

NOIDA SPECIAL ECONOMIC ZONE

Issues related to SEZ in the state of Rajasthan discussed in the Open House at 3.30 p.m. on 25-01-2010 at Committee Room, RIICO Limited, Udyog Bhawan, tilak Nagar, Jaipur.

The meeting was chaired by Shri S.C. Panda, Development Commissioner, NSEZ. Shri Rajendra Bhanawat also attended the meeting. List of other participants is Annexed.

1. Applicability of Entry tax on SEZ:-

As per SEZ Act, 2005 and State SEZ policy, all state and local taxes including Entry tax are to be exempted. In Rajasthan Entry tax on goods brought by SEZ unit for use as capital goods are exempted but entry tax on specified goods in respect of purchases of raw material, consumables and capital goods for Developer/ Co-developer and entry tax on purchases of raw material, consumables is not exempted. UP Govt. has already exempted entry tax on SEZs and on the same line entry tax should be exempted in Rajasthan also.

Mr. Rajendra Bhanawat, MD, RIICO informed that the matter will be taken up with finance department for issuance of exemption notification.

2. Applicability of VAT/GST on SEZ:

The exemption of VAT on purchase of raw material, consumables and capital goods for construction of building of a unit and development, operation and maintenance of a SEZ is not in place. As per SEZ Act, 2005 and state SEZ policy all state and local taxes including VAT are to be exempted. Exemption may also be given from payment of various charges like cess, royalty, mandi tax and any extra tax

Mr. Rajendra Bhanawat MD, RIICO informed that this matter is related to finance department and suitable reference may be sent to them requesting for issuance of relevant exemption notification.

3. Exemption of stamp duty for SEZ unit under Rajasthan Investment Promotion Scheme, 2003:

Units of Mahindra SEZ are applying to Commissioner Industry's office for getting exemption of stamp duty under Rajasthan Investment Promotion Scheme, 2003. As per the scheme Infosys BPO Limited, a SEZ unit has applied for getting the benefit but recently Industry office is not allowing 50% exemption of stamp duty considering subsequent transfer as per notification dated 25-08-2006.

As per section 3 of Indian Stamp Act, 1899, any instrument executed within SEZ is exempted and accordingly Chief Minister on 28-07-2009 announced that Govt. of Rajasthan is extending 100% stamp duty exemption on land purchased for SEZ and subsequent transfer of thereof under proposed Rajasthan SEZ Act. So Govt. should allow the 50% exemption of stamp duty under Rajasthan Investment Promotion Scheme, 2003 till the Rajasthan SEZ Act is enacted.

RIICO MD stated that issue may be taken up with Deptt. of Industry.

4. Considering CHA as a representative of Unit for signing on Shipping Bill or Bill of Entry in the SEZ:

Representative of Infosys BPO Limited has raised a issue that custom authorities do not allow CHA as a representative of unit for signing on Shipping Bills or Bill of Entry whereas as per Rule 29 and 46 of SEZ Rules, 2006 any person authorized by the unit is also eligible to sign and file the required papers in the custom office.

Development Commissioner informed that the matter may be examined in consultation with DOC.

5. Conversion charges on SEZ land as per commercial rates of M/s Somani Worsted Limited:

MD, RIICO informed that the issue of conversion charges has already been discussed with the Developer. Now the developer has

proposed the whole of SEZ area as processing area so there is no issue for charging commercial rates.

6. **Water electricity problem faced in Mansarovar Industrial Development Corporation, Jodhpur:-**

Regarding water and electricity issue MD, RIICO informed that the matter is already under consideration. However, he informed that a meeting with PHED and JVVNL officers may be held in this month to resolve the issue.

7. **Entry from the High way to the Vatika Jaipur SEZ Developer limited:**

Due to entry problem from highway Vatika SEZ at Jaipur is not picking up. MD, RIICO stated that he has written letter to concerned department for providing entry from highway into SEZ.



(S.C. PANDA)
Development Commissioner