

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

UNSTARRED QUESTION NO:3828  
ANSWERED ON:19.04.2010  
REVIEW OF SEZS  
Dhruvanarayana Shri R.

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

- (a) whether a panel set up by the Government has recommended a comprehensive review of the Special Economic Zones (SEZs) Act and also a ban on the transfer of farm land for these projects;
- (b) whether the SEZs are acting as mere real estate agents while securing tax breaks of sorts;
- (c) if so, the details thereof and the corrective steps being taken by the Government in this regard;
- (d) whether the Government is considering special purpose vehicles for development, earning rents, dividends and capital gains for its farmer share holders and thus promote the SEZ concept; and
- (e) if so, the details thereof?

**Answer**

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

(a) Land is a State subject. Land for SEZs is procured as per the policy and procedures of the respective State Governments. Further, pursuant to the decision of Empowered Group of Ministers (EGOM) in its meeting held on 5th April, 2007, the State Governments have been informed on 15th June, 2007 that the Board of Approval will not approve any SEZs where the State Governments have carried out or propose to carry out compulsory acquisition of land for such SEZs after 05-04-2007.

(b) to (c): In terms of Rule 11(9) of the SEZ Rules, 2006, sale of land in SEZ is not allowed. Processing area is uniformly fixed at minimum 50% of the total area of all SEZs. Various activities regarding social infrastructure carried out in the non-processing area within SEZ which are eligible for tax benefits are already notified. Quantum of houses, commercial area, hospital and educational institutions are decided by the Board of Approval after an assessment of the functional requirement of the zone including its employees.

(d) to (e): Insofar as relief and rehabilitation package for any affected person is concerned, these vary from State to State depending upon the provisions of the State policies.