

Issuing clarification/instructions- Recognising landholders also as part of SEZ ecosystem for SEZs developed under Joint Development Agreement

Director General EPCES <dg@epces.in>

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To: VIMAL ANAND <vimal.anand@nic.in>

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Dear Sir

This is regarding problems being faced by the SEZ developers and landholders regarding the land being provided by landholders to Developers for the development of land as SEZ on Joint Development basis.

There are many cases where landholders have given their irrevocable rights over the land to the Developers for development of SEZ purposes as part of Joint Development Agreement (JDA).

Under such arrangements landholders grant irrevocable development rights of the land to the developer and permit the developer to develop the land for SEZ purposes. Based on the JDA executed between the landholder and the developer, the land owned by landholder is duly approved and notified as SEZ by the D/o Commerce under the provision of SEZ Act and SEZ Rules. In accordance with JDA, the SEZ developer develops the land as SEZ and, again as per JDA, hands over a share of the completed SEZ notified built-up area to landholder for SEZ purposes. The SEZ space handed over to the land owners as per the JDA should be leased only to the SEZ units. As per SEZ act and rules only a Developer or a Co-developer can only lease the space to any unit.

Further, the landowner is leasing his share to the developer company or any other co-developer company facilitating them to sub lease the same to SEZ units. In the entire scenario the land owners even though, because of JDA, they are the part and parcel of the whole SEZ development, they are not recognised as SEZ entities along with Developer, Co-developer and unit. Transactions between developer and landholder related to SEZ development are transactions for SEZ purposes. As per the SEZ act an individual person and group of persons are also eligible to develop an SEZ.

Therefore, it is requested that a circular/notification clarifying the same may kindly be considered to be issued providing that the land owners who gave irrevocable rights to develop the sez are also SEZ entities and are recognised along with the Developer company.

With regards,



(Alok Chaturvedi)



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Export Promotion Council for EOUs (Export Oriented Units) and SEZs (Special Economic Zones) (EPCES) is a multi-product Export Promotion Council set up by the Ministry of Commerce and Industry, representing the interests of SEZ units, SEZ developers and Export Oriented Units. It has 5971 members with 4629 SEZ units, 384 SEZ developers and 958 EOUs. In FY 2023-24, total exports of goods and services from SEZs were recorded at US \$ 163.69 billion and export of goods from EOUs at 17.2 billion.