

Rajasthan - Special Economic Zones (SEZ) Policy

Preamble

Special Economic Zones (SEZs) are specifically delineated duty-free enclaves treated as a foreign territory for the purpose of industrial, service and trade operations, with exemption from customs duties and a more liberal regime in respect of other levies, foreign investment and other transactions. Domestic regulations, restrictions and infrastructure inadequacies are sought to be eliminated in the SEZs for creating a hassle-free environment. The SEZ Scheme seeks to create a transparent system by introducing simplified procedures for enhancing productivity and making it easier to do business.

According to Government of India Guidelines, SEZs can be developed in the public, private or joint sectors, or by the State Governments. They are expected to promote establishment of large, self-contained areas supported by world-class infrastructure oriented towards export production. Exploiting the full potential of the concept, SEZs would bring large dividends to the State in terms of economic and industrial development and generation of new employment opportunities.

Development Commissioner shall be deemed to be appropriate Development Authority for the notified area of SEZ.

With the background of Government of India guidelines for SEZs, the State has decided to formulate the following SEZ Policy to provide a comprehensive framework for establishment, operations and sustainability of the Special Economic Zones in the State.

This Policy will have overbearing powers existing State Policies on above issues. For issues and areas not covered by the SEZ Framework, the prevailing State Framework & legislation will be deemed to be in force.

Objectives of Special Economic Zone

The prime objective of the Government is to develop specially delineated economic zones conforming to the guidelines of the Government of India to provide enabling infrastructure and a hassle free environment to promote exports from the State. Special emphasis will be laid on development of product specific Special Economic Zones to harness inherent potential of the State in the fields of Gems & Jewellery, Handicrafts, Woolen Carpets etc. which would result in increase in exports of these commodities with high value addition.

State Government Approach

The State Government has worked out a package of concessions and incentives, which have been approved in a meeting of the Board of Infrastructure Development and Investment Promotion (BIDI) held, on 30-11-2002, under the chairmanship of Hon'ble Chief Minister.

In the first phase product specific Special Economic Zones are being planned to be set up for Gems & Jewellery units at Sitapura (Jaipur) and for handicraft units at Boranada (Jodhpur) through Rajasthan State Industrial Development & Investment Corporation (RIICO).

In the subsequent phase private sector participation will be encouraged for development of SEZ for which offers will be invited for both multi-product & product specific SEZs at strategic places.

Concessions & Incentives for SEZ Developers and Units to be set up in SEZ:

Following package of concessions and incentives has been sanctioned for SEZ developers and units to be set up in the SEZ:

- **State tax, Duties, Local tax and Levies.**
 - Developers of SEZs, industrial units and other establishments within SEZs will be exempted from all State and local taxes and levies, including sales tax, purchase tax, contract tax, octroi, cess etc. in respect of all transactions made between units/ establishments within the SEZs and in respect of supply of goods and services from the Domestic Tariff Area to units/ establishments in SEZ.
 - All industrial units and their expansions located in the SEZs shall be exempted from payment of Stamp Duty and Registration Fees.
- **Grant & Equity**

Appropriate grant/equity will be provided for the SEZ project out of the Central Government funds provided under ASIDE scheme as per the guidelines.
- **Environment**

Rajasthan State Pollution Control Board (RPCB) will make the services of one of its officers available in the Office of the Development Commissioner, SEZ. The officer, who will function under the administrative control of the Development Commissioner, will provide NOCs, consent and other clearances required for units within SEZ.
- **Power**
 - The electricity distribution companies will ensure continuous and good quality of power within the SEZs.
 - Industrial units and other establishments within the SEZ will be allowed to generate power for their self use. A proposal is under consideration of the competent authority to permit sale of surplus power to the grid.
 - Exemption from payment of electricity duty will be granted to SEZ developers/SEZ units which generate, transmit, distribute power for a period of 10 years from the date of commencement of such services provided that the power so produced is consumed within the SEZ.
- **Water Supply**

Basic inputs like water, effluent treatment & disposal will be provided by the concerned department/ agencies of the State Government to SEZ from its own resources. These facilities will be of high standard.

- **Labour Regulations**
 - a. State Government will declare units within the SEZ as " public utility services " under the provisions of Industrial Disputes Act.
 - b. The powers of the Labour Commissioner, Government of Rajasthan shall be delegated to the designated Development Commissioner in respect of the area of the SEZs.
- **SSI & IT Registration**
The power to grant provisional and permanent Small-scale Industry Registration and Letter of Intent and Registration of Information Technology units will be delegated to the Development Commissioner in respect of units in the SEZ.
- **SEZs as Industrial Townships**
The State Government will consider to declare the SEZs as Industrial Townships.
- **Law & Order**
The State Government shall make all appropriate arrangements for the maintenance of law and order within the SEZ.
- **Single Window Clearance**
All clearances and approvals for the units and services located in SEZ will be provided under Single Window System.
- **Government Land Allotment**
 - Government land will be allotted to the developer/agency of SEZ at concessional rate.
 - Land acquisition for SEZ will be taken up under emergency clauses of the Land Acquisition Act.
- **Connectivity of National Highway/State Highways**
Connectivity to the SEZ from National Highways/State Highways will be provided by the Public Works Department of the State Government from its own resources. These facilities will be of high standard.
- **Facilities provided by different departments**
Facilities such as Police Stations, Dispensaries, Educational Institutions etc. be provided in the SEZ by the concerned departments on priority basis.
- **Constitution of a high powered committee for review and development of SEZs**
The State Government shall constitute a high powered committee of concerned Secretaries and other concerned officials, including representatives of the SEZ authority, under the Chairmanship of Chief Secretary to resolve various issues pertaining to the promotion, development and functioning of SEZs in the State. The aforesaid high-powered committee will be empowered for taking necessary decisions in regard to development of SEZ in the private sector.

Source: www.rico.com