

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE AND INDUSTRY  
DEPARTMENT OF COMMERCE  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO-1478**  
ANSWERED ON 01/08/2025

**AMENDMENT OF SEZ RULES TO PROMOTE MANUFACTURING OF SEMICONDUCTOR**

1478. SHRI A.D. SINGH

Will the Minister of COMMERCE AND INDUSTRY be pleased to state :-

- (a) whether Government has amended the Special Economic Zone (SEZ) Rules to support semiconductor and electronics component manufacturing;
- (b) if so, the specific changes made (including land requirements, encumbrance norms, Net Foreign Exchange (NFE) calculations, and domestic tariff area supply) and the reasons for these reforms;
- (c) whether any impact has been observed on the ground, following the amendments, if so, the details thereof; and
- (d) the manner in which these changes align with India's broader strategy to build a high-tech manufacturing ecosystem and reduce import dependency?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY

(SHRI JITIN PRASADA)

(a) & (b) The Special Economic Zone (SEZ) Rules, 2006 have been amended vide notification G.S.R. 364(E) dated 3<sup>rd</sup> June, 2025 for setting up Special Economic Zones exclusively for manufacturing of semiconductors and electronics components.

The amendments in Rule 5(2)(a), Rule 7(1), Rule 18(6)(a), Rule 18(6)(c) and Rule 53E of the SEZ Rules have been made with respect to minimum land requirement to set up an SEZ exclusively for manufacturing of semiconductors and electronics components, relaxation in encumbrance norms allowing area mortgaged or leased to Government entity to be eligible for establishment of an SEZ, to enable DTA supply of semiconductor products and inclusion of value of goods received free of cost basis in Net Foreign Exchange (NFE) calculations, respectively. These amendments have been made to facilitate manufacturing activities in the said two sectors.

(c) to (d): Two (02) new SEZs, one in Sanand, Gujarat and one in Dharwad, Karnataka for manufacturing of semiconductors and electronic components, respectively, have been notified by the Government on 23.06.2025. As manufacturing in these sectors is highly capital intensive, and involve longer gestation periods before turning profitable, the amendments have been carried out to promote pioneering investments, to create high skilled jobs, to boost domestic manufacturing in these high technology sectors in the country and to reduce the dependency of the country on import of semiconductors and electronics components.

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