

## **SEZ Benefits:**

1. A Special Economic Zone (SEZ) is a specifically delineated, duty-free enclave with all required infrastructure provided under one single administrative umbrella and shall be deemed to be a territory outside the Customs territory of India for the purposes of undertaking the authorized operations. In accordance with this provision, all Developer/ units are entitled to exemptions, drawbacks and concessions provided under SEZ Act.
2. The main objectives are :
  - Creation of Economic enclave to cater overseas market
  - Generation of employment opportunities
  - Promotion of investment – domestic and foreign
  - Significant Foreign Exchange Earnings through exports
  - Development of world class infrastructure facilities
3. Supplies from the Domestic Tariff Area to a SEZ Unit or Developer for their authorized operations shall be eligible for export benefits as admissible under the Foreign Trade Policy as though the goods have been exported out of India.
4. Units in SEZ can import raw materials and capital goods for authorised operations without payment of customs duty and also procure them without payment of excise duty.
5. Income tax holiday for 15 years
  - 100% for the first five years
  - 50% for the next five years
  - 50% for the following five years on plough back of profits

To qualify for deduction under Income-tax Act, it is essential that such SEZ unit is not formed by splitting up or reconstruction of a business already in existence. The plant and machinery that are previously used for any other purpose in India should not be transferred to such SEZ unit except to the extent of 20% of cost of total plant and machinery.

6. The provisions of SEZ Act, 2005 & Rules framed thereunder do not prohibit transfer of used capital goods or business from existing DTA or STPI unit to SEZ.

7. Developer/ units are eligible to avail Exemption from Customs & Excise duties, Central Sales Tax and local taxes on construction material, capital equipment, raw material, spares and consumables for their authorize operation in SEZ area.
8. Exemption from service tax
9. Exemption on stamp duty and land registration charges
10. Single window clearances
11. On-site customs and self-certification processes
12. Repatriation of profits without dividend balancing permitted
13. 100% foreign direct investment permitted
14. External commercial borrowings by units up to \$ 500 million a year allowed without any maturity restrictions.
15. Flexibility to keep 100% of export proceeds in EEFC account.
16. SEZ units may sub-contract part of production or production process through units in the Domestic Traiff Area or through other EOU/SEZ units.

**For more details about SEZ, Fiscal Benefits, SEZ Unit Approval, Online Registration etc.**

**Please visit:** <http://www.csez.gov.in> Or **Contact**

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**Development Commissioner**

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