

Bill No. XIV of 2009.

THE SPECIAL ECONOMIC ZONES (AMENDMENT) BILL, 2009

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BILL

further to amend the Special Economic Zones Act, 2005.

BE it enacted by Parliament in the Sixtieth Year of the Republic of India as follows:—

1. (1) This Act may be called the Special Economic Zones (Amendment) Act 2009.

Short title and
commence-
ment.

(2) It shall come into force on such date, as the Central Government may, by notification in the Official Gazette, appoint.

28 of 2005. 5

2. After section 24 of the Special Economic Zones Act, 2005, the following section shall be inserted, namely:—

Insertion of
new section
24A.

“24A. If any “developer”, “co-developer” or “entrepreneur” misrepresents any material fact before any authority, constituted under the Act, he shall be punished with imprisonment for a term which may extend to three years or with fine which may extend to five lakhs rupees.

Penalty on
misrepresentation
of facts.

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STATEMENT OF OBJECTS AND REASONS

Ever since, the Special Economic Zones Act, 2005, and the schemes prepared under the Act have come into force, respective state governments have recommended the cases of various developers, co-developers and entrepreneurs for establishing Special Economic Zones in their respective States.

Since the concept involves grant of considerable amount of land to the applicants, with a number of facilities, concessions and tax exemptions, number of applicants seeking to establish SEZs, is increasing, although, world-wide recession has reduced the number of applicants to some extent, in recent times.

However, since a number of procedural formalities are involved in obtaining approvals/permissions/licenses under the Act, there may be cases where applicants may be tempted to misrepresent facts before the authorities under the Act.

Land is becoming a scarce commodity, and, therefore, it cannot be allowed to be misused in the name of establishing units or projects under the Act. There has been a criticism that many a developers intend to apply for projects in the name of Special Economic Zones but their object tends to be, clandestinely for commercial purposes. Such applicants exaggerate and misrepresent the requirement of land before the authorities. Some also intend to sublet the rights over the land without the permission of the authorities, while, others give misleading projection regarding the export potentials of their products. Some applicants also lack basic potential to establish such projects and are expert in manipulating vital figures and facts. In all such matters, element of misrepresentation, remains the main culprit, and, therefore, such acts should not go unnoticed and unpunished.

Hence, this Bill.

SHANTARAM LAXMAN NAIK

ANNEXURE

EXTRACT FROM THE SPECIAL ECONOMIC ZONES, 2005 (Section 24).

24. Appeal to High Court.—Any person aggrieved, by any decision or order of the court designated under sub-section (1) of section 23, may file an appeal to the High Court within sixty days from the date of communication of the decision or order of the courts so designated to him on any question of fact or law arising out of such orders: Provided that the High Court may, if it is satisfied that the appellant was prevented by sufficient cause from filing an appeal within the said period, allow it to be filed within a further period not exceeding sixty days. Explanation. — In section 23 and in this section “High Court” means the High Court of the State in which the Special Economic Zone is situated.

RAJYA SABHA

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(Shri Shantaram Laxman Naik, M.P.)