Department, Excise & Taxation Department, Labour Commissioner, Municipal Corporation, Department of I.T./Department of Industries etc.

9. **Land Acquisition** :- Chandigarh Administration would carry out the acquisition process for land required for the SEZ and would transfer such land to the concerned department/developer of the SEZ. The process of acquisition will be expedited wherever possible as per rules.

V. Functions of the Developer of SEZ

1. It shall be the responsibility of the Developer to secure the planned development of the Zone and to provide for development, operation and maintenance of infrastructure facilities and amenities in the zone.

2. Without prejudice to the generality of sub-section (1), the Developer, may discharge the following functions, namely:-

i. prepare a master plan for the development of the zone in conformity with the guidelines approved by the Chandigarh Administration.

ii. ensure compliance with the master plan as approved by the Chandigarh Administration

iii. erection of substantial boundary marks defining the limits of or any alteration in limit of the zone;

iv. erection of building as per Chandigarh Administration guidelines.

3. **Levy of charges by the developer.-**

For the purposes of providing, maintaining or continuing any amenity and infrastructure facilities in the Special Economic Zone, the Developer may levy reasonable charges, as considered necessary on the occupier of any site or building.

4. **Provision for infrastructure or amenity by the developer.-**

i. The developer may, in order to provide any infrastructure facilities or amenities, engage a co-developer, off-zone supplier, operator, or a Government or private agency.

ii. Where any infrastructure or amenity is provided, the Developer shall have the power to levy-charges for the service so provided.

iii. The Developer may delegate the power of collection of the user-charges to the agency providing the infrastructure or amenity.

VI. Committee for SEZs

The Chandigarh Administration shall constitute a committee under the Chairmanship of the Adviser to the Administrator, Chandigarh Administration to facilitate the setting up of SEZs and to review the progress regarding the SEZs from time to time. This committee shall consist all the following officers:-

- i. Finance Secretary
- ii. Secretary Information Technology
- iii. Secretary Industries
- iv. Commissioner MC
- v. Labour Commissioner-cum-Estate Officer
- vi. MD – CITCO
- vii. Chief Architect
- viii. Chief Engineer
- ix. Director Industries
- x. Director Information Technology

Annexure – I

The following is a list of industries/services which could be part of SEZs to be set up in the Union Territory of Chandigarh.

- 1) Information Technology, Information Services, ITES, Business Processing Outsourcing (BPO Services), Software services.
- 2) Electronic Hardware/Computer Hard ware
- 3) Biotechnology/Nanotechnology
- 4) Services sector including Financial services.
- 5) Tourism.
- 6) Greenfield Manufacturing
- 7) Any other type of Industry which the Administration may subsequently notify to be part of this Policy.

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