

Bill No. 158 of 2024

THE SPECIAL ECONOMIC ZONES (AMENDMENT)
BILL, 2024

By

SHRI MANICKAM TAGORE B., M.P.

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BILL

further to amend the Special Economic Zones Act, 2005.

BE it enacted by Parliament in the Seventy-fifth Year of the Republic of India
as follows:—

1. (1) This Act may be called as the Special Economic Zones (Amendment)
Act, 2024.

Short title and
commencement.

5 (2) It shall come into force on such date as the Central Government may, by
notification in the Official Gazette, appoint.

Amendment of Section 2.	<p>2. In section 2 of the Special Economic Zone Act, 2005 (hereinafter referred to as the principal Act), after clause (m), the following clause shall be inserted:—</p> <p>“(ma) “Fire Factory” means a manufacturing facility involved in production of goods such as fireworks, chemicals or other products involved in production of fireworks or explosion (hazards).”.</p>	28 of 2005
Insertion of new section 4A.	<p>3. After section 4 of the principal Act, the following section shall be inserted, namely:—</p> <p>“4A. (1) Notwithstanding anything contained in sections 3 and 4, there shall be established a Virudhunagar Fire Factories Special Economic Zone (VFFSEZ) in the Virudhunagar district in the State of Tamil Nadu to facilitate the development, operation, maintenance, management, administration and regulation of fire factories in Virudhunagar district.</p> <p>(2) The VFFSEZ established under sub-section (1) shall,—</p> <p>(a) facilitate the growth of fire factories by providing infrastructure, incentives and a conducive regulatory environment;</p> <p>(b) promote exports and attract foreign and domestic investments in the fire manufacturing sector; and</p> <p>(c) ensure strict adherence to safety protocols, environmental standards and labour regulations within the Special Economic Zone.</p> <p>(3) The provisions of this Act shall apply <i>mutatis mutandis</i> to the VFFSEZ established under sub-section (1).”</p>	5 10 15 20

STATEMENT OF OBJECTS AND REASONS

The Virudhunagar constituency in Tamil Nadu has long been recognized for its dynamic industrial sector, particularly in the production of goods that involve fire or explosion hazards, such as fireworks and chemicals. These industries play a crucial role in the local economy, providing employment opportunities and contributing significantly to the region's economic growth.

However, the operation of fire factories inherently involves risks to worker safety and environmental sustainability. Despite these challenges, these industries continue to thrive and serve both domestic and international markets. Recognizing the need to balance economic growth with stringent regulatory oversight, it is imperative to establish a dedicated Special Economic Zone (SEZ) for fire factories within Virudhunagar constituency.

The primary objectives of this Bill are as follows:—

1. **Promotion of Economic Growth:** The SEZ aims to stimulate economic activity by providing a conducive environment for the establishment and expansion of fire factories. It seeks to attract investments, both domestic and foreign, in the manufacturing sector, thereby creating employment opportunities and boosting local income levels.
2. **Enhancement of Safety Standards:** By designating a specific area for fire factories, the Act intends to enforce stringent safety protocols and fire prevention measures. This includes the implementation of state-of-the-art technologies and infrastructure aimed at minimizing risks and ensuring the well-being of workers and surrounding communities.
3. **Environmental Sustainability:** The Act underscores the importance of environmental stewardship by mandating compliance with eco-friendly manufacturing practices within the SEZ. It encourages the adoption of sustainable production methods, waste management strategies, and pollution control measures to mitigate the environmental impact of fire factory operations.
4. **Regulatory Framework:** Establishing a SEZ Authority will ensure effective oversight and enforcement of regulatory standards governing fire factories. This includes streamlined licensing procedures, periodic inspections, and stringent enforcement mechanisms to uphold safety, environmental, and labour regulations.
5. **Incentives for Growth:** The Act proposes incentives such as tax holidays, customs duty exemptions, and infrastructure support to incentivize investment and facilitate the growth of fire factories within the SEZ. These measures aim to enhance competitiveness, encourage innovation, and facilitate the integration of global best practices in manufacturing.

The Bill, therefore, seeks to amend the SEZ, Act, 2005 with a view to establish VFFSEZ in the Virudhunagar district in the State of Tamil Nadu.

Hence this Bill.

NEW DELHI;
July 15, 2024

MANICKAM TAGORE B.

FINANCIAL MEMORANDUM

Clause 2 of the Bill seeks to provide for Establishment of Virudhunagar Fire Factories Special Economic Zone.

The Bill, therefore, if enacted, would involve expenditure from the Consolidated Fund of India. It is estimated that an annual recurring expenditure of about rupees One thousand crore will be incurred from the Consolidated Fund of India.

A non-recurring expenditure of about rupees One thousand crore would also be involved.

ANNEXURE

[EXTRACTS FROM THE SPECIAL ECONOMIC ZONES ACT, 2005]

(25 OF 1956)

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2. In this Act, unless the context otherwise requires,—

Definitions.

(a) *	*	*	*	*
(b) *	*	*	*	*
(c) *	*	*	*	*
(d) *	*	*	*	*
(e) *	*	*	*	*
(f) *	*	*	*	*
(g) *	*	*	*	*
(h) *	*	*	*	*
(i) *	*	*	*	*
(j) *	*	*	*	*
(k) *	*	*	*	*
(l) *	*	*	*	*
(m) *	*	*	*	*

4. (1) The Developer shall, after the grant of letter of approval under sub-section (10) of section 3, submit the exact particulars of the identified area referred to in sub-sections (2) to (4) of that section, to the Central Government and thereupon that Government may, after satisfying that the requirements, under sub-section (8) of section 3 and other requirements, as may be prescribed, are fulfilled, notify the specifically identified area in the State as a Special Economic Zone:

Insertion of new section 4A.

Provided that an existing Special Economic Zone shall be deemed to have been notified and established in accordance with the provisions of this Act and the provisions of this Act shall, as far as may be, apply to such Zone accordingly:

Provided further that the Central Government may, after notifying the Special Economic Zone, if it considers appropriate, notify subsequently any additional area to be included as a part of that Special Economic Zone.

(2) After the appointed day, the Board may, authorise the Developer to undertake in a Special Economic Zone, such operations which the Central Government may authorise.

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further to amend the Special Economic Zones Act, 2005.

(Shri Manickam Tagore B., M.P.)