

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

UNSTARRED QUESTION NO:668
ANSWERED ON:23.11.2009
TAX BENEFITS TO SEZ's
Khaire Shri Chandrakant Bhaurao

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

- (a) the details of tax exemptions and related benefits given to Special Economic Zones (SEZs) and the units located there;
- (b) whether the Government proposes to review the extension of tax benefits for SEZs;
- (c) if so, the details thereof;
- (d) the details regarding investment attracted and employment generated by SEZs so far; and
- (e) the steps being taken to ensure maximum investment in the SEZs?

Answer

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

(a): Tax exemptions and related benefits given to SEZs are duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units; 100% Income Tax exemption on export income for SEZ units under Section 10AA of the Income Tax Act for first five years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next five years; Exemption from minimum alternate tax under Section 115 JB of the Income Tax Act; exemption from Central Sales Tax, Service Tax; Exemption from state sales tax and other levies as extended by the respective State Governments.

(b) and (c): No, Madam.

(d): As per information made available, total investment in the SEZs has been to the tune of approximately Rs. 1,29,985 crores and the direct employment has been generated for 4,18,129 persons.

(e): Setting up of Single Window Clearance Mechanism, fiscal benefits and duty concessions, continuous monitoring of SEZs by the Development Commissioners and Approval Committee, simplification of rules and procedures are some of the steps taken to ensure maximum investment in SEZs.