

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

UNSTARRED QUESTION NO:5996

ANSWERED ON:03.05.2010

SEZ PROJECTS

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

- (a) whether a large number of developers have failed to complete their Special Economic Zone (SEZ) projects as per the conditions stipulated in the original approval;
- (b) if so, the details in this regard, project-wise and State-wise;
- (c) the details of the SEZ to whom further extension has been granted by the Government, project-wise and State-wise;
- (d) the extent to which generation of employment and export has been affected due to delay in completion of each of these SEZ in various States;
- (e) whether the Government has issued any fresh direction to developers of such SEZ for timely completion of their projects; and
- (f) if so, the details in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a) and (b): In terms of Rule 6 of the SEZ Rules, validity of approval is for a period of three years within which time effective steps are to be taken by the developer to implement the approved proposal. On a request received from the developer the Board of Approval can extend the validity period upto two years. SEZ rules and procedures are reviewed from time to time to facilitate the speedy implementation of SEZ projects.

(c) to (f): Requests for extension of validity period beyond the initial period of three years have been received from Developers citing the global economic slowdown/delay in getting requisite clearances etc., as grounds for extension. Having regard to the provisions of the SEZ Act, 2005 and SEZ Rules, 2006 and the grounds cited, the Board of Approval (BOA), depending on merits of each case, have permitted extension of validity of approval of 135 SEZs beyond the initial 3 years subject to the same terms and conditions as envisaged in the original approval.

The Special Economic Zones (SEZs) are under obligation to achieve positive Net Foreign Exchange (NFE) earnings over a period of 5 years, failing which penalties are leviable. However, no exports targets are set for SEZs. As on 31st March, 2010, an investment of Rs. 1,47,368.79 crore has been made in SEZs and direct employment for 4,93,254 persons have been generated. Exports of Rs. 2,20,611.30 crore approx. have been made from SEZs during the year 2009-10 registering a growth of about 121.29% over the exports for the previous financial year.