



# Investors' Pulse

Identifying regulatory and infrastructure gaps in government SEZs and proposing an action plan

Final Report | EPCES

March 2024

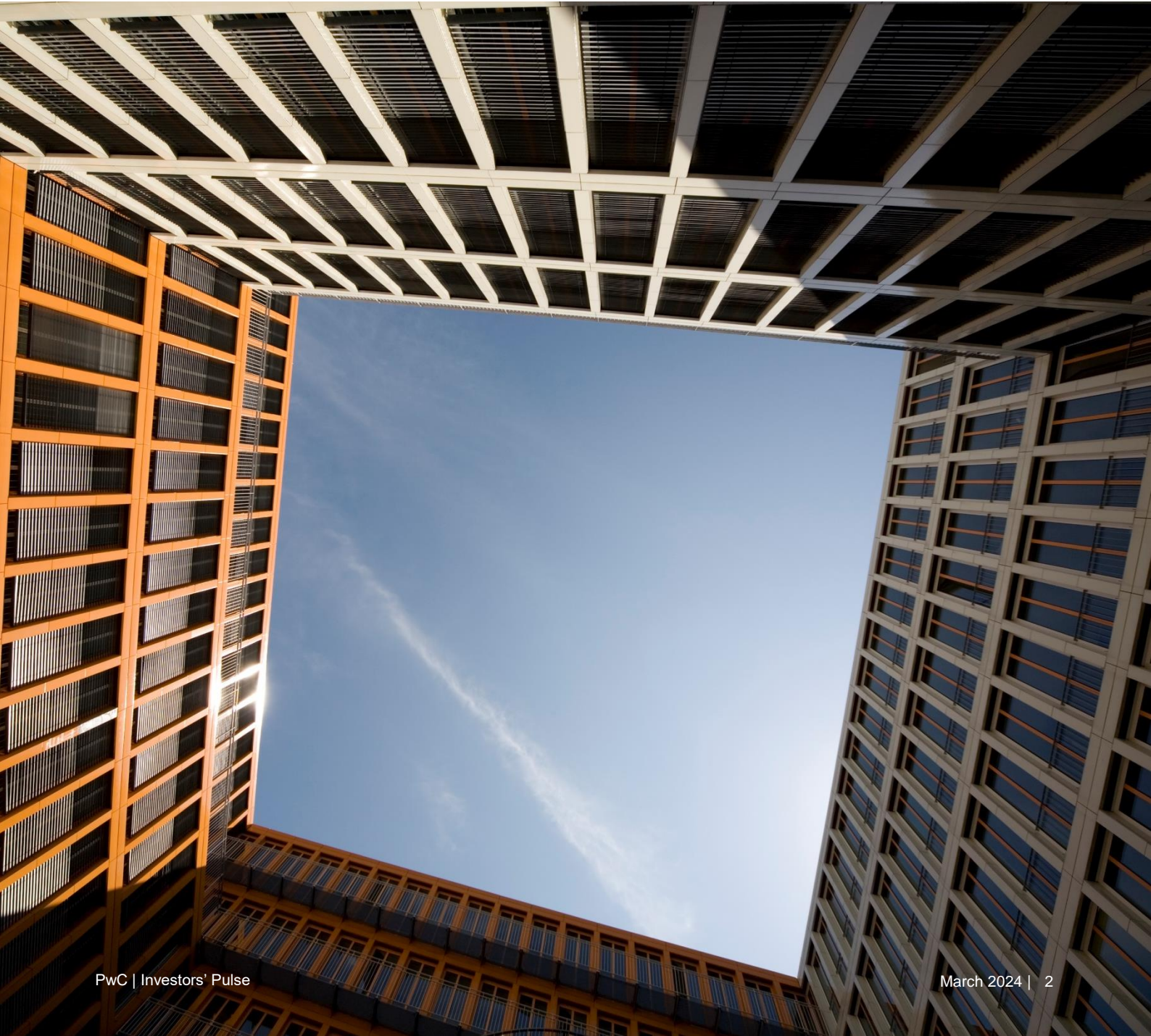




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# List of Abbreviations

Abbreviation	Definition
BLUT	Business letter of undertaking
EPCES	Export Promotion Council for EoUs and SEZs
DC	Development Commissioner
ETP	Effluent treatment plant
HS	Harmonized system
LOA	Letter of approval
OFC	Optical fiber connection
PNG	Piped natural gas
SEZ	Special economic zone
SDF	Standard design factories
STP	Sewage treatment plant

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## 01 Purpose of the study

In recent years, India's Special Economic Zones (SEZs) have emerged as vital instruments for fostering economic growth, attracting foreign investment, and bolstering exports. Established with the primary objective of providing a conducive environment for businesses to thrive, SEZs have played a significant role in driving industrial development and creating employment opportunities across the country.

However, systemic issues regarding the infrastructure availability and quality as well as regulatory hurdles impact India's SEZs to reach their full potential and be on par with global benchmarks.

With an endeavor to promote ease of doing business from the SEZs, a study was undertaken by Export Promotion Council for EoUs and SEZs in collaboration with PwC to uncover these issues and come up with an action plan for their timely resolution.

The study takes a stock of 6 such SEZs in India: Noida SEZ, Santacruz EEPZ, Madras EPZ, Vizag SEZ, Kandla SEZ and Cochin SEZ and covers the challenges faced by unit holders in these SEZ from an infrastructure and regulatory lens and suggests specific interventions to address the challenges.

The interventions are further mapped to individual zones based on applicability of the challenge area and can be used as a ready reckoner for implementing the recommendations received from unit holders as well drawing learnings from global benchmarks



## 02 Objectives and methodology

Objective of the study includes assessment of the key challenges for the units in the SEZs and suggestions of strategic solutions to enhance ease of doing business in the SEZs

### Broad contours of the project

The project entailed identification of gaps and challenges faced by SEZ units in day-to-day operations assessed through consultations with various stakeholders.

Challenges were aligned across various categories:

- Operational issues pertaining to day-to-day activities
- Issues identified across internal and external accessibility and connectivity for the units
- Infrastructure and utilities challenges identified by the units
- Regulatory challenges pertaining to all business activities of the units

As part of the study “to do” list for each SEZ were prepared to fast forward resolution of the identified gaps by the SEZ authorities.

In case of gaps that require resolution at the ministerial level, they were summarized for the ease of representation by the client to the respective departments

### Approach to the assignment

#### Infrastructure assessment

- Assessment of quality and reliability of basic infrastructure, common infrastructure and external infrastructure, exhaustive list of gaps
- Tenant suggestions/recommendations to resolve the gaps

#### Policy and regulatory landscape assessment

- Assessment of regulatory environment, approvals and compliances, import and export procedures
- Domestic procurement or sales with DTA
- Exhaustive list of regulatory challenges
- Tenant suggestions/recommendations to resolve the challenges

#### Benchmarking

- Examples of the best practices adopted globally
- Ease of doing business, infrastructure facilities



## Further, the project was delivered in two different workstreams. Workstream 1 focused on sorting base industry unit data and conducting survey in 6 zones

Key activities undertaken by team: Survey preparation

### Overview

#### Workstream Methodology

The survey used a mix of physical discussions with investor representatives in the SEZs and virtual discussions with industry associations present in the zone (as well as through online forms)

### Workstream 1 Objectives



#### Review & Collation of base data for 6 SEZs

The study team conducted a kickoff meeting & interacted with relevant representatives from EPCES to undertake site visits of the SEZs under study to gather primary information including:

- Project related information
- Key sector and units across the sectors
- Internal and external infrastructure
- Key administrative services
- Key industrial associations
- SEZ related policy and regulations



#### Identification of Target Respondents

Based on the initial set of information, the study team further discussed with investor representatives identified across the SEZs in the following modes:

- **Physical interactions:** at least 10% during site visits
- **Electronic feedback:** more than 75% across each SEZ
- **Hybrid sessions:** at least 40% including one-to-one meetings and focus group discussions



#### Conducting the stakeholder survey

The team conducted interviews with the respondents at the SEZs to understand the key challenges and factors responsible for the success. The focus was on capturing the essence of best practices and value propositions / USPs

Modes of interview would be:

- **Electronic feedback:** for more than 75% of respondents via online survey tools (Survey Monkey, Google forms, Microsoft forms, etc.)
- **One-on-one meetings & focus group discussions (FGDs)** with various stakeholders



#### Analyzing the feedback and drawing inferences

The key interactions undertaken across the identified SEZs were compiled and analyzed around various pillars to assess the key challenges and issues faced by the SEZs:

- **Operational** - Unit Holders across investment lifecycle (entry, operations, exit)
- **Infrastructure & Amenities**
- **Administrative Support/ services**
- **Policy & Regulatory Challenges**

The interactions further assisted in developing a strategy for addressing the list of issues based on impact and priority areas.



## The second workstream focused on data analysis, benchmarking to global best practices and information analysis to deliver on the action plan for each of the zones

Key activities undertaken by team: Data analysis and benchmarking

### Overview

#### Workstream Methodology

Based on the feedback, the study team collated key inferences and challenges present in the SEZs. The challenges were mapped to all the zones to identify the commonalities and subsequently prioritize action plans

### Workstream 2 Objectives



#### Identifying key challenges

Zone specific challenges and interventions were identified to be taken as next list of priority action points

#### Identification of key challenge areas

- Infrastructure: Internal and external
- Regulatory environment: Procedural, duties related, working of the officials



#### Identifying key challenges

#### Review of best practices

- Benchmarking with global best practices to identify success factors
- Successful international SEZs were studied to gauge the learnings / best practices across areas to be adopted for Indian context

#### Formulation of key interventions and action plan for each SEZ







## 03 Survey design and questionnaire

Detailed list of parameters was formulated and refined as a survey tool to assess the infrastructure and procedural challenges in the SEZs

Parameters	<b>Infrastructure pillar</b>	
	<b>Internal infrastructure</b>	
	<p><b>Utility infrastructure:</b></p> <ul style="list-style-type: none"> <li>• Electricity</li> <li>• Water supply</li> <li>• Gas supply</li> <li>• Internet infrastructure (optical fiber connectivity)</li> </ul> <p><b>Common facilities:</b></p> <ul style="list-style-type: none"> <li>• Internal roads including width size, crossings, traffic</li> <li>• Sewage treatment</li> <li>• Effluent treatment</li> <li>• Solid waste management</li> <li>• Storm (during rains) water management</li> <li>• Building facilities (lifts etc.)</li> </ul>	<p><b>Business support infrastructure:</b></p> <ul style="list-style-type: none"> <li>• Ready to built factories or standard design factories</li> <li>• Warehousing and storage infrastructure</li> <li>• Weighbridge facilities</li> <li>• Parking facilities</li> <li>• Clearance facilities for faster movement of goods</li> <li>• Skill and training infrastructure</li> <li>• Banking facilities</li> <li>• Postal and courier facilities</li> <li>• Conference rooms</li> <li>• Availability of transport modes within SEZ</li> </ul>
	<b>External infrastructure</b>	
<ul style="list-style-type: none"> <li>• Connectivity infrastructure to ports</li> </ul>	<ul style="list-style-type: none"> <li>• Connectivity infrastructure to airports</li> </ul>	



## Regulatory pillar

### Approvals and compliances

- Time taken for approval of units or amendments or renewals
- Bond-cum-Legal Undertaking (maintaining it, amount, etc.)
- SEZ Online, ICEGATE and GSTN; handling of multiple interfaces
- Maintaining accounts, filing returns in case of goods/services/Gems & Jewelry
- Calculation of Net Foreign Exchange Earnings
- Exit procedures
- Working of Approval Committee
- Dispute Settlement/Appeal against the order of Approval Committee
- Time taken for approvals for day-to-day operations / specific requirement of the unit, etc.

### Import, domestic procurement and export procedures

- Filing bill of entry, matching with IGMs, imports by courier/post, import of services, etc.
- DTA Procurement of goods and services
- Filing shipping bills, forms, getting let export order, etc.
- Challenges in ports/airports/ICD

### Subcontracting and sales to DTA

- Sub-contracting of goods or services with DTA
- Sales procedures in DTA
- Temporary removal in DTA, etc.

### Miscellaneous

- Interunit transfer of goods
- Sharing of duty exempted infrastructure/ common facilities
- Issuance of Identify cards
- Foreign Exchange remittances





## The survey included combination of direct and electronic responses and close monitoring of relevance of responses received for meaningful results



### Methodology

#### Direct survey

One-on-one  
(physical / videoconference) Focus group (FGD)  
20% of respondents

#### Electronic survey

Google form E-mail response  
80% of respondents



### Survey flow

#### Survey roll out and Initial stakeholder outreach

##### One-on-one / FGD

- Key SEZ tenants
- SEZ authority

##### Workshop

- Organised by SEZ authority / EPCES regional office / industry association to sensitize tenants about the survey
- Highlight the anonymous nature of the survey and walk through the online questionnaire
- Roll out the survey to the initial set of tenants

#### Initial data analysis and course correction

- Collate of responses
- Perform initial data analysis
- Map key challenges basis initial set of responses received
- Re-visit questionnaire based on responses received

#### SEZ wide survey

- E-mail notification to SEZ tenants highlighting survey objectives and link to the online google form
- Telephonic outreach to SEZ tenants to set up individual one-on-one (physical / online) interactions

#### Survey data analysis and course correction

- Collate and clean-up responses
- Perform data analysis
- Prepare action plan for individual SEZs
- Formulate representation to the respective departments

## Questionnaire administered during the survey

### SEZ Unit Survey

The Export Promotion Council for EOUs and SEZs (EPCES) has engaged PwC to know the day-to-day problems being faced by the SEZ Units in the SEZ in conducting their business and to prepare a list of action points (To-Do List) which will be taken up by EPCES with Government authorities (D/o Commerce, D/o Revenue, Customs, DC office, State Government/local bodies) for addressing their concerns.

These problems could be related to submission of returns, delays in clearances and approvals, cumbersome procedures, lack of availability of common infrastructure and utilities (electricity, lifts, quality of internal roads, power, internet, cleanliness, etc.), connectivity problems with the nearest ports/airport/ICDs, clearances at ports/airports/ICDs etc.

**The purpose of the survey is to try to improve ease of doing business by addressing these problems through the concerned Government authorities.**

This questionnaire has been designed for taking feedback from the units in the following areas.

1. Problems being faced related to internal infrastructure (banks, post office, courier services, customs inspection facilities, internal roads, water, electricity, sewage treatment, effluent treatment, cleanliness, internet, both basic availability and quality of the same)
2. Problems being faced related to external infrastructure such as connectivity with the concerned gateway port/airport, ICD (quality of road, delays in infrastructure at gateway port/airport, ICD, etc.)
3. Regulatory and procedural challenges being faced in terms of compliances, clearances, procedures for export, import, DTA sale and DTA procurement

**We request you to please take some time and share your feedback.**

### Top priority challenge areas

**In this section, we would like to have your views on the top priority problem areas your unit faces while operating in the SEZ**

What are the top 4 problem areas you would like to state related to operating/doing business in SEZ – (Please pick top 4 as applicable to your business)

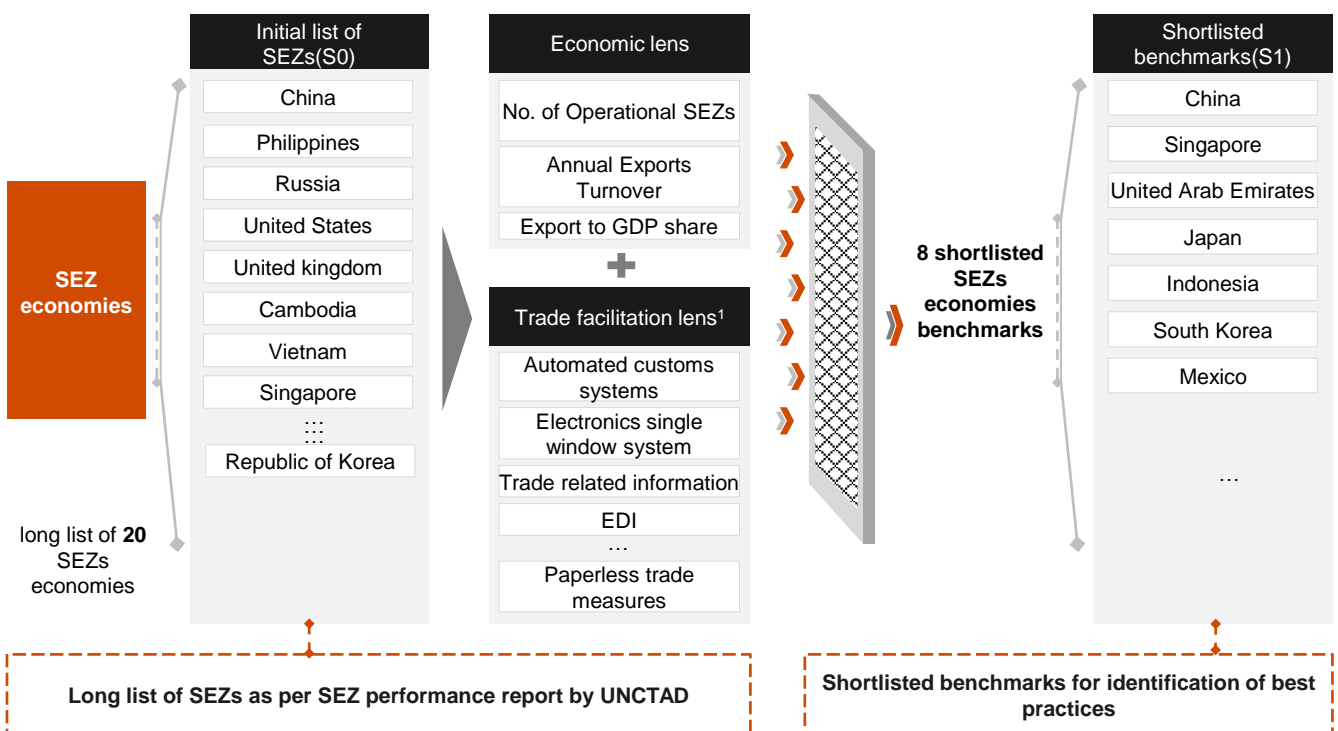
- Internal Infrastructure
- Connectivity Infrastructure
- Procedural hassles
- Multiple approvals
- Clearances
- Dealing with authorities
- Cargo Movement



# 04 Benchmarking

A list of 8 SEZ economies are shortlisted for benchmarking exercise based on the trade facilitation measures implemented and trade performance indicators from a list of 20 SEZ economies













## SEZ Benchmarks shortlisting methodology



1: ranking based of UN global survey on digital and sustainable trade facilitation in SEZ economies





**Benchmark zones are integrating key departments, implementing technology to drive efficiency, offering all customs service at one place and driving capacity building initiatives to enable investors ease (1/3)**

	 	   	  	  
Key authorities onboarded to Single Window	<ul style="list-style-type: none"> <li>• 25 different line ministries to the China international trade single window platform</li> <li>• Government agencies include <b>Industry, transport, central bank, tax, transport, air</b> among others</li> </ul>	<ul style="list-style-type: none"> <li>• Multiple participants including free zone companies, custom authorities, permit authorities and company licensing authorities</li> <li>• Government entities includes <b>Dubai Customs and DP World</b></li> </ul>	<ul style="list-style-type: none"> <li>• Integration of multiple government agencies like <b>Customs and Excise, Port of Singapore Authority, Singapore Telecoms and Civil Aviation Authority of Singapore</b></li> </ul>	<ul style="list-style-type: none"> <li>• Key government ministries like <b>Economy, Trade and Industry, Agriculture, Health, Labor and Welfare, Finance, Justice, Land, Infrastructure, Transport and Tourism</b></li> </ul>
Service offerings	<ul style="list-style-type: none"> <li>• 12 categories of services offered</li> <li>• Procedures in <b>cargo declaration, trade manifest, trade licenses, certificate of origin, permits, unit eligibility, tax payment</b> from one single solution</li> </ul>	<ul style="list-style-type: none"> <li>• Over 800 e-services are offered</li> <li>• Services includes <b>customs clearance approvals, no objection certificate, vehicle clearance, shipping and airline agents, freight forwarding</b></li> </ul>	<ul style="list-style-type: none"> <li>• Services provided to traders, customs and government agencies</li> <li>• Services include <b>permits processing, certificate of origin, automated billing and banking services, cargo declaration</b> and among others</li> </ul>	<ul style="list-style-type: none"> <li>• Wide range of offerings including <b>export/import declarations, berthing and mooring services, manifest generation and quarantine processing</b></li> </ul>
Use of technology	<ul style="list-style-type: none"> <li>• Implementation of <b>Blockchain and AI</b> for safe, secure and streamlined collection and storage of trade database and risk-free transactions</li> </ul>	<ul style="list-style-type: none"> <li>• Adoption of electronic payment solutions including <b>digital currency (E-Dirham)</b></li> <li>• Deployment of <b>digital kiosks</b> at strategic locations to enable staff with automation information</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Secure cloud-based</b> platform for safe, secure and streamlined data collection and transactions across key participants</li> </ul>	-
Value added services	<ul style="list-style-type: none"> <li>• E-auction solutions for leasing of available plots of land for interested investors for setting new units or expansion</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of <b>Tradeshield service</b>, enabling customers to apply and obtain <b>standard cargo insurance policies</b></li> <li>• Facilitate <b>third party services</b> such as professional services including tax, HR services for promoting ease</li> </ul>	<ul style="list-style-type: none"> <li>• <b>E-Banker's Guarantee and revised bonded truck program</b> for eliminating physical visits for banking and custom permits of time-sensitive goods</li> <li>• <b>Logistics service</b> provider are listed in the ERP platform of NTP for SEZ units to manage bookings</li> </ul>	<ul style="list-style-type: none"> <li>• Launched <b>NACCS-I service</b> for <b>collection and analysis</b> of market and trade related data to generate data-based insights for investors</li> </ul>



**Benchmark zones are integrating key departments, implementing technology to drive efficiency, offering all customs service at one place and driving capacity building initiatives to enable investors ease (2/3)**

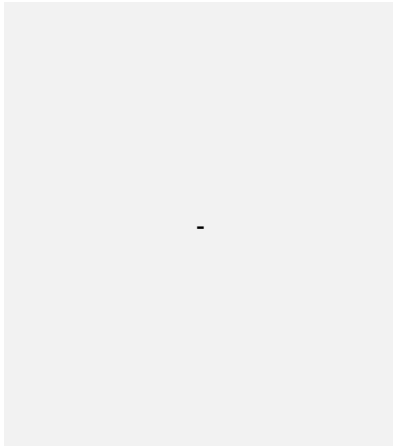
<p><b>Capacity building</b></p>	 <ul style="list-style-type: none"> <li>• <b>Workshops and training sessions</b> that focus on enhancing staff and officers' skills in areas such as <b>regulatory compliance, reporting, trade facilitation, and the use of digital tools.</b></li> </ul>	 <ul style="list-style-type: none"> <li>• <b>Dubai knowledge village</b> offering education and training programs through partnerships with over <b>500</b> institutions</li> <li>• <b>Dubai International Financial Centre</b> offering financial and legal education</li> </ul>	 <ul style="list-style-type: none"> <li>• Specialized training courses and workshops developed by <b>Nanyang Polytechnic (NYP)</b> and <b>Republic Polytechnic (RP)</b>, provided on TradeNet</li> </ul>	 <ul style="list-style-type: none"> <li>• <b>Skill-based trainings and workshops</b> on regulatory compliance, reporting, trade facilitation and digital tools for staff and officers</li> </ul>
<p><b>Key authorities onboarded to SW</b></p>	 <ul style="list-style-type: none"> <li>• <b>18</b> government ministries and agencies integrated into the national single window</li> <li>• Participants include <b>trade, industry, energy, forestry, agriculture, health, environment, central bank, customs, food and drug control</b> among others</li> </ul>	 <ul style="list-style-type: none"> <li>• Integration of <b>9 federal government institutions</b> like <b>finance and public credit, economy, civil services, health, defence, environment and natural resources, public education, energy and agriculture</b></li> </ul>	 <ul style="list-style-type: none"> <li>• Over <b>17</b> government organizations and agencies including <b>food and drug security, quarantine, pharmaceuticals, environmental management and radio research</b> among others</li> </ul>	
<p><b>Service offerings</b></p>	<ul style="list-style-type: none"> <li>• Service offerings include <b>licenses on final import/export permits, recommendation of import/export license, certificate of goods inspection, quarantine inspection permit, certificate of origins</b></li> </ul>	<ul style="list-style-type: none"> <li>• Wide array of services include <b>cargo and clearance management, creation of commercial invoices, digitalization of custom declarations, trade licenses, certificate of origin</b></li> </ul>	<ul style="list-style-type: none"> <li>• Diverse service basket include <b>clearance management, cargo management, information management and business support services</b></li> </ul>	
<p><b>Use of technology</b></p>	<ul style="list-style-type: none"> <li>• <b>Predictive decision supporting system</b> to <b>auto approve</b> documents, by drawing insights from past submissions</li> <li>• <b>Business analytics tools and dashboard</b> to monitor demand and supply and market trends</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Creation of Application Programming Interface (API)</b> to generate custom clearance operation documents with <b>bidimensional QR code</b></li> <li>• QR code helps in <b>tracking</b> all declarations and documents</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Self-learning intelligence engine (machine learning)</b> for intelligent risk management and a faster clearance system that gives <b>auto clearance</b> to low-risk cargo</li> </ul>	



**Benchmark zones are integrating key departments, implementing technology to drive efficiency, offering all customs service at one place and driving capacity building initiatives to enable investors ease (3/3)**



**Key authorities onboarded to SW**

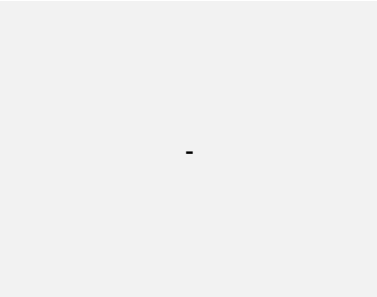


- **Specialized advisory services** for compliance, customs, IT, legal and supply chain optimization for traders and customers

- **General customer service** inquiries will be handled by the **Korea Customer Service team**, while specific questions related to **requirement verification** will be addressed by **representatives from participating organizations**

**Key authorities onboarded to SW**

- Opening **branch campuses from UK universities** in 4 SEZs to provide relevant skill-based industrial trainings to staff and officers



- Provision of **training and educational programs to potential users** to understand and navigate through the single window
- **Help desk team of 20 staff members** to resolve user issues





## Mapping of the study parameters to global best practices suggest new intervention areas zones need to think of to enhance investor ease in the 6 zones

### Approval and compliances



- All government departments critical for approval to set up in zones such as urban planning layout, fire safety etc. along with customs departments can be integrated to national single window portal as evidenced in the benchmark zones
- Integration of several services as part of **the single window portal. Import export procedures, custom procedures, granting of permits** can be routed through the single window portal

### Paperless procedures



- Use of technology to ensure **transparency and track trade transactions** between stakeholders is to be made a key feature in zones
- **Use of services such as e-auction solutions, digital kiosks, predictive decision supporting system, application programming interface (API)** to generate custom clearance operation documents can be prioritised

### Enhancing capacity of officials



- Periodic training of **customs officials** on new modes of compliance mechanism, reporting structure, implication of **FTP regulations**
- Collaboration with **global institutes for** focused training and workshops on trade regulatory and compliance

### Grievance addressal



- Setting up of a **24\*7 helpdesk** in the zones to help with query resolution in terms of delay in granting of permissions, check status of trade manifest items, status of **use of** zone facilities such as warehouses, customs weigh bridges

### Compliance support



- **Specialized advisory services** for units compliance, customs, IT, legal and supply chain optimization for traders and customers





## 05 Study Results

**Enhancement of electricity and waste infrastructure, implementation of wider PNG connection and automated waste collection system in the immediate term to ease investor concerns across SEZs (1/2)**

### Zone action points: Infrastructure

Challenge Area	Action point	NSEZ	KASEZ	VSEZ	MEPZ	CSEZ	SEEPZ
<b>Availability and quality of water infrastructure</b>	<ul style="list-style-type: none"> <li>Augment the existing piped water connection in the zone, replacement of worn-out pipe infrastructure</li> <li>Provision of rainwater harvesting system</li> </ul>	✓	✓	✓*	✓	✓	✓
<b>Availability and quality of waste infrastructure</b>	<ul style="list-style-type: none"> <li>Installation of periodic and automated waste collection system</li> <li>Enhance capacity of STP, ETPs as per requirement</li> </ul>	✓	✓	✓*	✓	✓	✓
<b>Availability and quality of electricity infrastructure</b>	<ul style="list-style-type: none"> <li>Rationalization of electricity tariffs as per benchmarks</li> <li>Provision for the installation of solar panels in the SDFs</li> <li>Provision for set up substations within the zones</li> </ul>	✓		✓*	✓	✓	✓

Immediate priority

Medium priority

\* Based on limited responses



## Enhancement of electricity and waste infrastructure, implementation of wider PNG connection and automated waste collection system in the immediate term to ease investor concerns across SEZs (2/2)

### Zone action points: Infrastructure

Challenge Area	Action point	NSEZ	KASEZ	VSEZ	MEPZ	CSEZ	SEEPZ
<b>Availability and quality of gas infrastructure</b>	<ul style="list-style-type: none"> <li>Wider rollout of PNG connection to units in the zone</li> </ul>	✓	✓		✓		✓
<b>Availability and quality of business support infrastructure</b>	<ul style="list-style-type: none"> <li>Provision and improvements in parking facilities, lifts in buildings</li> <li>Periodic renovation and maintenance of SDF facilities, empanel single agency for all infrastructure management will enhance better coordination</li> </ul>	✓		✓*	✓	✓	✓
<b>Availability and quality of internal infrastructure</b>	<ul style="list-style-type: none"> <li>Periodic maintenance and widening of internal roads wherever required</li> <li>Availability of public transport modes within the SEZ</li> </ul>		✓	✓*	✓	✓	✓
<b>Availability and quality of network connectivity</b>	<ul style="list-style-type: none"> <li>Provision and maintenance of OFC network within the zone</li> </ul>		✓		✓		✓

Immediate priority
  Medium priority
 \* Based on limited responses





## Rollout of single window, dealing with third party agencies, multiple procedure cycle and customs working hours as immediate priority set of actions

### Zone action points: Regulatory pillar

Challenge Area	Action point	NSEZ	KASEZ	VSEZ	MEPZ	CSEZ	SEEPZ
<b>Functional single window</b>	<ul style="list-style-type: none"> <li>All state departmental approvals to be routed through single window</li> <li>Enhancing the capacity of the single window platform to accommodate all custom services</li> </ul>	✓	✓	✓*	✓	✓	✓
<b>Dealing with third party agencies</b>	<ul style="list-style-type: none"> <li>DC office to be sole point of contact for any third-party approvals (e.g.: testing agencies, infra management companies)</li> </ul>	✓	✓	✓*	✓	✓	✓
<b>Working hours of the customs</b>	<ul style="list-style-type: none"> <li>Provisions to be made for 24/7 availability of customs window</li> </ul>	✓	✓	✓*	✓	✓	✓
<b>Temporary removal procedures</b>	<ul style="list-style-type: none"> <li>Provision to include temporary removal without return feature, “deemed permit” feature on repair goods, single procedure</li> </ul>	✓	✓	✓*	✓	✓	✓
<b>Multiple permits for same procedure</b>	<ul style="list-style-type: none"> <li>Enable digital interface for permission requests to reduce multiple approval cycle</li> </ul>	✓	✓	✓*	✓	✓	✓
<b>Broad banding of HS codes</b>	<ul style="list-style-type: none"> <li>Broad banding to be allowed basis the entire chapter requested by the units not on individual products except prohibited goods</li> </ul>		✓		✓		✓
<b>Manpower availability</b>	<ul style="list-style-type: none"> <li>Augmentation of workforce capacity at the customs to cater to regular movement of goods</li> </ul>		✓		✓		✓



Immediate priority



Medium priority

\* Based on limited responses



## Summary of key challenges experienced by units across 6 SEZs

### 1 Availability and quality of Infrastructure (internal, external)

Nonperiodic maintenance of **electricity** lines, frequent outages and higher tariffs

- Intermittent electricity outages lasting 1-3 hours during peak operational hours negatively impact industrial productivity in SEZs
- The utilization of **diesel generators** for power backup has resulted in **elevated pollution levels** within the zones
- In specific zones, industrial units have voiced concerns regarding **electricity tariffs** that are on the higher side
- Maintenance of overhead power lines is currently executed in an ad hoc manner, lacking a proactive preemptive approach

Unavailability of piped water connection, higher TDS and substandard material quality

- Suboptimal water quality exhibiting TDS within the range of **1000-1500 PPM** renders it unsuitable for several industry applications
- Elevated water salinity levels in some SEZs lead to regular **pipeline ruptures** within SDFs and contribute to rust formation
- In certain SEZs, units rely upon privately contracted tanker services due to the absence of accessible piped water infrastructure

Unavailability of PNG connection in the zones, units dependent on private LPG cylinder

- Piped natural gas (PNG) connection is rolled out in NSEZ but its coverage is limited to some parts of the zone. Other SEZs does not have a PNG connection
- Smaller units manage requirement on their own through use of cylinders, additional compliance on procuring cylinders from vendors outside

Unavailability of fibre optic leased line in zones, poor planning in maintenance of cable network

- Wider rollout of fiber optic leased line remains a concern area for NSEZ, No OFC cabling available in the rest of zones
- Units use private ISP broadband services as there is no common provision
- Frequent disruptions in factory work due to **poor planning** in maintenance works of existing OFC network in the gems and jewellery buildings in SEEPZ

Inadequate sewage infrastructure, clogged drainage networks during rainfall, non-periodic waste management

- No existing **STP** in several of the zones, same network is used for storm water runoff and sewage leading to creation of choke points, flooding experienced during rainfall due to inadequate exit points
- Maintenance of common infrastructure by **multiple agencies** cause hassle for unit as they coordinate with multiple bodies
- Garbage collection of municipal waste is an **ad-hoc process** leading to accumulation outside units

Outdated buildings, structural issues and nonperiodic maintenance of SDFs, inadequate common facilities

- Standard design factories present in the unit are dated and have structural issues such as **seepage, poor build quality and building material** (pipes, window-panes etc.)
- Internal roads have width issues, potholes and not in higher level to the drainage network
- Common **canteen facilities** are limited inside the SEZ, no proper demarcation of 2-wheeler/4 wheeler parking facilities in zones



## Summary of key challenges experienced by units across 6 SEZs

### 2 Infrastructure interventions

Periodic and predictive maintenance of power lines, provision of solar power supply

- Power shutdown for repair and maintenance to be carried out on weekends instead of working days
- Provision of solar power supply to be made within the zone, routing of solar power on top of SDFs to units can be thought of
- Rationalization of electricity tariffs in case of SEEPZ
- Predictive maintenance to be prioritized over reactive maintenance

Provision of rainwater harvesting, increasing frequency of piped water supply, better choice of pipeline material

- Alternate material for water pipes can be used in standard design factory units of the zones to deal with rust issues
- Set up of storage tanks within SEZs, enhancement of pipeline infrastructure wherever applicable
- Setting up of rainwater harvesting in the zones will alleviate water supply crisis in the short to medium term

Faster rollout of PNG and common internet infrastructure

- Provision for reliable piped natural gas connection in the zone to all units
- Wider and faster rollout of piped gas connection to the zones remain a key priority ask of the units
- Provision of reliable internet leased lines to be made available in the zones

Setting up of sewage treatment plants, road widening, sewage lines and automated waste collection mechanism

- Setting up of individual STPs within the zones to treat and return recycled water for use in the zone
- Separate network infrastructure for sewage waste and storm water runoff and increased coverage of drainage network
- Installation of automated waste collection mechanism for better disposal of municipal waste
- Single consortium or single contractor for common infrastructure maintenance works instead of multiple agencies

Augment SDFs infrastructure, demarcation of parking facilities and provision of common facilities

- Empanel SDF maintenance works agency in zones, provision of separate lifts for goods and people movements at SDFs
- Improvement in parking and clearance facilities, setting up of courier services and foreign banks within the zone
- Rollout of public transportation modes such as EV rickshaws for movement of people in the SEZ beyond working hours
- Separate entry gates for people and goods wherever applicable, renovation and capacity enhancement of canteen facilities



## Summary of key challenges experienced by units across 6 SEZs

### 3 Regulatory Environment (Operations within SEZ and dealing with DTA)

Non-functional single window clearance, EDI integration, validity of LOP

- **10-12** different department approvals (municipal, fire fighting, pollution, plot layout etc.) is required to obtain LOA, units appoint separate consultants to obtain department approvals
- Validity of letter of permission allotted to units is a key concern across zones, the current duration is only **5** years
- **EDI** Integration(ICEGATE) to KASEZ and VSEZ is not available

Multiple and manual approvals, slow process in broadbanding of goods

- There are multiple endorsements which are required to be made both **offline as well as online** in the zones. e.g.: filing of APRs, BLuTs, LoAs, shipping bills, bills of entry
- Broad banding of new items in the LOA/LOP, products under new HS codes take **2-3** months to be approved to the unit LOP
- Multiple filing of shipping bills for each of **scrap materials** such as plastic, metals etc. is an added procedural step for units

Obtaining permissions from authorities, working of approval committee, inadequate capacity

- Request for amendment to bill of entry take **3** days to process in some cases,
- Assessment of shipment request by appraising officer takes **4-6 hours** from the time of request in NSDL platform
- Estate management division in case of **SEEPZ** has manpower issues, requires strengthening in manpower capacity
- Approval from working committee takes **2-3 months**, frequency of committee meetings is a concern

Tedious procedures in DTA transactions, GST implication on reject goods

- Return of defective goods to **DTA suppliers** attracts GST to units, takes **2-3 days** to obtain temporary removal permission
- Separate permissions for individual **subcontracting operations** conducted outside SEZ
- Procedures in relation to temporary removals for sample goods are treated at par with traded goods, no temporary removal without return feasibility

Unavailability of 24\*7 clearance, dealing with multiple agencies

- The SEZ customs window is limited to some parts of the day, not operational beyond 17:30 Hrs and is available only for few hours on weekend, leading to delay in dispatch of goods from the SEZ
- Obtaining approvals from other agencies (testing etc) is a hassle. e.g. for alcohol sample testing for perfumery industries, units deal with FDA approvals without intervention from SEZ authority



## Summary of key challenges experienced by units across 6 SEZs

### 4 Regulatory Environment (Operations within SEZ and dealing with DTA)

Single window functionality, extension of LOP validity

- All state departmental approvals to be provided through single window
- **DC** office to be sole point of contact for any third-party approvals (testing agencies)
- Validity of LOP to be extended from 5 to at least 10 years
- Auto transmitting of transaction data from SEZ online to ICEGATE, enabling EDI in zones where applicable

Simpler broadbanding rules, paperless procedures across unit lifecycle

- Broad banding to be allowed basis the entire chapter requested by the unit not on individual products leaving prohibited goods
- Procedure related to approval in setting up unit as well as conducting day to day operations can be made only in one mode preferably online
- Uniform treatment of scrap goods will reduce unnecessary procedure

Increasing number of approval committee meetings, strengthening of bodies, digital enablement

- Digital transformation in maintenance works request and service will enable transparency in ownership
- Faster response time on approval requests related to amendments, exit of shipping goods
- Augmenting estate management capacity, increasing frequency of approval committee meetings

Simpler DTA procedures related to sales and temporary removal for repair and sample goods

- Temporary removal without return functionality to be provisioned for sample goods
- GST exemption on return of reject goods, simpler procedure for vendor LUT to supply goods to SEZ
- Provision of "deemed permit" on repair goods if not granted for more than a week
- Single temporary removal procedure for entry and return of goods

Availability of alternate personnels, provision of 24\*7 clearance

- Provisioning of multiple shifts at customs during certain hours can mitigate manpower unavailability
- The customs window for exiting goods can be made operational for extended hours and can follow the guidelines of 24\*7 customs clearance

# 5.1 NOIDA SEZ

## Study Results

- a** | Outreach and response
- b** | Infrastructure gaps and action plan
- c** | Regulatory gaps and action plan



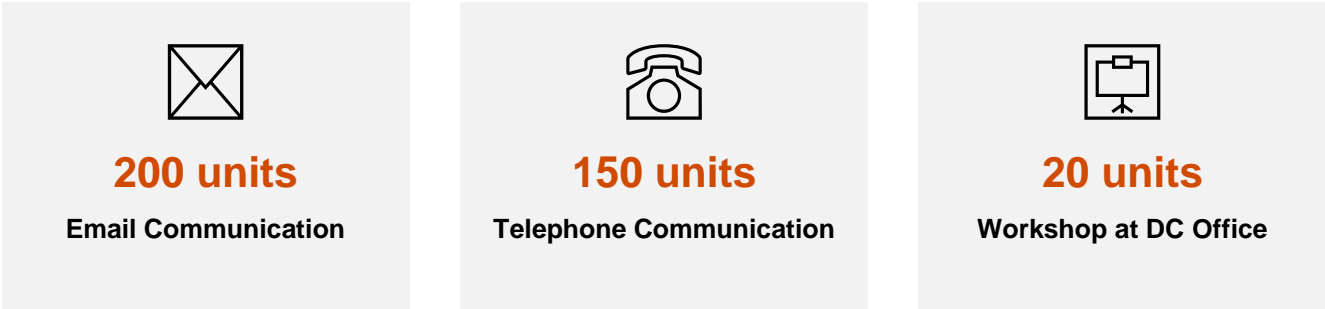




58 of the units in NSEZ representing manufacturing and services sectors have been engaged through a mix of physical interviews and online survey forms

**NSEZ: outreach and responses**

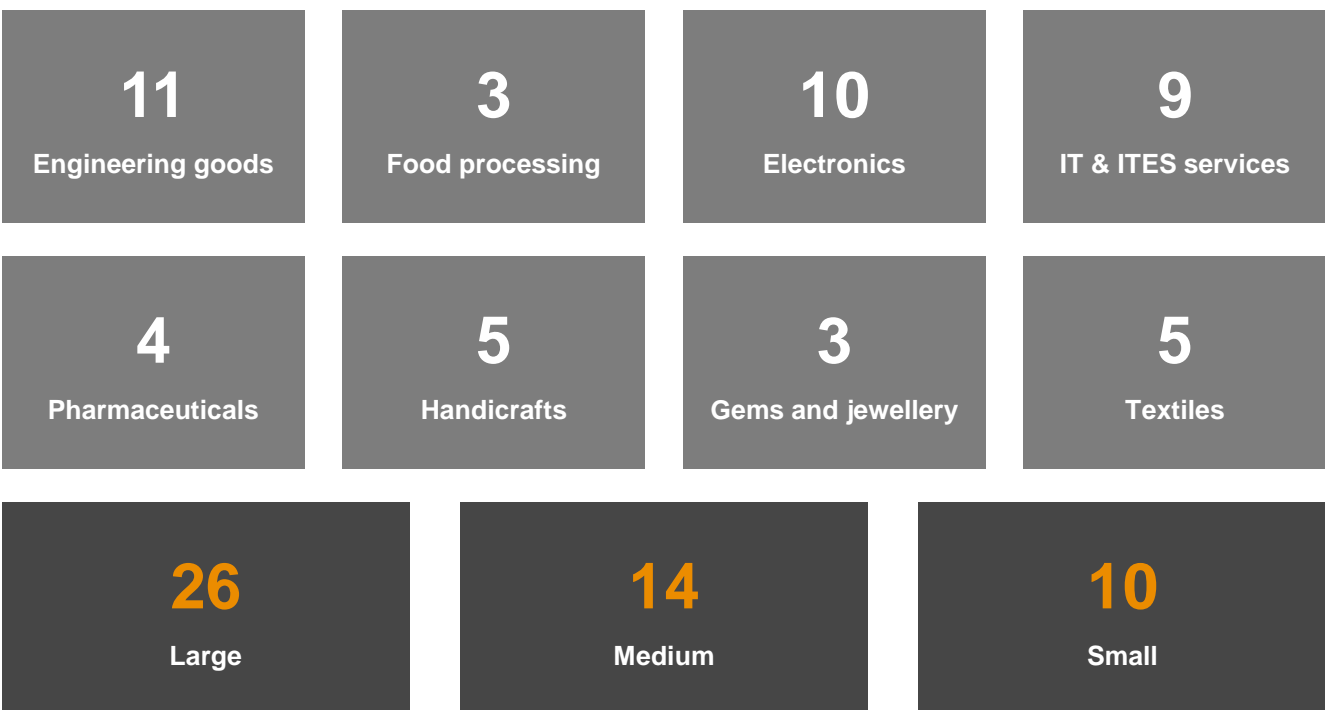
Investor reach out



Investor responses



Investor units from 8 different sectors and 3 categories in the zone have participated in the survey





**Frequent power outages, quality of overhead lines are impacting manufacturing productivity for key sectors engaged in the zone; periodic maintenance and replacement of faulty lines shall alleviate investor concerns**

Infrastructure: Internal and External			
Pillar	Sub Pillar	Gaps	Interventions
Utility	Electricity	<ul style="list-style-type: none"> <li>Frequent electricity outage ranging from 1-3 hours during peak hours</li> <li>Maintenance of overhead power lines is on an ad-hoc basis</li> <li>Diesel generators for power backup leading to pollution</li> </ul>	<ul style="list-style-type: none"> <li>Pre-emptive maintenance and replacement of faulty overhead power lines.</li> <li>Development of a substation in the vicinity of NSEZ for uninterrupted supply</li> <li>Provision of solar power supply to be made within the zone</li> </ul>
	Water	<ul style="list-style-type: none"> <li>No provision for potable water supply in the zone</li> <li>Inadequate water supply, poor water quality with a TDS of over 1000 ppm</li> <li>Frequent rupturing of power lines due to high salt content in the water</li> </ul>	<ul style="list-style-type: none"> <li>Provision of quality potable water in the zone</li> <li>Alternate material for water pipes to avoid ruptures</li> </ul>
	Gas	<ul style="list-style-type: none"> <li>Limited coverage of PNG connection in the zone</li> <li>Smaller units fulfil their requirements through expensive gas cylinders</li> </ul>	<ul style="list-style-type: none"> <li>Rollout of PNG connection to units in the zone</li> </ul>
	Internet	<ul style="list-style-type: none"> <li>Limited bandwidth capacity in the zone, boosters required</li> <li>Weak strength in mobile network connectivity in several pockets</li> </ul>	<ul style="list-style-type: none"> <li>Provision for setting a mobile tower inside the SEZ</li> <li>Provision of higher bandwidth capacity for IT services units</li> </ul>
Common Infrastructure	Internal roads	<ul style="list-style-type: none"> <li>Upkeep of the road is an issue highlighted by the units</li> </ul>	<ul style="list-style-type: none"> <li>Periodic maintenance, road widening of the internal roads</li> </ul>
	Sewage and drainage	<ul style="list-style-type: none"> <li>No STP and ETP within the zone</li> <li>Drainage infrastructure at a higher level than internal road causes floods in many pockets during monsoon</li> <li>Storm water drainage and sewage network are connected leading to development of chokepoints</li> </ul>	<ul style="list-style-type: none"> <li>Construction of a central STP for recycling water</li> <li>Provision of sperate network infrastructure for sewage waste and storm water runoff</li> <li>Alignment of elevation of drains and internal roads</li> </ul>
	Waste management	<ul style="list-style-type: none"> <li>Ad-hoc waste collection process leading to accumulation of waste outside the units</li> </ul>	<ul style="list-style-type: none"> <li>Installation of automated waste collection system</li> </ul>



**Business support infrastructure is lagging in quality and capacity in the SEZ...timely renovation of SDF facilities, enhancing existing infrastructure hold priority for investors in the zone**







Infrastructure: Internal and External			
Pillar	Sub Pillar	Gaps	Interventions
Business Support Infrastructure	Standard design factories (SDFs)	<ul style="list-style-type: none"> <li>Outdated SDFs with structural issues such as seepage, poor build quality, poor building and building material</li> <li>Limited common canteen facility with zone. Basic hygiene is a concern</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of a SDF maintenance authority</li> <li>Improvement in the fire safety mechanism</li> <li>Maintenance of material lift</li> </ul>
	Parking	<ul style="list-style-type: none"> <li>The zone has no large size parking facility to cater to the demand from employee vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Provision of multi-parking facility</li> <li>Provision of a more accessible and improved public transport infrastructure</li> </ul>
	Storage and warehousing	<ul style="list-style-type: none"> <li>Poor utilization level of central warehouse, primarily for gems and jewellery shipment. Units majorly store their goods in-house</li> </ul>	<ul style="list-style-type: none"> <li>Provision of standard storage spaces at the ground level for efficient storage and transit of goods</li> </ul>
	Public transportation modes	<ul style="list-style-type: none"> <li>Workers have to walk from zone entry gate to the units due to unavailability of transportation modes</li> </ul>	<ul style="list-style-type: none"> <li>Provision for transportation modes for people movement</li> </ul>
	Zone entry exit infrastructure	<ul style="list-style-type: none"> <li>No separate gates for movement of workers and goods, leading to traffic in peak hours</li> </ul>	<ul style="list-style-type: none"> <li>Provision of separate gates for the movement of goods and people</li> </ul>





**EPCES can prioritise setting up of solar rooftop panels, enhancement in wastewater infrastructure, provision of parking facilities and renovations in the SDFs in the immediate term to ease investor concerns in the NSEZ**

**Zone’s action plan: Internal and External Infrastructure pillar**

Assessment Pillar	To do list
<p><b>Water infrastructure</b></p> 	<ul style="list-style-type: none"> <li>• Augment the existing piped water capacity in the zone, conduct replacement of worn-out pipe infrastructure</li> <li>• Provisioning of rainwater harvesting system to accommodate for shortfall of water</li> </ul>
<p><b>Waste infrastructure</b></p> 	<ul style="list-style-type: none"> <li>• Conduct periodic maintenance of sewage network, develop a central STP inside the SEZ to facilitate use of recycle water</li> <li>• Installation of periodic and automated waste collection system</li> <li>• Develop separate infrastructure for sewage waste and storm water runoff and increase coverage of drainage network</li> <li>• Enhance capacity of sewage treatment plant, effluent treatment plants as per industry requirement</li> </ul>
<p><b>Electricity infrastructure</b></p> 	<ul style="list-style-type: none"> <li>• Conduct preemptive maintenance of existing overhead power lines and immediate replacement of faulty power lines</li> <li>• Provision for routing of the SDF solar supply for use of units</li> <li>• Develop a substation in the vicinity of the Noida SEZ</li> </ul>
<p><b>Network Infrastructure</b></p> 	<ul style="list-style-type: none"> <li>• Provision for high bandwidth optical fiber connection to be made available to the zones</li> <li>• Setting up a mobile tower inside the SEZ to alleviate investor concerns</li> </ul>
<p><b>Gas infrastructure</b></p> 	<ul style="list-style-type: none"> <li>• Prioritise faster and wider rollout of PNG connection to units with no connection</li> </ul>
<p><b>Business support infrastructure</b></p> 	<ul style="list-style-type: none"> <li>• Provision for separate parking facilities for 2 wheelers and 4 wheelers, upkeep of lifts in standard design factory buildings</li> <li>• Periodic renovation and maintenance of SDF facilities, empanel single agency for all infrastructure management</li> <li>• Enable pay per use model for warehouse utilisation, build separate entry gates for movement of goods and people</li> <li>• Provision for public transportation modes within the zone to facilitate workers movement within the zone</li> </ul>






**Non-functional single window, multiple approval procedures and inefficient customs operations are top challenges faced by units in SEZ; single mode of approvals, paperless procedure and faster data integration are the top suggestions from units in the SEZ to promote ease in compliance**

Regulatory Environment			
Pillar	Sub Pillar	Gaps	Interventions
<b>Approvals and compliances</b>	<b>Single window mechanism</b>	<ul style="list-style-type: none"> <li>No functional single window in the SEZ</li> <li>Integration of SEZ Online to ICEGATE is not provisional in the SEZ</li> </ul>	<ul style="list-style-type: none"> <li>All state departmental approvals to be provided through single window</li> <li>DC office to be sole point of contact for any third-party approvals (testing agencies)</li> <li>Improving the capacity of the single window platform</li> </ul>
<b>Dealing with authorities</b>	<b>Permissions</b>	<ul style="list-style-type: none"> <li>Multiple endorsements required to be made both online and offline, causing delays</li> <li>Separate permissions required for each subcontracting operation outside the SEZ</li> </ul>	<ul style="list-style-type: none"> <li>Provision of single trading license for multiple trade activities</li> <li>Provision for single procedure for conducting all subcontracting operations</li> </ul>
	<b>Working of administrative office</b>	<ul style="list-style-type: none"> <li>Custom window is not operational 24/7</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in lease rent for the units and concessions for small units</li> <li>Provision of 24/7 operational customs window</li> </ul>
<b>Domestic Tariff area procedures</b>	<b>Temporary removal</b>	<ul style="list-style-type: none"> <li>Processes for temporary removal treated at par with goods for export/import, causing delays</li> <li>Multiple documents for shipment of various scrap goods</li> <li>Procedural delays in temporary removal of defect goods</li> </ul>	<ul style="list-style-type: none"> <li>Provision of 24/7 availability of subcontracting and temporary removal services</li> <li>Provision for temporary removal without return feature for sample goods</li> </ul>
<b>Misc.</b>		<ul style="list-style-type: none"> <li>Unavailability of key technical personnel for approvals when designated officials are on leave</li> </ul>	<ul style="list-style-type: none"> <li>Augmentation of workforce capacity at the customs to cater to large requests for processing of documents</li> </ul>



**The zone needs to operationalise single window, streamline third party interactions through development commissioner office, accommodate for 24/7 customs window, implement single procedure documents for several of the processes**

**Zone's action plan: Regulatory pillar**

Assessment Pillar	To do list
<p><b>Functional single window</b></p> 	<ul style="list-style-type: none"> <li>• Initiate single window mechanism to route all government departmental approvals granted to the units</li> <li>• Enhance capacity of the single window platform to include all custom services</li> </ul>
<p><b>Broad banding of goods</b></p> 	<ul style="list-style-type: none"> <li>• Enable faster addition of additional export items and their HS codes to the approved list of unit export items</li> </ul>
<p><b>Dealing with third party agencies</b></p> 	<ul style="list-style-type: none"> <li>• Route all third-party approvals (e.g., testing agencies) through the development commissioner office</li> </ul>
<p><b>Working of the customs, authority</b></p> 	<ul style="list-style-type: none"> <li>• Ensure 24/7 availability of customs window as well as availability of customs officials on weekends</li> <li>• Appoint sufficient technical staff for better management of trade permit requests from unit representatives</li> <li>• Increase the number of unit approval committee meetings to at least 2 in a month</li> </ul>
<p><b>Temporary removal</b></p> 	<ul style="list-style-type: none"> <li>• Include temporary removal without return feature for sample goods, include "deemed permit" feature on return of repair goods</li> <li>• Implement single procedure document for conducting of all subcontracting operations</li> </ul>
<p><b>Permits for procedure</b></p> 	<ul style="list-style-type: none"> <li>• Implement single procedure document for all types of scrap materials to be provisioned</li> <li>• Implement single letter of undertaking procedure to simplify sale of goods from unit's vendor in domestic tariff area</li> <li>• Enable digital interface for permission requests to reduce multiple approval cycle</li> </ul>

## 5.2 SEEPZ

### Study Results

- a** | Outreach and response
- b** | Infrastructure gaps and action plan
- c** | Regulatory gaps and action plan

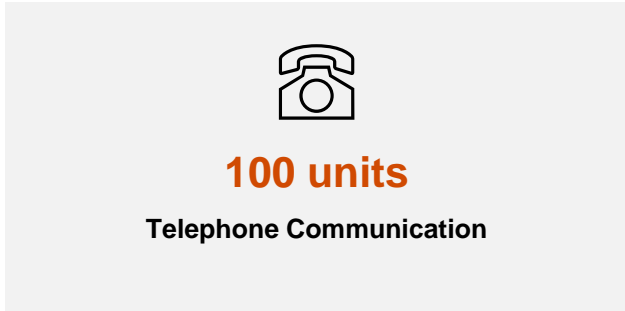
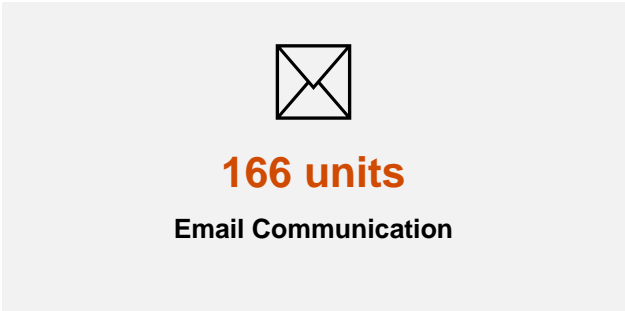




27 of the units in SEEPZ representing manufacturing and services sectors have been engaged through a mix of physical interviews and online survey forms

**SEEPZ: outreach and responses**

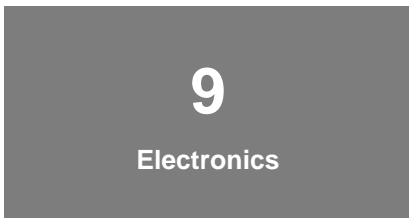
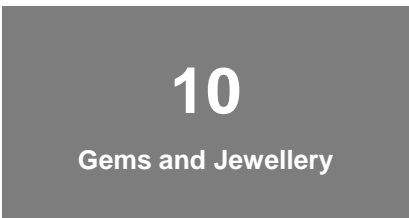
Investor reach out



Investor responses



**Investor units from 5 different sectors in the zone have participated in the study**







**Higher power tariffs, inter agency conflicts in infrastructure maintenance, old waste infrastructure are key investor concerns for the SEEPZ zone**

Infrastructure: Internal and External			
Pillar	Sub Pillar	Gaps	Interventions
Utility	Electricity	<ul style="list-style-type: none"> <li>Electricity tariffs are a concern for the SEZ</li> </ul>	<ul style="list-style-type: none"> <li>Rationalisation of electricity tariffs to reflect with national benchmarks</li> </ul>
	Water	<ul style="list-style-type: none"> <li>Inter-agency conflicts between MIDC and BMC impacting water supply for the last 2 year</li> <li>Units face disruptions in water supply once every 3 months</li> <li>Higher water tariffs are a concern for the units</li> </ul>	<ul style="list-style-type: none"> <li>Setting up of rainwater harvesting in the zone will alleviate water supply crisis in the short to medium term</li> <li>Single authorized agency for supply of water to the zone will alleviate hassle of dealing with multiple agencies from unit's perspective</li> </ul>
	Gas	<ul style="list-style-type: none"> <li>PNG connection is not available in the zone</li> <li>Additional permission required to purchase gas cylinders from outside</li> </ul>	<ul style="list-style-type: none"> <li>Faster rollout of PNG connection to units in the zone</li> <li>Grant procurement of cylinders without procedural document in the short term</li> </ul>
	Internet	<ul style="list-style-type: none"> <li>Frequent disruptions in factory work due to poor planning in maintenance works of existing OFC network</li> </ul>	<ul style="list-style-type: none"> <li>Digital monitoring of OFC lines to actuate pre-emptive maintenance, along with maintaining network redundancy for backup</li> <li>Inhouse service team of network service provider in the zone for prompt service delivery</li> </ul>
Common Infrastructure	Internal roads	<ul style="list-style-type: none"> <li>Internal roads are narrow, with potholes and non-functional speed breakers</li> </ul>	<ul style="list-style-type: none"> <li>Periodic maintenance, and road widening of the internal roads</li> </ul>
	Sewage and drainage	<ul style="list-style-type: none"> <li>Flooding during downpour due to inadequate, worn-out sewage and drainage infrastructure</li> <li>Old drainage infrastructure with cables passing through the network creating choke points</li> <li>Sewage line does not have covering, emitting bad odour</li> <li>Maintenance of common infrastructure by multiple agencies causes hassle for units as they then coordinate with multiple bodies</li> </ul>	<ul style="list-style-type: none"> <li>Single consortium or single contractor for common infrastructure maintenance works</li> <li>Provision for replacement and construction of a separate drainage infrastructure to avoid chokepoints</li> </ul>



**Sporadic waste collection frequency, poor build quality of SDFs and congestion in road network for faster goods turnaround are among the key concerns of investors**








Infrastructure: Internal and External			
Pillar	Sub Pillar	Gaps	Interventions
	<b>Waste management</b>	<ul style="list-style-type: none"> <li>No waste collection system</li> </ul>	<ul style="list-style-type: none"> <li>Automated unit waste collection system can be rolled out</li> </ul>
<b>Business Support Infrastructure</b>	<b>Standard design factories (SDFs)</b>	<ul style="list-style-type: none"> <li>Poor building quality and elevation conditions, leakages, unavailability of firefighting systems and lack of immediate evacuation systems in the SDFs</li> <li>Poor functionality of common lift for goods and people movement</li> <li>Structural issues like leakages, chipped walls, etc.</li> <li>No agency for maintenance of SDFs</li> </ul>	<ul style="list-style-type: none"> <li>Separate lifts for goods and people movement</li> <li>Empanel SDF maintenance works agency</li> </ul>
	<b>Parking</b>	No proper demarcation of 2-wheeler/4 wheeler parking facilities in the SEZ	Provision of designated parking facilities for various types of vehicles
<b>External Infrastructure</b>	<b>Gateway Infrastructure</b>	Traffic congestion between airport, port and the zone	Feasibility check for an alternate route to the zone





**EPCES can prioritise enhancement in sewage infrastructure, provision of an emergency evacuation plan and rollout of PNG connection in the immediate term to ease investor concerns in SEEPZ**

**Zone’s action plan: Internal and External Infrastructure pillar**

Assessment Pillar	To do list
<p>Water infrastructure</p> 	<ul style="list-style-type: none"> <li>• Establishment of a dedicated rain water harvesting system in the zone</li> <li>• Rationalization of water tariffs as per zone benchmarks</li> <li>• Appoint a single agency to supply water to the zone</li> </ul>
<p>Waste infrastructure</p> 	<ul style="list-style-type: none"> <li>• Installation of periodic and automated waste collection system</li> <li>• Replacement of worn out sewage lines and construction of a separate drainage infrastructure to avoid chokepoints</li> </ul>
<p>Electricity infrastructure</p> 	<ul style="list-style-type: none"> <li>• Rationalization of electricity tariffs as per industry benchmarks</li> </ul>
<p>Network Infrastructure</p> 	<ul style="list-style-type: none"> <li>• Ensure digital monitoring of OFC lines to actuate pre-emptive maintenance whenever there is a network failure</li> <li>• Prioritize formulation of a fixed maintenance schedule outside working hours</li> </ul>
<p>Gas infrastructure</p> 	<ul style="list-style-type: none"> <li>• Provision for separate demarcation for different vehicles in the parking facilities</li> <li>• Establishment of an SDF maintenance authority and periodic renovation and maintenance of SDF facilities and lifts</li> <li>• Provision for an immediate evacuation system in the SDF</li> </ul>
<p>Internal roads</p> 	<ul style="list-style-type: none"> <li>• Road widening and maintenance of road amenities such as speed breakers etc. to be taken up in short term</li> </ul>
<p>External connectivity</p> 	<ul style="list-style-type: none"> <li>• Conduct a feasibility analysis for an alternate route to the gateway infrastructure such as ports, airports</li> </ul>






**Non-functional single window, multiple approval procedures and inefficient customs operations are top challenges faced by units in SEZ; single mode of approvals, paperless procedure and faster data integration are the top suggestions from units in the SEZ to promote ease in compliance**

Regulatory Environment			
Pillar	Sub Pillar	Gaps	Interventions
Approvals and compliances	Single window mechanism	<ul style="list-style-type: none"> <li>No single window mechanism in the SEZ</li> <li>10-12 different department approvals (BMC, firefighting, pollution, plot layout etc.) required to obtain letter of approval</li> </ul>	<ul style="list-style-type: none"> <li>All state departmental approvals to be provided through single window</li> <li>DC office to be sole point of contact for any third-party approvals (testing agencies)</li> <li>Improving the capacity of the single window platform</li> </ul>
	Addition of new HS codes	<ul style="list-style-type: none"> <li>Broad banding of new items in the LOA/LOP, products under new HS codes take 2-3 months to be approved to the unit LOP</li> </ul>	<ul style="list-style-type: none"> <li>Broad banding to be allowed basis the entire chapter requested by the unit not on individual products leaving prohibited goods</li> </ul>
Dealing with authorities	Permissions	<ul style="list-style-type: none"> <li>Manual forms for getting work done from multiple agencies responsible for maintenance works</li> </ul>	<ul style="list-style-type: none"> <li>Digital transformation in maintenance works request and service will enable transparency in ownership</li> <li>Allowing setting up of courier services in the non-processing zone of the SEZ will eliminate additional compliance for units</li> </ul>
	Working of administrative office	<ul style="list-style-type: none"> <li>Poor strength in manpower capacity</li> <li>SEZ relevance on notification in any amendments to foreign trade policy is not stated clearly</li> </ul>	<ul style="list-style-type: none"> <li>Foreign trade policy (FTP) notifications should provide guidance on applicability to SEZ units</li> </ul>
Domestic Tariff area procedures	Sales	<ul style="list-style-type: none"> <li>Domestic sale of goods attract duty plus GST on export FOB value (Overhead + profits) and not on input costs, making sales uncompetitive in domestic markets</li> </ul>	<ul style="list-style-type: none"> <li>Provision for reduced tariffs for DTA sales or RoDTEP benefits</li> </ul>
	Temporary removal	<ul style="list-style-type: none"> <li>GST paid on TR-6 challan by buyers of scrap goods from units is not reflected on GST portal, and hence buyers don't receive credit on their purchase</li> <li>10-15 days delay in granting of permissions for repair request</li> </ul>	<ul style="list-style-type: none"> <li>Provision of "deemed permit" on repair goods if not granted for more than a week</li> <li>Single TR procedure for entry and return of goods</li> </ul>
Misc.		<ul style="list-style-type: none"> <li>High rates (INR 60,000/ton) charged by the nominated agency for disposal of hazardous waste is a concern for electronics units</li> </ul>	<ul style="list-style-type: none"> <li>Rationalisation measures for reduction of tariff and aligning it with benchmark rates</li> </ul>



**The zone needs to operationalise single window, streamline third party interactions through development commissioner office, accommodate for 24/7 customs window, implement single procedure documents for several of the processes**

**Zone's action plan: Regulatory pillar**

Assessment Pillar	To do list
<p><b>Functional single window</b></p> 	<ul style="list-style-type: none"> <li>• Initiate single window mechanism to route all government departmental approvals granted to the units</li> <li>• Enhance capacity of the single window platform to include all custom services</li> </ul>
<p><b>Broad banding of goods</b></p> 	<ul style="list-style-type: none"> <li>• Enable faster addition of additional export items and their HS codes to the approved list of unit export items</li> </ul>
<p><b>Dealing with third party agencies</b></p> 	<ul style="list-style-type: none"> <li>• Route all third-party approvals (e.g., testing agencies) through the development commissioner office</li> </ul>
<p><b>Working of the customs, authority</b></p> 	<ul style="list-style-type: none"> <li>• Ensure 24/7 availability of customs window as well as availability of customs officials on weekends</li> <li>• Appoint sufficient technical staff for better management of trade permit requests from unit representatives</li> <li>• Increase the number of unit approval committee meetings to at least 2 in a month</li> </ul>
<p><b>Temporary removal</b></p> 	<ul style="list-style-type: none"> <li>• Include temporary removal without return feature for sample goods, include "deemed permit" feature on return of repair goods</li> <li>• Implement single procedure document for conducting of all subcontracting operations</li> </ul>
<p><b>Permits for procedure</b></p> 	<ul style="list-style-type: none"> <li>• Implement single procedure document for all types of scrap materials to be provisioned</li> <li>• Implement single letter of undertaking procedure to simplify sale of goods from unit's vendor in domestic tariff area</li> <li>• Enable digital interface for permission requests to reduce multiple approval cycle</li> </ul>

## 5.3 MEPZ

### Study Results

- a** | Outreach and response
- b** | Infrastructure gaps and action plan
- c** | Regulatory gaps and action plan






17 of the units in MEPZ representing manufacturing and services sectors have been engaged through a mix of physical interviews and online survey forms

**MEPZ: outreach and responses**

**Investor reach out**




**90 units**  
Email Communication



**40 units**  
Telephone Communication

**Investor responses**



**4 units**  
Face to Face Interviews



**13 units**  
Online form submissions

**Investor units from 7 different sectors in the zone have participated in the study**

**3**  
Automotive

**3**  
Pharmaceuticals

**3**  
Engineering goods

**2**  
IT/ITeS

**2**  
Perfumery

**2**  
Paper

**1**  
Textiles



**Frequent power shutdowns, inconsistent water supply, unavailability of effluent treatment plant are key concerns highlighted by investors in Madras EPZ**

Infrastructure: Internal and External			
Pillar	Sub Pillar	Gaps	Interventions
Utility	Electricity	<ul style="list-style-type: none"> <li>Frequent power shutdown in the SEZ without prior notification impacting production</li> <li>Use of obsolete technology such as closed room transformers</li> </ul>	<ul style="list-style-type: none"> <li>Power shutdown for repair and maintenance to be carried out on weekends instead of working days</li> <li>Provision of solar power supply to be made within the zone. Installation of the solar panels can be done on top of SDFs</li> </ul>
	Water	<ul style="list-style-type: none"> <li>Water supply in the zone is inconsistent and unreliable, units buy water tankers very often to meet their requirement</li> </ul>	<ul style="list-style-type: none"> <li>Provision for reliable piped water connection in the zone to all units</li> </ul>
	Gas	<ul style="list-style-type: none"> <li>No piped gas connection made available in the zone</li> </ul>	<ul style="list-style-type: none"> <li>Rollout of PNG connection to units in the zone</li> </ul>
	Internet	<ul style="list-style-type: none"> <li>Few units have made use of the leased OFC line and wider rollout across the zone remains a challenge</li> </ul>	<ul style="list-style-type: none"> <li>Provision of leased line to larger group of units</li> </ul>
Common Infrastructure	Internal roads	<ul style="list-style-type: none"> <li>No markings on road with international coding standards</li> <li>No separate lane for cycles</li> <li>Traffic congestion experienced in the entry and exit of the zone due to narrow road width</li> </ul>	<ul style="list-style-type: none"> <li>Immediate provision for road markings according to the required standards</li> <li>Provision for separate lanes for cycles and pedestrians</li> <li>Road widening at the entry and exit points</li> </ul>
	Sewage and drainage	<ul style="list-style-type: none"> <li>There is no ETP available in the zone</li> <li>Waterlogging experienced during rainy season outside units, there are not sufficient exit points for storm water runoff</li> </ul>	<ul style="list-style-type: none"> <li>Construction of a common ETP in the zone</li> <li>Separate stormwater infrastructure to clear out excess water from the zone during rainfall</li> </ul>
	Waste management	<ul style="list-style-type: none"> <li>Infrequent waste collection from unit premises leading to pileup and unpleasant odor outside the unit</li> </ul>	<ul style="list-style-type: none"> <li>Automated waste collection system to be prioritized for unit's ease of operations</li> </ul>





**Inadequate parking facilities, storage infrastructure is further aggravating the challenges faced by the units in conducting their operations**









Infrastructure: Internal and External			
Pillar	Sub Pillar	Gaps	Interventions
<b>Business Support Infrastructure</b>	<b>Parking</b>	<ul style="list-style-type: none"> <li>Current parking lots are operating at full capacity, leading to congestion in the roads leading to units</li> </ul>	<ul style="list-style-type: none"> <li>Provision of designated parking facilities for two wheelers and 4 wheelers</li> </ul>
	<b>Clearance facilities</b>	<ul style="list-style-type: none"> <li>Custom officials are unavailable during evening hours leading to long queues of trucks waiting to exit out of zone</li> </ul>	<ul style="list-style-type: none"> <li>Provision of 24/7 operational clearance facility to be mandated for the zone</li> </ul>
	<b>Storage and warehousing</b>	<ul style="list-style-type: none"> <li>Ready to use warehouse not available during emergency situations due to insufficient capacity</li> </ul>	<ul style="list-style-type: none"> <li>Construction of common storage and warehousing facility to cater to demand during emergency situations</li> </ul>
<b>External Infrastructure</b>	<b>Gateway Infrastructure</b>	<ul style="list-style-type: none"> <li>Container services are not operational 24*7 for trucks movement inside ports</li> </ul>	<ul style="list-style-type: none"> <li>Provision of 24/7 operational container movement facilities in the ports</li> </ul>





**EPCES can prioritise enhancement in stormwater infrastructure, provision of rainwater harvesting, and wider rollout of internet leased lines in the immediate term to ease investor concerns in MEPZ**

**Zone’s action plan: Internal and External Infrastructure pillar**

Assessment Pillar	To do list
<p>Water infrastructure</p> 	<ul style="list-style-type: none"> <li>• Provision for reliable 24/7 piped water connection in the zone to all units</li> <li>• Provision for rainwater harvesting system in the zone to manage shortfall of water</li> </ul>
<p>Internal roads</p> 	<ul style="list-style-type: none"> <li>• Road widening measures to be taken up in short term at the entry and exit points</li> <li>• Provision for road markings and signages as per road safety standards</li> <li>• Provision for separate lanes for cycles and pedestrians</li> </ul>
<p>Waste infrastructure</p> 	<ul style="list-style-type: none"> <li>• Prioritize construction of a common effluent treatment plant in the zone</li> <li>• Development of separate stormwater infrastructure to clear out excess water from the zone during rainfall</li> <li>• Automated waste collection system to be prioritized for unit’s ease of operations</li> </ul>
<p>Electricity infrastructure</p> 	<ul style="list-style-type: none"> <li>• Provision for the installation of solar panels in the SDFs and replacement of obsolete technology</li> <li>• Provision to carry out maintenance and power shutdowns with prior notifications on weekends instead of weekdays</li> </ul>
<p>Network Infrastructure</p> 	<ul style="list-style-type: none"> <li>• Faster rollout of internet leased line to units which don’t have network connection</li> </ul>
<p>Gas infrastructure</p> 	<ul style="list-style-type: none"> <li>• The zone can prioritise rollout of PNG connection to all units</li> </ul>
<p>Business support infrastructure</p> 	<ul style="list-style-type: none"> <li>• Provision for designated parking facilities for two wheelers and 4 wheelers</li> <li>• Construction of common storage and warehousing facility to service demand during emergency situations</li> <li>• Provision of 24/7 operational clearance facility to be mandated for the zone</li> </ul>
<p>Gateway Infrastructure</p> 	<ul style="list-style-type: none"> <li>• Provision of 24/7 operational container facilities in the ports</li> </ul>









**Non-functional single window, multiple approval procedures and inefficient customs operations are top challenges faced by SEZ units; single mode of approvals, paperless procedure and faster data integration are the top suggestions from units in the SEZ to promote ease in compliance**

Regulatory Environment			
Pillar	Sub Pillar	Gaps	Interventions
Approvals and compliances	Single window mechanism	<ul style="list-style-type: none"> <li>No single window mechanism in the SEZ</li> </ul>	<ul style="list-style-type: none"> <li>All state departmental approvals to be provided through single window</li> <li>Development commissioner office to be sole point of contact for any third-party approvals (testing agencies)</li> </ul>
	Addition of new HS codes	<ul style="list-style-type: none"> <li>Broad banding of new items in the LOA/LOP, products under new HS codes take 2-3 months to be approved to the unit LOP</li> </ul>	<ul style="list-style-type: none"> <li>Broad banding to be allowed basis the entire chapter requested by the unit not on individual products leaving prohibited goods</li> </ul>
Dealing with authorities	Permissions	<ul style="list-style-type: none"> <li>Procedure for rejected materials are complex, needs further simplification</li> <li>Custom clearance takes too many approvals for any items to get into the zone and for taking out of the zone, units dispose goods instead taking out of the zone</li> </ul>	<ul style="list-style-type: none"> <li>Digital transformation in maintenance works request and service will enable transparency in ownership</li> <li>Allowing setting up of courier services in the non-processing zone of the SEZ will eliminate additional compliance for units</li> </ul>
Domestic Tariff area procedures	Sales	<ul style="list-style-type: none"> <li>Additional duty plus GST on DTA sales making domestic sale competitive for several units</li> </ul>	<ul style="list-style-type: none"> <li>Provision for reduced tariffs for DTA sales or RoDTEP benefits</li> </ul>
	Temporary removal	<ul style="list-style-type: none"> <li>TR challans have to be filed during both entry and return leading to additional compliances for units</li> </ul>	<ul style="list-style-type: none"> <li>Provision of “deemed permit” on repair goods if not granted for more than a week</li> <li>Single TR procedure for entry and return of goods</li> </ul>
Misc.		<ul style="list-style-type: none"> <li>Inter unit transfer of goods not feasible due to hassles</li> <li>Multiple ID cards for making use of parking facility and for entering the SEZ</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of compliances in inter unit access of goods</li> </ul>



**The zone needs to operationalise single window, streamline third party interactions through development commissioner office, accommodate for 24/7 customs window, implement single procedure documents for several of the processes**

**Zone's action plan: Regulatory pillar**

Assessment Pillar	To do list
<p><b>Functional single window</b></p> 	<ul style="list-style-type: none"> <li>• Initiate single window mechanism to route all government departmental approvals granted to the units</li> <li>• Enhance capacity of the single window platform to include all custom services</li> </ul>
<p><b>Broad banding of goods</b></p> 	<ul style="list-style-type: none"> <li>• Enable faster addition of additional export items and their HS codes to the approved list of unit export items</li> </ul>
<p><b>Dealing with third party agencies</b></p> 	<ul style="list-style-type: none"> <li>• Route all third-party approvals (e.g., testing agencies) through the development commissioner office</li> </ul>
<p><b>Working of the customs, authority</b></p> 	<ul style="list-style-type: none"> <li>• Ensure 24/7 availability of customs window as well as availability of customs officials on weekends</li> <li>• Appoint sufficient technical staff for better management of trade permit requests from unit representatives</li> <li>• Increase the number of unit approval committee meetings to at least 2 in a month</li> </ul>
<p><b>Temporary removal</b></p> 	<ul style="list-style-type: none"> <li>• Include temporary removal without return feature for sample goods, include "deemed permit" feature on return of repair goods</li> <li>• Implement single procedure document for conducting of all subcontracting operations</li> </ul>
<p><b>Permits for procedure</b></p> 	<ul style="list-style-type: none"> <li>• Implement single procedure document for all types of scrap materials to be provisioned</li> <li>• Implement single letter of undertaking procedure to simplify sale of goods from unit's vendor in domestic tariff area</li> <li>• Enable digital interface for permission requests to reduce multiple approval cycle</li> </ul>

## 5.4 Cochin SEZ

### Study Results

- a** | Outreach and response
- b** | Infrastructure gaps and action plan
- c** | Regulatory gaps and action plan







18 of the units in Cochin SEZ representing manufacturing and services sectors have been engaged through a mix of physical interviews and online survey forms

**CSEZ: outreach and responses**

Investor reach out




**80 units**  
Email Communication



**30 units**  
Telephone Communication

Investor responses



**10 units**  
Face to Face Interviews



**8 units**  
Online form submissions

Investor units from 6 different sectors in the zone have participated in the study

**5**  
Food Processing

**3**  
Textiles

**3**  
Automobile

**3**  
IT/ITeS

**3**  
Engineering goods

**1**  
Textiles



**Continuous rise in electricity prices, inconsistent water supply, high waste collection tariff are key concerns highlighted by investors in Cochin SEZ**

Infrastructure: Internal and External			
Pillar	Sub Pillar	Gaps	Interventions
Utility	Electricity	<ul style="list-style-type: none"> <li>Continuous rise in electricity prices</li> <li>No incentives for green initiatives like solar power installation</li> </ul>	<ul style="list-style-type: none"> <li>Rationalization of electricity tariff</li> <li>Provision of solar power supply to be made within the zone</li> <li>Permission needs to be given to SDFs to install solar panels</li> </ul>
	Water	<ul style="list-style-type: none"> <li>Infrequent water supply in the zone and shortage is experienced, forcing units to buy water from external sources</li> <li>Water sometimes contains high level of chlorine affecting the processes</li> </ul>	<ul style="list-style-type: none"> <li>Provision for reliable piped water connection in the zone to all units</li> <li>Chlorine treatment of water should be done</li> </ul>
	Gas	<ul style="list-style-type: none"> <li>Special charges like biogas charges is applicable to even those units which have no use for such packages</li> </ul>	<ul style="list-style-type: none"> <li>Application of gas charges to be levied exclusively on the units availing the service</li> </ul>
Common Infrastructure	Internal roads	<ul style="list-style-type: none"> <li>Absence of a pedestrian path, forces people to walk on road, increasing the chances of accidents</li> <li>No side marks on the road to guide traffic</li> </ul>	<ul style="list-style-type: none"> <li>Construction of pedestrian paths for greater accessibility and stability</li> <li>Addition of side markings on the road</li> </ul>
	Sewage and drainage	<ul style="list-style-type: none"> <li>Common ETP exists in the zone but the recycled water from this plant never reaches the units</li> </ul>	<ul style="list-style-type: none"> <li>ETP system should be optimized to ensure that the recycled water from the plant reaches the units for consumption</li> </ul>
	Waste management	<ul style="list-style-type: none"> <li>Non periodic collection of unit waste</li> <li>The units pay a high amount of INR 50/kg to dispose off their solid waste due to high municipal tax on the SEZ. The corporates outside the zone generally pays INR 5/kg</li> </ul>	<ul style="list-style-type: none"> <li>Automated waste collection system to be prioritized for unit's ease</li> <li>Rationalization of waste collection tariff</li> </ul>



**Inaccessible parking facilities, poorly maintained SDFs is further aggravating the challenges faced by the units in conducting their operations**

Infrastructure: Internal and External			
Pillar	Sub Pillar	Gaps	Interventions
Business Support Infrastructure	Standard design factories (SDFs)	<ul style="list-style-type: none"> <li>Poorly maintained SDFs – damaged floors, chipped walls, leaking pipelines and outdated fire safety mechanism</li> <li>Goods lifts are not functional for over a year</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of an SDF maintenance authority</li> <li>Improvement in the fire safety mechanism</li> <li>Periodic maintenance of material lift</li> </ul>
	Parking & public transport	<ul style="list-style-type: none"> <li>Already completed multi-level car parking still not accessible to units</li> <li>Lack of a proper public transportation system</li> <li>Limited number of stops for public transports like taxi and bus</li> </ul>	<ul style="list-style-type: none"> <li>Provision of multi-parking facility</li> <li>Provision of a more accessible and improved public transport infrastructure</li> </ul>
	Clearance facilities	<ul style="list-style-type: none"> <li>Cargo weighing happens 1 day before shipping, adding to costs and convenience</li> </ul>	-
	Storage and warehousing	<ul style="list-style-type: none"> <li>Storage spaces given on higher floors causes difficulties in transporting raw material and finished goods, leading to damages</li> </ul>	<ul style="list-style-type: none"> <li>Provision of standard storage spaces at the ground level for efficient storage and transit of goods</li> </ul>












**EPCES can prioritise development of a public transportation system, installation of solar panels, and periodic renovation of SDFs in the immediate term to ease investor concerns in CSEZ**

**Zone’s action plan: Internal and External Infrastructure pillar**

Assessment Pillar	To do list
<p><b>Water infrastructure</b></p> 	<ul style="list-style-type: none"> <li>• Provision for reliable 24/7 piped water connection in the zone to all units</li> <li>• Augment the water treatment process to curb chlorine content</li> <li>• Provision for rainwater harvesting to meet shortfall of water</li> </ul>
<p><b>Internal roads</b></p> 	<ul style="list-style-type: none"> <li>• Provision for road markings as per road safety standards</li> <li>• Clear allocation of road space for cyclists and pedestrian paths for increased safety</li> </ul>
<p><b>Waste infrastructure</b></p> 	<ul style="list-style-type: none"> <li>• Installation of periodic and automated waste collection facilities within the zone</li> <li>• Capacity augmentation of existing common ETP for optimum utilization of recycled water</li> <li>• Rationalization of waste collection tariff</li> </ul>
<p><b>Electricity infrastructure</b></p> 	<ul style="list-style-type: none"> <li>• Provision for the installation of solar panels to meet excess demand and to stabilize electricity prices in the zone</li> </ul>
<p><b>Business support infrastructure</b></p> 	<ul style="list-style-type: none"> <li>• Periodic renovation and maintenance of SDF facilities</li> <li>• Development of a robust public transportation system with adequate stops for taxis and buses</li> <li>• Provision and improvements in accessibility of parking facilities and lifts in buildings</li> </ul>



**Non-functional single window, multiple approval procedures and inefficient customs operations are top challenges faced by SEZ units; single mode of approvals, paperless procedure and faster data integration are the top suggestions from units in the SEZ to promote ease in compliance**

Regulatory Environment			
Pillar	Sub Pillar	Gaps	Interventions
Approvals and compliances	Single window mechanism	<ul style="list-style-type: none"> <li>Basic regulatory processes requires a long approval time, sometimes months</li> <li>Compliance with multiple interfaces including SEZ Online, ICEGATE, SOFTEX and GSTN makes operations complex</li> <li>SEZ Online portal is slow during peak hours</li> </ul>	<ul style="list-style-type: none"> <li>All state departmental approvals to be provided through single window</li> <li>DC office to be sole point of contact for any third-party approvals (testing agencies)</li> <li>Improving the capacity of the single window platform</li> </ul>
Dealing with authorities	Multiple permissions	<ul style="list-style-type: none"> <li>Lack of timely action and communication gaps at the authority level causes operational inefficiencies and losses</li> <li>Licenses need to be renewed every 5 years and multiple licenses required for multiple activities</li> </ul>	<ul style="list-style-type: none"> <li>Provision of single trading license for multiple trade activities</li> <li>Extension of license tenure</li> </ul>
	Working of administrative office	<ul style="list-style-type: none"> <li>High lease rent compared to other zones, and steep periodic rent hikes without concessions, affecting small suppliers and units</li> <li>Custom window not operational 24/7</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in lease rent for the units and concessions for small units</li> <li>Provision of 24/7 operational customs window</li> </ul>
Domestic Tariff area procedures	Sales	<ul style="list-style-type: none"> <li>Rising customers complaints about non reflection of input credits in their GST portal</li> <li>DTA and deemed export sales are time consuming due to lengthy procedures and paperwork</li> </ul>	<ul style="list-style-type: none"> <li>RoDTEP benefits</li> <li>Reduction in procedures and paperwork for DTA and deemed export sales</li> </ul>
	Temporary removal	<ul style="list-style-type: none"> <li>Subcontracting and temporary removals not available on Saturdays</li> </ul>	<ul style="list-style-type: none"> <li>Provision of 24/7 availability of subcontracting and temporary removal services</li> </ul>
Misc.		<ul style="list-style-type: none"> <li>Frequent strikes in and around the SEZ harms the SEZ's image</li> </ul>	-



**The zone needs to operationalise single window, streamline third party interactions through development commissioner office, accommodate for 24/7 customs window, implement single procedure documents for several of the processes**

**Zone's action plan: Regulatory pillar**

Assessment Pillar	To do list
<p><b>Functional single window</b></p> 	<ul style="list-style-type: none"> <li>• Initiate single window mechanism to route all government departmental approvals granted to the units</li> <li>• Enhance capacity of the single window platform to include all custom services</li> </ul>
<p><b>Broad banding of goods</b></p> 	<ul style="list-style-type: none"> <li>• Enable faster addition of additional export items and their HS codes to the approved list of unit export items</li> </ul>
<p><b>Dealing with third party agencies</b></p> 	<ul style="list-style-type: none"> <li>• Route all third-party approvals (e.g., testing agencies) through the development commissioner office</li> </ul>
<p><b>Working of the customs, authority</b></p> 	<ul style="list-style-type: none"> <li>• Ensure 24/7 availability of customs window as well as availability of customs officials on weekends</li> <li>• Appoint sufficient technical staff for better management of trade permit requests from unit representatives</li> <li>• Increase the number of unit approval committee meetings to at least 2 in a month</li> </ul>
<p><b>Temporary removal</b></p> 	<ul style="list-style-type: none"> <li>• Include temporary removal without return feature for sample goods, include "deemed permit" feature on return of repair goods</li> <li>• Implement single procedure document for conducting of all subcontracting operations</li> </ul>
<p><b>Permits for procedure</b></p> 	<ul style="list-style-type: none"> <li>• Implement single procedure document for all types of scrap materials to be provisioned</li> <li>• Implement single letter of undertaking procedure to simplify sale of goods from unit's vendor in domestic tariff area</li> <li>• Enable digital interface for permission requests to reduce multiple approval cycle</li> </ul>

# 5.5

# KASEZ

## Study Results

- a** | Outreach and response
- b** | Infrastructure gaps and action plan
- c** | Regulatory gaps and action plan






26 of the units in Kandla SEZ representing manufacturing and services sectors have been engaged through a mix of physical interviews and online survey forms

**KASEZ: outreach and responses**

Investor reach out



**140 units**  
Email Communication




**60 units**  
Telephone Communication

Investor responses



**20 units**  
Face to Face Interviews



**6 units**  
Online form submissions

**Investor units from 6 different sectors in the zone have participated in the study**

**5**  
Chemicals

**5**  
Engineering goods

**5**  
Machinery

**4**  
Trading

**3**  
Food Processing

**4**  
Textiles



**Erratic water supply, inappropriate road infrastructure, and flooding due to a common sewage and stormwater runoff system are key concerns highlighted by investors in Kandla SEZ**

Infrastructure: Internal and External			
Pillar	Sub Pillar	Gaps	Interventions
Utility	Water	<ul style="list-style-type: none"> <li>Water pipe network is worn out, and piped water is available once or twice a week and is available only for 2 hours</li> <li>Units rely on private tankers to manage shortfall in demand</li> </ul>	<ul style="list-style-type: none"> <li>Allocation of NBCC storage tankers within KASEZ</li> <li>Provision of rainwater harvesting in the zone</li> </ul>
	Gas	<ul style="list-style-type: none"> <li>No Piped Natural Gas (PNG) connection available in the zone, in addition to its unavailability in the Gandhidham area</li> </ul>	<ul style="list-style-type: none"> <li>Rollout of PNG connection to units in KASEZ</li> </ul>
	Internet	<ul style="list-style-type: none"> <li>No Optical Fiber Cable (OFC) facility available in the zone</li> <li>Units use private Internet Services Provider (ISP) broadband services</li> </ul>	<ul style="list-style-type: none"> <li>Provision and maintenance of Optical Fiber Cable (OFC) network within KASEZ</li> </ul>
Common Infrastructure	Internal roads	<ul style="list-style-type: none"> <li>KASEZ internal roads are uneven and narrow with potholes and accumulated textiles waste</li> </ul>	<ul style="list-style-type: none"> <li>Periodic maintenance coupled with widening of internal roads in the zone</li> </ul>
	Sewage and drainage	<ul style="list-style-type: none"> <li>Same network is used for storm water runoff and sewage leading to creation of choke points</li> <li>Flooding during rainfall due to inadequate exit points</li> <li>There is no existing central Sewage Treatment Plant (STP) and Effluent Treatment Plant (ETP) in the zone. Waste is collected through the installed pipes and is treated outside</li> <li>Hazardous waste is treated by few factories with GPCB license on additional payment of charges</li> </ul>	<ul style="list-style-type: none"> <li>Separate stormwater infrastructure to clear out excess water from the zone during rainfall</li> <li>Construction of a central Sewage Treatment Plant (STP) and Effluent Treatment Plant (ETP) for recycling water</li> </ul>
	Waste management	<ul style="list-style-type: none"> <li>Waste collection system is done once or twice a week and there is no set schedule leading to piling up of garbage outside the units</li> </ul>	<ul style="list-style-type: none"> <li>Prioritization of an automated waste collection system</li> </ul>



**Added operating expenses for maintaining SDFs, restricted timings of clearing facilities, and inadequate storage infrastructure are further aggravating the challenges faced by the units in conducting their operations in Kandla SEZ**






Infrastructure: Internal and External			
Pillar	Sub Pillar	Gaps	Interventions
<b>Business Support Infrastructure</b>	<b>Standard design factories (SDFs)</b>	<ul style="list-style-type: none"> <li>Maintenance work of SDFs/constructed sheds are carried out by units, which utilize epoxy coating and manage SDFs operating expenses</li> </ul>	<ul style="list-style-type: none"> <li>Provision of complimentary/subsidized maintenance of SDFs</li> </ul>
	<b>Parking &amp; public transport</b>	<ul style="list-style-type: none"> <li>Designated parking facilities available</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of designated parking facilities</li> </ul>
	<b>Clearance facilities</b>	<ul style="list-style-type: none"> <li>Clearance facilities are not operational during evening hours and on weekends leading to avoidable delays in shipments</li> </ul>	<ul style="list-style-type: none"> <li>Provision of 24/7 operational clearance facility</li> </ul>
	<b>Storage and warehousing</b>	<ul style="list-style-type: none"> <li>No common warehousing facility in KASEZ. 4-5 larger units have license to operate as warehouse</li> <li>No container cargo facility at Kandla, and no loose cargo facility at Mundra</li> </ul>	<ul style="list-style-type: none"> <li>Construction of common storage and warehousing facilities</li> </ul>





**EPCES can prioritise construction of a central STP and ETP along with rollout of PNG connection, and provision of rainwater harvesting in the immediate term to ease investor concerns in the KASEZ**

**Zone’s action plan: Internal and External Infrastructure pillar**

Assessment Pillar	To do list
<p>Water infrastructure</p> 	<ul style="list-style-type: none"> <li>• Capacity enhancement of existing water infrastructure to increase water availability time</li> <li>• Provision for rainwater harvesting to meet shortfall of water</li> </ul>
<p>Internal roads</p> 	<ul style="list-style-type: none"> <li>• Periodic maintenance and widening of internal roads in short term</li> </ul>
<p>Waste infrastructure</p> 	<ul style="list-style-type: none"> <li>• Installation of an automated waste collection system with provision to divert textile waste from internal roads</li> <li>• Construction of a central of Sewage Treatment Plant (STP) and Effluent Treatment Plant (ETP) within the zone</li> <li>• Separate stormwater infrastructure to clear out excess water from the zone during rainfall</li> </ul>
<p>Network Infrastructure</p> 	<ul style="list-style-type: none"> <li>• Prioritised establishment of an OFC network for all units within the zone</li> </ul>
<p>Gas infrastructure</p> 	<ul style="list-style-type: none"> <li>• The zone can prioritise rollout of PNG connection to all units within KASEZ</li> </ul>











**Non-functional single window, multiple approval procedures and inefficient customs operations are top challenges faced by SEZ units; single mode of approvals, paperless procedure and faster data integration are the top suggestions from units in the SEZ to promote ease in compliance**

Regulatory Environment			
Pillar	Sub Pillar	Gaps	Interventions
Approvals and compliances	Single window mechanism	<ul style="list-style-type: none"> <li>No functional single window in KASEZ</li> <li>Letter of Permission (LOP) validity is a concern for units</li> <li>ICEGATE is not rolled out and manual shipping bills are filed at ports for verification</li> </ul>	<ul style="list-style-type: none"> <li>All state departmental approvals to be provided through single window</li> <li>Development commissioner office to be sole point of contact for any third-party approvals (testing agencies)</li> </ul>
	Addition of new HS codes	<ul style="list-style-type: none"> <li>Broad banding of new items in the LOA/LOP, products under new HS codes take 2-3 months to be approved to the unit LOP</li> </ul>	<ul style="list-style-type: none"> <li>Broad banding to be allowed basis the entire chapter requested by the unit not on individual products leaving prohibited goods</li> </ul>
Dealing with authorities	Permissions	<ul style="list-style-type: none"> <li>Assessment of shipment request by appraising officer takes 4-6 hours from the time of request in NSDL platform</li> <li>Obtaining approvals from other agencies (testing) is time and effort intensive</li> <li>Amendment to bill of entry takes 3 days to process in certain cases</li> </ul>	<ul style="list-style-type: none"> <li>Digital transformation in maintenance works request and service will enable transparency in ownership</li> <li>Allowing setting up of courier services in the non-processing zone of the SEZ will eliminate additional compliance for units</li> </ul>
	Working of administrative office	<ul style="list-style-type: none"> <li>Approval of working committee takes 2-3 months</li> <li>Frequency of approvals can be increased from once to twice a month</li> </ul>	<ul style="list-style-type: none"> <li>Building manpower capacity to ensure continuous custom operations</li> <li>Enabling a 24/7 operational customs window</li> </ul>
Domestic Tariff area procedures	Sales	<ul style="list-style-type: none"> <li>Return of reject material to supplier attracts GST from the units leading to no input credit and supplier's loss in sale</li> <li>No preferential tariff for sales to DTA while imports from foreign countries are given duty exemptions</li> </ul>	<ul style="list-style-type: none"> <li>Provision for reduced tariffs for DTA sales or RoDTEP benefits</li> </ul>
	Temporary removal	<ul style="list-style-type: none"> <li>Regular temporary removal of sample goods is cumbersome, and it takes 2 days for completing procedure in addition to payment of duties</li> </ul>	<ul style="list-style-type: none"> <li>Provision of "deemed permit" on repair goods if not granted for more than a week</li> <li>Single TR procedure for entry and return of goods</li> </ul>



**The zone needs to operationalise single window, streamline third party interactions through development commissioner office, accommodate for 24/7 customs window, implement single procedure documents for several of the processes**

**Zone's action plan: Regulatory pillar**

Assessment Pillar	To do list
<p><b>Functional single window</b></p> 	<ul style="list-style-type: none"> <li>• Initiate single window mechanism to route all government departmental approvals granted to the units</li> <li>• Enhance capacity of the single window platform to include all custom services</li> </ul>
<p><b>Broad banding of goods</b></p> 	<ul style="list-style-type: none"> <li>• Enable faster addition of additional export items and their HS codes to the approved list of unit export items</li> </ul>
<p><b>Dealing with third party agencies</b></p> 	<ul style="list-style-type: none"> <li>• Route all third-party approvals (e.g., testing agencies) through the development commissioner office</li> </ul>
<p><b>Working of the customs, authority</b></p> 	<ul style="list-style-type: none"> <li>• Ensure 24/7 availability of customs window as well as availability of customs officials on weekends</li> <li>• Appoint sufficient technical staff for better management of trade permit requests from unit representatives</li> <li>• Increase the number of unit approval committee meetings to at least 2 in a month</li> </ul>
<p><b>Temporary removal</b></p> 	<ul style="list-style-type: none"> <li>• Include temporary removal without return feature for sample goods, include "deemed permit" feature on return of repair goods</li> <li>• Implement single procedure document for conducting of all subcontracting operations</li> </ul>
<p><b>Permits for procedure</b></p> 	<ul style="list-style-type: none"> <li>• Implement single procedure document for all types of scrap materials to be provisioned</li> <li>• Implement single letter of undertaking procedure to simplify sale of goods from unit's vendor in domestic tariff area</li> <li>• Enable digital interface for permission requests to reduce multiple approval cycle</li> </ul>

## 5.6 VSEZ

### Study Results

- a** | Outreach and response
- b** | Infrastructure gaps and action plan
- c** | Regulatory gaps and action plan





15 of the units in Vizag SEZ representing manufacturing and services sectors have been engaged through a mix of physical interviews and online survey forms

**VSEZ: outreach and responses**

Investor reach out

**66 units**  
Email Communication

**30 units**  
Telephone Communication

Investor responses

**2 units**  
Face to Face Interviews

**13 units**  
Online form submissions

**Investor units from 6 different sectors in the zone have participated in the study**

**3**  
Pharmaceuticals

**3**  
Handicrafts

**3**  
Warehousing

**3**  
Textiles

**2**  
Trading

**1**  
Food Processing



**Continuous rise in electricity prices, inconsistent water supply, high waste collection tariff are key concerns highlighted by investors in Vizag SEZ**

Infrastructure: Internal and External			
Pillar	Sub Pillar	Gaps	Interventions
Utility	Electricity	<ul style="list-style-type: none"> <li>Constantly rising electricity prices</li> <li>Frequent disruptions in the electricity supply</li> </ul>	<ul style="list-style-type: none"> <li>Rationalization of electricity tariff</li> <li>Provision of solar power supply to be made within VSEZ</li> <li>Permissions allowed to SDFs to install solar panels</li> </ul>
	Water	<ul style="list-style-type: none"> <li>Erratic water supply with frequent shortages, forcing units to buy water from external sources</li> </ul>	<ul style="list-style-type: none"> <li>Provision for reliable piped water connection in the zone to all units in Vizag SEZ</li> </ul>
	Gas	<ul style="list-style-type: none"> <li>Limited to no coverage of PNG connection in the zone</li> </ul>	<ul style="list-style-type: none"> <li>Provision of faster and wider rollout of PNG connections to all units</li> </ul>
Common Infrastructure	Internal roads	<ul style="list-style-type: none"> <li>Narrow roads with many potholes affecting cargo transit</li> </ul>	<ul style="list-style-type: none"> <li>Regular and timely maintenance of internal roads to avoid delays</li> </ul>
	Sewage and drainage	<ul style="list-style-type: none"> <li>No common ETP and STP exists within the zone</li> </ul>	<ul style="list-style-type: none"> <li>Construction of a common ETP and STP within the zone</li> </ul>
	Waste management	<ul style="list-style-type: none"> <li>No set routine for collection of unit waste leading to waste accumulation and odour</li> </ul>	<ul style="list-style-type: none"> <li>Automated waste collection system to be prioritized for unit's ease</li> </ul>






**Inaccessible parking facilities, poorly maintained SDFs is further aggravating the challenges faced by the units in conducting their operations**

Infrastructure: Internal and External			
Pillar	Sub Pillar	Gaps	Interventions
Business Support Infrastructure	Standard design factories (SDFs)	<ul style="list-style-type: none"> <li>Poorly maintained SDFs – damaged floors, chipped walls, non-functional lifts, leaking pipelines</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of a SDF maintenance authority</li> </ul>
	Parking & public transport	<ul style="list-style-type: none"> <li>Lack of an adequate public transportation system in addition to limited number of stops for public transports like taxis and buses</li> </ul>	<ul style="list-style-type: none"> <li>Provision of multi-parking facility</li> <li>Provision of a more accessible and improved public transport infrastructure</li> </ul>
	Storage and warehousing	<ul style="list-style-type: none"> <li>Non-availability of a good storage and warehousing infrastructure within the zone</li> </ul>	<ul style="list-style-type: none"> <li>Provision of standard storage and warehousing facilities within the zone</li> </ul>



**EPCES can prioritise enhancement in road infrastructure, construction of STPs and ETPs, provision of rainwater harvesting in the immediate term to ease investor concerns in the Vizag SEZ**

**Zone’s action plan: Internal and External Infrastructure pillar**

Assessment Pillar	To do list
<p>Water infrastructure</p> 	<ul style="list-style-type: none"> <li>• Provision for reliable piped water connection in the zone to all units in Vizag SEZ</li> <li>• Provision for rainwater harvesting system in the zone to manage shortfall of water</li> </ul>
<p>Internal roads</p> 	<ul style="list-style-type: none"> <li>• Provision of road widening and regular maintenance to be undertaken for smooth cargo transportation</li> </ul>
<p>Waste infrastructure</p> 	<ul style="list-style-type: none"> <li>• Installation of periodic and automated waste collection facilities within the zone</li> <li>• Construction of STPs and ETPs for optimum utilization of recycled water</li> </ul>
<p>Electricity infrastructure</p> 	<ul style="list-style-type: none"> <li>• Rationalization of electricity tariffs as per standard benchmarks</li> <li>• Provision for the installation of solar panels in the SDFs</li> </ul>
<p>Business support infrastructure</p> 	<ul style="list-style-type: none"> <li>• Periodic renovation along with maintenance of SDF facilities and establishment of a SDF maintenance authority</li> <li>• Provision and improvements in parking, storage and warehousing facilities</li> </ul>





**Non-functional single window, multiple approval procedures and inefficient customs operations are top challenges faced by SEZ units; single mode of approvals, paperless procedure and faster data integration are the top suggestions from units in the SEZ to promote ease in compliance**

Regulatory Environment			
Pillar	Sub Pillar	Gaps	Interventions
Approvals and compliances	Single window mechanism	<ul style="list-style-type: none"> <li>Certain basic regulatory processes require a long approval time, which sometimes spans months</li> <li>Compliance with multiple interfaces including SEZ Online, ICEGATE, SOFTEX and GSTN makes operations complex</li> <li>SEZ Online portal is slow during peak hours</li> </ul>	<ul style="list-style-type: none"> <li>All state departmental approvals to be provided through single window</li> <li>DC office to be sole point of contact for any third-party approvals (testing agencies)</li> <li>Improving the capacity of the single window platform</li> </ul>
Dealing with authorities	Multiple permissions	<ul style="list-style-type: none"> <li>Communication gaps at the authority level and lack of timely action causes operational inefficiencies and losses</li> <li>Renewals of licenses is required every 5 years and multiple licenses are required for multiple activities</li> </ul>	<ul style="list-style-type: none"> <li>Provision of single trading license for multiple trade activities</li> <li>Extension of license tenure</li> </ul>
	Working of administrative office	<ul style="list-style-type: none"> <li>Steep periodic rent hikes without concessions and high lease rent compared to other zones, affecting small suppliers and units</li> <li>Custom window not operational 24/7</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in lease rent for the units and concessions for small units</li> <li>Provision of 24/7 operational customs window</li> </ul>
Domestic Tariff area procedures	Sales	<ul style="list-style-type: none"> <li>No timely reflection of input credits in their GST portal</li> <li>Deemed export sales and DTA are time consuming due to lengthy procedures and paperwork</li> </ul>	<ul style="list-style-type: none"> <li>RoDTEP benefits</li> <li>Reduction in procedures and paperwork for DTA and deemed export sales</li> </ul>
	Temporary removal	<ul style="list-style-type: none"> <li>Temporary removals and subcontracting and are not available on Saturdays</li> </ul>	<ul style="list-style-type: none"> <li>Provision of 24/7 availability of subcontracting and temporary removal services</li> </ul>



**The zone needs to operationalise single window, streamline third party interactions through development commissioner office, accommodate for 24/7 customs window, implement single procedure documents for several of the processes**

**Zone's action plan: Regulatory pillar**

Assessment Pillar	To do list
<p><b>Functional single window</b></p> 	<ul style="list-style-type: none"> <li>• Initiate single window mechanism to route all government departmental approvals granted to the units</li> <li>• Enhance capacity of the single window platform to include all custom services</li> </ul>
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<p><b>Dealing with third party agencies</b></p> 	<ul style="list-style-type: none"> <li>• Route all third-party approvals (e.g., testing agencies) through the development commissioner office</li> </ul>
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