

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:130

ANSWERED ON:01.08.2006

SPECIAL ECONOMIC ZONES

Patil Shri Shrinivas Dadasaheb;Rao Shri Kavuru Samba Siva

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the number of proposals from various parties received/approved for setting up of Special Economic Zones(SEZs) so far, location-wise;
- (b) the amount of revenue lost in a year on account of tax concessions provided to these Zones; and
- (c) the mechanism developed by the Government to prevent violation of rules/objectives of schemes under SEZs?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO.130 FOR ANSWER ON 1ST AUGUST, 2006 REGARDING "SPECIAL ECONOMIC ZONES"

(a) Total number of new applications received for setting up of SEZs as on 26th July 2006 is 388. Under the SEZ Act, formal approvals have so far been given for setting up of 105 Special Economic Zones in the private/joint sector or by the State Governments and its agencies. State-wise break-up of these approvals is as follows:

State	New applications received	New proposals	Formal Approval granted	Total Approvals
-------	---------------------------	---------------	-------------------------	-----------------

Andhra Pradesh	53	4	16	20
Chandigarh	0	1	0	1
Chhattisgarh	1	0	0	0
Delhi	2	1	0	1
Goa	3	0	0	0
Gujarat	24	8	2	10
Haryana	54	1	4	5
Himachal Pradesh	1	0	0	0
Jharkhand	0	1	0	1
Karnataka	51	9	5	14
Kerala	5	6	0	6
Maharashtra	63	3	15	18
Madhya Pradesh	10	1	1	2
Orissa	9	0	0	0
Punjab	13	2	0	2
Rajasthan	19	0	2	2
Tamil Nadu	42	8	8	16
Uttaranchal	3	0	0	0
Uttar Pradesh	18	1	3	4
West Bengal	17	3	0	3
Total	388	49	56	105

(b) The amount of loss of revenue on account of tax concessions cannot be estimated, as it is not possible to say how much investment would have taken place had there been no concessions extended to these Special Economic Zones (SEZs).

(c) Following mechanism has been provided in the SEZ Act/Rules with a view to prevent violation of rules/objectives of the scheme:

In order to fulfil the obligation regarding proper utilization and accountal, the unit has to execute a bond-cum-legal undertaking.

Where the entrepreneur or developer does not utilize the goods or services on which exemptions have been availed, refund of the amount equal to the benefits availed has to be made.

The letter of approval to the entrepreneur can be cancelled in case of contravention/non-fulfillment of terms and conditions or obligations.

Provision for penal action has also been provided in case of non-achievement of positive net foreign exchange.

There are provisions in the SEZ Rules for monitoring of utilization of goods imported or procured from the Domestic Tariff Area.