

## PHD Chamber organized an Interactive Session on EOUs/SEZ Units/SEZ Developers in India

Wednesday, 18th April 2018 at PHD House, New Delhi

PHD Research Bureau, PHD Chamber of Commerce and Industry in collaboration with Export Promotion Council for EOUs and SEZs (EPCES) Noida, organized an Interactive Session on “EOUs/SEZ Units/SEZ Developers in India” on Wednesday, 18<sup>th</sup> April 2018 at 11:30 am at PHD House, New Delhi. The eminent speakers of the Seminar were **Dr. L. B. Singhal**, Development Commissioner, Noida SEZ; **Shri Anil Khaitan**, President, PHD Chamber; **Shri Bhuvnesh Seth**, Regional Chairman EPCES Noida; **Mr O P Kapoor**, Regional Director EPCES Noida SEZ, **Shri S S Shukla**, Joint Development Commissioner, Noida Special Economic Zone, **MD Salik Parwaiz**, Deputy Commissioner, Noida Special Economic Zone, **Dr. S P Sharma**, Chief Economist, PHD Chamber, **Shri S K Gupta and Shri Shagun Gupta** from M/s Artha Infratech Pvt Ltd and **Shri Amul Gupta and Shri Nitin Gupta** from M/s Golden Tower Infratech Pvt. Ltd.

## Interactive Session on EOUs/SEZ Units/SEZ Developers in India



**From Left to Right:** Dr. S P Sharma, Chief Economist, PHD Chamber, Shri Bhuvnesh Seth, Regional Chairman EPCES Noida, Dr. L. B. Singhal, Development Commissioner, Noida SEZ, Shri Anil Khaitan, President, PHD Chamber, Mr S K Gupta, Chairman, Artha Infratech Pvt Ltd and Mr Amul Gupta, Golden Tower Infratech Pvt Ltd.

### Highlights of the Discussion

The session was opened with an introduction by **Dr. S P Sharma, Chief Economist, PHD Chamber**. He addressed the audience by stating that interactive sessions like these are one of the Chamber's aim to disseminate information relevant to economic fundamentals to stakeholders and industry. This session becomes pertinent as it will bring on the table discussions on implications of Goods and Services Tax (GST) since SEZ is brought under the purview. **Dr S P Sharma** stated that SEZs in India have increased over the last few years on account of liberalization in India and support from Government in terms of policy and tax sops for these units to set up.

While presenting the welcome remarks **Shri Anil Khaitan, President, PHD Chamber** stated that SEZs are a breeding ground for a country's exports to increase manifold as can be observed from their success stories in China, Singapore and Dubai. He expressed his views that present taxation of Minimum Alternate Tax (MAT) ON SEZs indicates shortsightedness of forgoing long term gains by focusing on short term profits from taxation. He threw light on

challenges faced by SEZs were of land acquisition and rehabilitation of displaced people also heavily concentration of SEZs was in five states which hinders overall development of SEZs. He further, stated the importance of SEZs to absorb employment from agriculture and services sectors in India against the backdrop of changing occupational classification. The suggestions to ensure smooth functioning and growth of SEZs can be ensured from setting up of social infrastructure like medical, housing, education and other facilities before setting up industry and on encouraging investments by NRIs in India like it is in China. He concluded by assuring assistance from Chamber's side to send representation to Government on tax norms, labor norms, infrastructure improvement, DTA regulation among others.

The session was first addressed by **Shri Bhuvnesh Seth**, Regional Chairman EPCES Noida. He agreed with Shri Anil Khaitan on recent challenges faced by some EOUs and SEZs post GST. In spite of this he shared optimism with exports from SEZs and EOUs rising by 24 times from 2005 to 2016-17. Also he recognized efforts of many SEZs in developing world class infrastructure in India. To share such developments with the gathering he requested representatives from Artha Infratech Pvt Ltd and Golden Tower Infratech Pvt. Ltd to present their plan of operation.

The Chief Guest of the session, **Dr. L. B. Singhal**, Development Commissioner, Noida SEZ gave the key note address for the session. **Dr L B Singhal** shared that India was one of the first in Asia to start an EPZ in 1965 and further explained the chronology of transformation from Export Processing Zone (EPZ) to SEZ from 1965 to 2006 which solidified with further introduction of SEZ Act in 2005 in Foreign Trade Policy. The objectives of efforts of the Government after the SEZ Act became operational in 2006 was to improve ease of doing business by incorporating a single window mechanism and facilitate setting up of social infrastructure facilities in SEZs. He expressed optimism about success of SEZ policy in India on the basis of increased exports and employment from 2000 till 2016-17. Exports from SEZs in India increased from Rs 22,000 crore in 2000 to Rs Rs 5,37,000 crore and on the same lines employment increased from 1,45,000 people in 2000 to 18,50,000 people in 2016-17 on direct employment basis. He also encouraged people that this is the right time to invest in SEZs and start production before 31<sup>st</sup> March,2020 to continue receiving income tax exemptions for the next 15 years.



The session included two presentations from Artha Infratech and Golden Tower Infratech to expedite about developments of SEZs in Uttar Pradesh at a cost competitive basis.

The audience interacted with the dignitaries and enquired about role of FDI in SEZs and implications of sunset clause on their development. There were also queries to Dr L B Singhal on skewed development of SEZ units across country with some states and some sectors leading the growth which were well addressed by him.

The session concluded with vote of thanks by **Dr. S P Sharma, Chief Economist, PHD Chamber**. The Interactive Session was attended by more than 70 delegates from SEZ Developers, corporate, research institutes, government organizations and universities among others and was covered well by the media. The lunch in the session was sponsored by Export Promotion Council for EOUs and SEZs (EPCES) Noida while the event was sponsored by Kakinada SEZ Limited.

#### Glimpse of the Session

Please contact for any query related to this mail to Ms Ankita Upadhyay, Senior Research Officer at [ankita.upadhyay@phdcci.in](mailto:ankita.upadhyay@phdcci.in) with a cc to Dr. S P Sharma, Chief Economist at [spsharma@phdcci.in](mailto:spsharma@phdcci.in) and Ms. Megha Kaul, Associate Economist at [megha@phdcci.in](mailto:megha@phdcci.in) , PHD Chamber of Commerce & Industry.

Warm regards,

**Dr. S P Sharma**  
**Chief Economist**

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