

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:4450
ANSWERED ON:07.12.2010
IMPACT OF SEZ ON MSME
Mahendrasinh Shri Chauhan

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether small, agro and rural industries are likely to be benefited from the Special Economic Zones (SEZs); and
(b) if so, the details thereof?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI DINSHA PATEL)

(a) & (b) The benefits available under Special Economic Zones (SEZs) are general in nature. They are also available to small, agro and rural industries. The benefits/ facilities under SEZs are as follows:-

- i. Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units
- ii. 100% Income Tax exemption on export income for SEZ units 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.
- iii. Exemption from minimum alternate tax under section 115JB of the Income Tax Act.
- iv. External commercial borrowing by SEZ units upto US \$ 500 million in a year without any maturity restriction through recognized banking channels.
- v. Exemption from Central Sales Tax.
- vi. Exemption from Service Tax.
- vii. Single window clearance for Central and State level approvals.
- viii. Exemption from State sales tax and other levies as extended by the respective State Governments.