

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
(DEPARTMENT OF COMMERCE)

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1109**  
**TO BE ANSWERED ON 17<sup>th</sup> DECEMBER, 2018**

**SEZ POLICY REVIEW COMMITTEE REPORT**

1109. KUNWAR BHARATENDRA:  
SHRI B. VINOD KUMAR:  
PROF. PREM SINGH CHANDUMAJRA:  
SHRI ASADUDDIN OWAISI:  
SHRI S.R. VIJAYAKUMAR:  
SHRI ASHOK SHANKARRAO CHAVAN:  
SHRI S. RAJENDRAN:  
KUNWAR HARIBANSH SINGH:  
SHRI T. RADHAKRISHNAN:  
SHRI SUDHEER GUPTA:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government has constituted Baba Kalyani led Committee to evaluate the Special Economic Zones (SEZs) Policy of India and suggest measures to make the policy WTO compatible and if so, the details and the composition thereof along with its other objectives;
- (b) whether the said Committee has submitted its report to the Government and if so, the details thereof along with the recommendations made by the Committee;
- (c) whether the Committee has warned that change in focus may derail the very purpose of SEZs and if so, the details thereof along with the reaction of the Government thereto;
- (d) whether the Government has examined the views/ recommendations of the Committee/ experts and has taken any action on the basis of the views/ recommendations made by them;
- (e) if so, the details thereof along with the steps taken to ensure that the very purpose of SEZs is fulfilled for which they have been established and if not, the reasons therefor indicating the timeline for implementing the recommendations; and
- (f) the steps taken/ being taken by the Government for maximizing utilization of vacant land in SEZs?

**ANSWER**

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सी. आर. चौधरी)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY  
(SHRI C. R. CHAUDHARY)

(a) and (b): Madam, the Government had constituted a Group of eminent persons under the Chairmanship of Shri Baba Kalyani, Chairman M/s. Bharat Forge to study the Special Economic Zone (SEZ) Policy of India on 04.06.2018. The composition of the Group and its terms of reference are at **Annexure-I**. The Group

submitted its report to the Government on 19.11.2018. The key recommendations of the Group are at **Annexure-II**.

(c): No such warning was found in the report.

(d) and (e): The recommendations of the Group are being examined by way Inter-Ministerial consultations.

(f): The vacant land is primarily with private sector or State Public Sector Units (PSU) developers. The development of land and allotment to units by the developers is done based on the demand and market conditions. The Government, on the basis of inputs/suggestions received from stakeholders on the policy and operational framework of the SEZ Scheme, periodically reviews the policy and operational framework of SEZs and takes necessary measures so as to facilitate speedy and effective implementation of SEZ policy. One of the terms of the reference for the group was for maximizing utilization of vacant land in SEZs.

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***Annexure-I to the Lok Sabha Unstarred Question No. 1109 for 17<sup>th</sup>  
December, 2018.***

No. C-3/1/2018-SEZ  
Government of India/ Bharat Sarkar  
Ministry of Commerce & Industry/ Vanijya Aur Udyog, Mantralaya  
Department of Commerce/ Vanijya Vibhag  
SEZ Division

Udyog Bhavan, New Delhi  
Dated: 4<sup>th</sup> June, 2018

ORDER

Sanction of the competent authority is conveyed for constituting a group of eminent personalities to study the Special Economic Zones Policy of India as under:

- a) Shri Baba Kalyani, Chairman, Bharat Forge - Chairman of the Group
  - b) Shri Ravindra Sannareddy, MD, Sricity SEZ Ltd. - Member
  - c) Shri Neel Raheja, Group President, K. Raheja Group - Member
  - d) Ms. Anita Arjundas, MD, Mahindra Life Space Developer - Member
  - e) Shri Ajay Pandey, MD & Group CEO, GIFT City SEZ Ltd. - Member
  - f) Shri Srikanth Badiga, Director, Hyderabad Phoenix Developer - Member
  - g) Shri Arun Misra, Managing Director, Tata Steel SEZ Ltd. - Member
  - h) Principal Secretaries (Industries) of Gujarat, Maharashtra, Telangana, Andhra Pradesh, Tamil Nadu & Karnataka – Members
  - i) Additional Secretary (In-charge of SFZ division, DoC) – Member Secretary
  - j) Director (SEZ), DoC - Coordinating Officer.
2. The Terms of reference for the group will be as under:
- a) To evaluate the SEZ policy implemented from the year 2000.
  - b) To suggest measures to be adopted to cater to the needs of exporters in the present economic scenario and make the SEZ policy WTO compatible.
  - c) To suggest course correction in SEZ policy for encouraging manufacturing and service sectors in SEZs and also for maximising utilization of vacant land in SEZs.
  - d) To make comparative analysis of the SEZ scheme operating in India and SEZ scheme operating elsewhere, specifically SEZs operating in Service sector and to suggest changes in the SEZ policy based on international experience.
  - e) To dovetail the SEZ policy with other schemes like Coastal Economic Zones, Delhi Mumbai Industrial Corridor, National Industrial Manufacturing Zones, Food Parks, Textile Parks, etc.
3. The Group can co-opt officials from the Government for assisting it.
4. The TA/DA entitlements of the non-officials of the group shall be regulated under the provisions of Department of Expenditure OM No. 19047/1/2016- E-IV dated 14.09.2017.
5. Group is required to submit its recommendations in 3 months' time from the date of constitution.
6. A knowledge partner will assist the group in the form of field survey, data collection, data analysis, comparison with international practices and any other methodology adopted by the group. Knowledge partner will be engaged under MAI assistance.
7. This issues with the concurrence of IFD vide their ID Note no. 124/FD/018 dated 01.06.2018.

s/d  
(G. Srinivasan)  
Under Secretary to the Govt. of India  
Tel. 011-2306 2496

To,

- a) Shri Baba Kalyani, Chairman, Bharat Forge- Chairman of the Group
- b) Shri Ravindra Sannareddy, MD, Sricity SEZ Ltd.
- c) Shri Neel Raheja, Group President, K. Raheja Group
- d) Ms. Anita Arjundas, MD, Mahindra Life Space Developer
- e) Shri. Ajay Pandey, MD & Group CEO, GIFT City SEZ Ltd.
- f) Shri. Arun Misra, Managing Director, Tata Steel SEZ Ltd.
- g) Shri Srikanth Badiga, Director, Hyderabad Phoenix Developer.
- h) Chief Secretaries of the Governments of Gujarat, Maharashtra, Telangana, Andhra Pradesh, Tamil Nadu & Karnataka - It is requested that details of the Principal Secretary (Industries) of your State may please be intimated to the Department of Commerce.
- i) O/o Minister for Commerce and Industry
- j) Smt. Rita Teatia, Secretary, Department of Commerce
- k) Shri Bidyut Behari Swain, Additional Secretary (SEZ), DoC
- l) Shri T. V. Ravi, Director (SEZ), DoC
- m) IFD, Department of Commerce
- n) E&MDA Section/GA Section

***Annexure-II to the Lok Sabha Unstarred Question No. 1109 for 17<sup>th</sup> December, 2018.***

1. Framework shift from export growth to broad-based Employment and Economic Growth (Employment and Economic Enclaves-3Es).
2. Formulation of separate rules and procedures for manufacturing and service SEZs.
3. Shift from supply driven to demand driven approach for 3Es development to improve efficiency of investment-based on certain industries, current level of existing inventory in the region.
4. Enabling framework for Ease of Doing Business (EoDB) in 3Es in sync with State EoDB initiatives. One integrated online portal for new investments, operational requirements and exits related matters.
5. Enhance competitiveness by enabling ecosystem development by funding high speed multi modal connectivity, business services and utility infrastructure. Critical to provide support to create high quality infrastructure either within or linked to the zones eg. High Speed Rail, Express roadways, Passenger/Cargo airports, shipping ports, warehouses etc.
6. Promote integrated industrial and urban development- walk to work zones, States and center to coordinate on the frame work development to bring linkages between all initiatives.
7. Procedural relaxations for developers and tenants to improve operational and exit issues.
8. Extension of Sunset Clause and retaining tax or duty benefits.
9. Broad-banding definition of services/allowing multiple services to come together.
10. Additional enablers and procedural relaxations.
11. Unified regulator for IFSC.
12. Utilizing Multi Services SEZ IFSC for all the inbound and out bound investment of the country.
13. Incentives for availing services from IFSC SEZ by domestic institutions.
14. Extension of benefit under services Export incentives scheme.
15. Allowing alternate sectors to invest in sector specific SEZs/ 3Es.
16. Flexibility of long term lease for developers and tenants.
17. Facility of sub-contracting for customers outside 3Es/SEZs without any restriction or cap at any level.
18. Specified domestic supplies supporting 'Make in India' to be considered in NFE computation.
19. Export duty should not be levied on goods supplied to developers and used in manufacture of goods exported.
20. Flexibility in usage of NPA by developers and sale space to investors/ units.
21. Infrastructure status to improve access to finance and enable long term borrowing.
22. Promote MSME participation in 3Es and enable manufacturing enabling service players to locate in 3E.
23. Dispute resolution through arbitration and commercial courts.

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