

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

UNSTARRED QUESTION NO:2923

ANSWERED ON:15.03.2010

SEZ POLICY AND PROJECTS

Badal Harsimrat Kaur;Das Gupta Shri Gurudas;Semmalai Shri S. ;Tarai Shri Bibhu Prasad

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

- (a) the details regarding total number of formally approved, operational and notified Special Economic Zones (SEZs) since enactment of SEZ rules;
- (b) the details regarding total investment made and employment generated in the SEZs during the said period;
- (c) the estimated losses incurred by the Government due to tax benefits provided to SEZ units across the country;
- (d) whether a panel set up by the Government under Rural Development Ministry has recommended a comprehensive review of SEZ policy; and
- (e) if so, the details thereof and the reasons therefor alongwith the reaction of the Government thereto?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a): In addition to the Seven Central Government SEZs and 12 State/Private Sector SEZs set up prior to the enactment of SEZ Act, 2005, formal approvals have been accorded to 575 proposals out of which 348 SEZs have been notified. A total of 105 SEZs are already exporting. Total exports of Rs. 99,689 crore have been made from SEZs during the financial year 2008-09 registering a growth of 50% over the exports from SEZs for the year 2007-08. Exports of Rs. 1,52,092.68 crore approx. have been made from SEZs during April-December, 2009.

(b): As on 31st December, 2009, an investment of Rs. 1,28,390.44 crore has been made in SEZs and direct employment for 4,89,831 persons has been generated.

(c): The fiscal concessions are in built into the SEZ Act, 2005. The Units in the SEZs are allowed duty free goods for setting up SEZ Units, exemption from Service Tax, Minimum Alternate Tax (MAT), Central Sales Tax etc. SEZ Units are allowed 100% Income Tax exemption on export income under Section 10AA of the Income Tax Act for first 5 years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years. Also, sales into Domestic Tariff Area by SEZ Units attract all duties including Countervailing Duties.

(d) and (e): Committee on "State Agrarian Relations and Unfinished Task in Land Reforms" set up by Department of Rural Development has, inter-alia, quoted the SEZ Act, 2005 for providing the status of industrial townships to SEZs. However, there is no provision in the SEZ Act, 2005 for declaring SEZ as industrial township area. It is for the concerned State Governments to take a decision on such proposals.