



Preamble :

1. With a view to increase the exports-base of our country, Government of India announced a policy on Special Economic Zones (SEZs) in the year 2000.
2. SEZs are specifically designated duty-free enclaves to be deemed foreign territory for tariff and trade operations. As per Government of India guidelines SEZs can be developed in public, private or joint sectors.
3. This measure is expected to promote establishment of large, self-contained areas supported by world-class infrastructure oriented towards export promotion.
4. Exploiting the full potential of the concept of SEZs would bring large dividends to the State in terms of economic and industrial development and also generate new employment opportunities.
5. State Government will facilitate creation of linkages and social, economic and other infrastructure.
6. Madhya Pradesh Government shall undertake socio-economic and industrial development of the State through Special Economic Zone. The development of Zone will lead to increased employment opportunities.
7. Madhya Pradesh State Industrial Development Corporation has been declared as nodal agency for development of Special Economic Zone proposed near Indore. Madhya Pradesh State Industrial Development Corporation shall be declared the nodal agency also for Special Economic Zones to be established in the State in future.
8. The Development Commissioner will be deemed as competent authority for the Industrial Development Area for the notified SEZ.
9. The Development Commissioner will provide sanctions under various statutes and regulations of the Government of India and the State Government.
10. The Development Commissioner will advise the Government on issues requiring amendments or clarifications to facilitate sanctions to units in SEZ.
11. The Madhya Pradesh Special Economic Zone Policy is being formulated by the State Government for the establishment, implementation, and management of SEZ in the State in the light of Special Economic Zone Policy 2000 of the Government of India.
12. This Policy will be the governing policy for issues connected with SEZ.

Policy Frame Work :

In the context of Government of India guidelines for the establishment of SEZs, the policy of the State Government has been formulated to promote the development of SEZs.

Infrastructure & Development for Special Economic Zone

1. The establishment of Special Economic Zone at Indore has already been approved in principle by the Government of India. Therefore, it has been decided that the SEZ policy will apply to Indore SEZ and other SEZs to be developed in the State in future, subject to the framework for SEZs determined by Government of India from time to time.
2. The State Government shall make available land required for the zone. Private land shall be acquired under Land Acquisition Act for the purpose.
3. The State Government shall request the Government of India to declare Indore Airport as International Airport to provide direct Air links to facilitate export of goods from SEZ.

4. To provide single agency clearance, powers to grant permissions, NOCs, etc. of the concerned departments, corporations, boards etc. shall be delegated to the designated Development Commissioner of the SEZ or to an empowered officer working under the administrative supervision and control of the Development Commissioner.

Development Commissioner :

1. The Development Commissioner will be deemed as competent authority for the Industrial Development Area for the notified SEZ.
2. The Development Commissioner will provide sanctions under various statutes and regulations of the Government of India and the State Government.
3. The Development Commissioner will advise the Government on issues requiring amendments or clarifications to facilitate sanctions to units in SEZ.
4. Facilitate marketing of the zone along with private promoter.
5. Necessary infrastructure like building, office space and equipments, etc. for the Development Commissioner will be provided by the SEZ developer.

Single Agency and Self Certification System :

1. SEZ Units will be eligible to obtain various clearances/permission pertaining to different departments under single agency clearance system prevalent in the state for industries.
2. Appropriate powers under single agency clearance system for granting clearance/approvals to SEZ units pertaining to Energy, Commercial Taxes, Home Department (Foreigners' registration), Food & Drug Administration, M.P. Pollution Control Board, Industries Department, Industrial Health and Safety, Employment Exchange (Apprenticeship Act, etc.), Fire Brigade etc. will be delegated to the Development Commissioner.
3. Facility of self-certification available to industries in the state will also be available to SEZ Units.

Environment :

1. NOCs, consents and other clearances required from the Madhya Pradesh Pollution Control Board for units and activities within the SEZs would be granted by the empowered officer of the Board working under the administrative supervision and control of the Development Commissioner of the SEZ.
2. In the event of delegation of powers to the designated Development Commissioner in SEZ for granting environmental clearance for the activities/projects covered under Environmental Impact Assessment Notification, 1994 of the Government of India (Ministry of Environment & Forest) the clearances may be sought accordingly.
3. A Committee headed by the Development Commissioner will be constituted for each SEZ comprising concerned officers of Ministry of Environment & Forest, Government of India, State Pollution Control Board and Environmental Experts. The Committee shall be delegated powers of the State Government to grant environmental clearance for projects/activities in SEZ.
4. The State Government would notify a list of non-polluting industries in SEZ where no consent (or NOC) would be required irrespective of their size, whereas in other cases consent would be given by the designated officer of MPPCB posted in the zone through a simplified procedure.

5. The State Government will consider having a green belt around the SEZ in order to avoid unplanned development.

Power :

1. The SEZ authority will ensure continuous and good quality power to all consumers in SEZ.
2. The SEZ shall be exempted from electricity duty; cess and any other tax or levy on sale of electricity for self generated and purchased power.
3. Within the SEZ, the distribution company shall have freedom to fix tariff for consumers.
4. Staff of Madhya Pradesh State Electricity Board shall be posted in SEZ for approval of power connections and billing with full powers. However, such arrangement will not be applicable, when private service provider will make entire arrangement for power generation, transmission and distribution.
5. No prior approval will be required to set up captive power plants by the SEZ units, subject to fulfillment of specified terms and conditions.
6. There will be full freedom regarding generation, transmission and distribution of power within the SEZ along with grid connectivity to draw power from the State grid, as the case may be. Such grid connectivity would be permitted on the basis of "pay and use" without any standby charges. Similarly, surplus electricity generated by SEZ's captive power plant can be purchased by the M.P.State Electricity Board on mutually agreed terms.
7. Wheeling and third party sales within the SEZ would be allowed either through free grid access or directly to private parties without any restrictions.
8. The SEZ would be free to procure power from NTPC or any other generating company to meet its power requirement.

Sales Tax and other levies :

All SEZ units and SEZ developer would be exempted from payment of Commercial Tax, Turnover Tax, VAT, Octroi, Mandi Tax, Purchase Tax, Electricity Cess, Stamp Duty or any other kind of cess or levy of the State Government for any transaction between them within the zone as well as on sales made to Domestic Tariff Area (DTA). Units in DTA would also be exempted from these taxes and levies on sales made by them to a SEZ unit and SEZ developer. SEZ Developer and units would also be exempted from taxes levied by local bodies, as they would be self-contained units and would be responsible for the maintenance of services within the Zone.

Labour :

1. The State Government would delegate powers of Labour Commissioner to the Development Commissioner and also place an officer of the Labour Department under the Development Commissioner. State Government would also delegate to Development Commissioner powers of State Government under various Labour Laws for the SEZ.
2. State Government would notify a single reporting format for all SEZ units which would cover all Labour Laws.
3. Appropriate officials of the Zone would be designated as Inspectors, Conciliation officers and Registration officers under various Labour Laws to provide single window service.
4. For inspections relating to worker's health and safety and other Labour Laws, the State Government would use best international practices by permitting units to get such inspections done through such accredited agencies (outside Labour Department) as may be notified by the Government.
5. A summary of the proposed simplifications under Labour Laws is Annexed.

Water :

The State Government shall make arrangement for supply of water for drinking, industrial and other use as required for SEZ.

The rates of utility services availed from private services provider would be subject to approval of the Development Commissioner.

Management of Zone :

1. **SEZ to be declared as Industrial Township**
The State Government will declare SEZ as Industrial Township under Madhya Pradesh Nagar Palik Nigam Adhiniyam 1956 and Madhya Pradesh Nagar Palika Adhiniyam 1961 so that it could function as Special Area Self Governing Body.
2. **Appointment of Development Commissioner for SEZ**
Designated Development Commissioner of SEZ will be delegated powers to discharge various departmental functions under Single Window System.
3. **Arrangement of Law & Order in SEZ**
The State Government shall make appropriate and exclusive arrangements within the SEZ for the maintenance of law and order and control of crime.
4. **Constitution of Monitoring Committee**
The State Government shall constitute a committee of Secretaries and other concerned officials, including representatives of the SEZ authorities/promoters, under the chairmanship of Chief Secretary to resolve various policy issues pertaining to the promotion, development and functioning of SEZ in the State.
5. **Amendment in Act/ Rules, as required, in the context of SEZ**
Development Commissioner may send proposals as per requirements of SEZ for amendment in Act/Rules, as applicable in Madhya Pradesh.
6. **Inspection of SEZ Units**
For all physical inspections, a schedule would be worked out in consultation with the Development Commissioner and only then inspections would be carried out. However, in case of any specific information of any violation, the inspecting agency would visit after taking prior approval of the Development Commissioner for the proposed inspection.
7. **Large, Medium and Small Scale Industries**
Powers to grant provisional/permanent registrations to SSI units and sanction incentives/assistance to the SSI, Medium & Large units in SEZ will be delegated to the Development Commissioner or other designated authority.

Financing the development of the SEZ :

1. The SEZ project will be implemented with private sector participation. The State will contribute equity in the form of land.
2. Nodal developer for the project, who will be selected through open bidding process, shall bring in his equity contribution and will be instrumental in forming alliances with international and Indian investors including financial institutions, foreign institutional investors, mutual funds, etc.
3. Nodal developer will also be responsible for infrastructure development and management of the zone.

SUMMARY OF APPROVED SIMPLIFICATIONS IN LABOUR LAWS RELATING TO LABOUR AND MANPOWER PLANNING

S. No.	Name of the Act, Section and Title	Simplification Proposed
1.1	Simplification of Procedures Reporting System (Consolidated Annual Report)	Consolidation of various periodical returns (quarterly, half yearly etc.) prescribed under Factories Act. Wages Act, Maternity Benefit Act, Workmen Compensation Act, Contract Labour Act, Minimum Wages Act, Bonus Act.
1.2	Dispensation of Registers	Factories Act : i) Humidity Register (Form No.6) ii) Record of lime washing and painting etc. iii) Register of workers employed on or near the moving machinery.
1.3	Dispensation of certain returns	Factories Act : i) Half-yearly return. ii) Quarterly return of handicapped persons. iii) Half-yearly return to be filed by contractor.
1.4	Merging Registers Forms	i) Audit workers Register. ii) OT Register. iii) Muster Roll.
1.5	Simple Labour Authority	i) Development Commissioner to be delegated with the powers of Labour Commissioner. ii) Posting of an officer of Labour Department in SEZ to deal with labour matters or nomination of an officer by Development Commissioner as labour officer. iii) Delegation of powers for providing Single Window Clearance to SEZ.
1.6	Employees Provident Fund and Miscellaneous Provisions Act 1952. Exempting of certain establishments from the operation of the Act by the appropriate Government. (Sec.16)	SEZ units to be exempted from the provision of this Act. Proposal will be sent to Government of India.
2.1	Industrial Dispute Act 1947 Granting of Public Utility Status Sec.2 (i)	SEZ units be granted public utility status on permanent basis.
2.2	Industrial Dispute Act, 1947 Granting of exemption regarding notice of change of condition of service Sec.9 (a).	SEZ units be exempted from the provision of this Act.
2.3	Industrial Dispute Act, 1947	Development Commissioner be delegated with powers for

	Granting of permission by the appropriate Government for lay-off, retrenchment and closure. (Sections 25-M, 25-N, 25-O)	granting permission under these Sections.
2.4	Industrial Dispute Act, 1947. Conciliation proceedings, Appointing of conciliation officer by the appropriate Government. (Sec.4).	Development Commissioner be appointed as the conciliation officer in respect of SEZ.
2.5	Factories Act, 1948 Exemption from notice of period of work(Section 8(1) and 8(2)	Exemption of SEZ units from under Sec.51 (weekly hours) Sec.52. (Weekly holidays) Sec.54 (daily hours). Sec.56 (spread over)
2.6	Minimum Wages Act, 1948 Appointment of proper Officer.	The word inspector wherever appearing in this Act be substituted by "Jurisdictional Labour Officer" in respect of SEZ units.
2.7	Employees State Insurance Act, 1948. Granting of exemption to certain establishment by the appropriate Government.	SEZ units be exempted from this provision, if the promoters of the SEZ agree to provide the workers of SEZ a comparable health cover facility. Otherwise exemption would have to be considered for individual employers on a case by case basis.
2.8	Industrial Employment (Standing Orders) Act, 1946. Exemption from publication of working time, wages and shift working schedule. (Sec.6, Sec.7, Sec 14).	SEZ units be exempted from these provisions.
2.9	Payment of Gratuity Act, 1972. Exemption to certain unit/establishment by the appropriate Government, (Sec.5)	Extending the exemption to SEZ units.
2.10	Payment of Gratuity Act 1972 Appointment of proper officer	The word inspector wherever appearing in this Act be substituted by "Jurisdictional Labour Officer" in respect of SEZ units.
2.11	Payment of Wages Act, 1936 Appointment of Inspectors.	Labour Officer of SEZ be appointed as Inspector under this Act.
2.12	Payment of Wages Act, 1936	With the consent of the employee wage may be paid either by cheque or by crediting in his bank account.
2.13	Payment of Wages Act, 1936. Maintenance of records (Sec.13-A)	SEZ units be permitted to maintain the records through electronic media.
2.14	Payment of Wages Act, 1936. Display of rate of wages (Sec.26)	SEZ units be exempted from this provision.
2.15	Contract Labour (Regulation and Abolition) Act,1970. Appointment of Registering Officer (Sec.6 a).	Jurisdictional Labour Officer be appointed as the Registering Officer for SEZ units.
2.16	Contract Labour (Regulation and Abolition)Act, 1970 (Sec.11). Appointment of Licensing Officer.	Jurisdictional Labour Officer be appointed as the Registering Officer for SEZ units.
2.17	Contract Labour (Regulation and Abolition)Act, 1970.	SEZ units be exempted from this provision.

	Granting of exemption to certain units from applying the provision of this Act.(Sec.31)	
2.18	Employment Exchanges (Compulsory Notification of Vacancies)Act, 1959. Intimation to employment exchange about vacancies Section 4(2).	SEZ Units be exempted from this provision. Proposal will be sent to Government of India.
2.19	Equal Remuneration Act, 1976 Appointment of authorities for hearing and claims and complaints. (Sec.71)	Jurisdictional Labour Officer be appointed as the authority in respect of SEZ units.
2.20	Equal Remuneration Act, 1976. Appointment of inspectors for making investigation.	Jurisdictional Labour Officer be appointed as the inspector in respect of SEZ units.
2.21	Apprentices Act, 1991. Appointment of Apprentices in units (Sec.8).	To exempt SEZ units from this provision, a proposal will be sent to Government of India.
2.22	M.P. Shops & Establishment Act Granting of exemption to certain establishments by the appropriate Government.	SEZ units be exempted from this provision on the lines already granted to Information Technology units.
2.23	Payment of Bonus Act, 1965. Appointment of proper officer.	The word inspector wherever appearing in this Act be substituted by "Jurisdictional Labour Officer" in respect of SEZ units.