

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

UNSTARRED QUESTION NO:4404
ANSWERED ON:22.04.2013
IMPOSITION OF MAT
Reddy Shri Anantha Venkatarami

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

- (a) whether the Government has imposed Minimum Alternative Tax (MAT) on companies operating in the Special Economic Zones (SEZs);
- (b) if so, the details thereof;
- (c) whether such tax has increased or decreased the investment in the SEZs particularly in the Information Technology Sector during each of the last two years;
- (d) if so, the details thereof;
- (e) whether there is any proposal to review the imposed tax; and
- (f) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

(a) and (b): The provisions of Minimum Alternate Tax (MAT) have been made applicable to Special Economic Zone (SEZ) Developers and Units with effect from 1st April, 2012. The imposition of MAT on SEZs has brought the book profits of SEZ units and developers under the ambit of Sec 115JB of the I-T Act, 1961.

(c) and (d): The investment in Information Technology (IT) and IT Enabled Services (ITES) SEZs during the last two years is as under:-

Year	Total Investment in SEZs (Rs in Crore)	Investment in IT/ITES SEZs (Rs. in Crores)
2011-2012	2,32,681	39,390
2012-2013	2,36,716	57,574

(e) & (f): The proposal for review of imposition of Minimum Alternate Tax (MAT) was taken up by the Government and there has been no decision to reconsider the same at present.