

EXPORT PROMOTION COUNCIL FOR EOUs & SEZs

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EPCES CIRCULAR NO. 226 DATED 1-3-2016

Subject : Announcement of Union Budget 2016-17 by Hon'ble Finance Minister

Hon'ble Finance Minister ShriArunJaitley presented Union Budget 2016-17 on February 29, 2016. The salient features with regard to Special Economic Zones, are as under:-

- Union Budget has extended the benefit of Section 10AA to new SEZ Units, which will commence activities before 31.3.2020.
- Benefits under Section 80 1AB for SEZ developers has been extended only upto 31.3.2017.

In other words, Sunset Clauses have been imposed on SEZ Units under Section 10AA upto 31.3.2020 and on SEZ Developers upto 31.3. 2017 under Section 80 1AB.

EPCES has requested Government for extension of the benefits under Section 80 1AB to SEZ Developers upto 31.3.2020 and extension of benefits under Section 10AA to SEZ units which will commence activities before 31.3.2022.

EPCES has requested that certain steps are to be immediately taken which would demonstrate Government's continued support to SEZs. Such steps could include withdrawal of MAT/DDT on SEZs, providing best FTA rates for sale in DTA by SEZs, permission to do job work on behalf of DTA etc. MAT should be totally withdrawn or atleast reduced to its original rate of 7.5%.

This is for kind information of the members.
