

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

UNSTARRED QUESTION NO:1879
ANSWERED ON:22.11.2010
COMPLETION OF SEZ PROJECTS
Thakor Shri Jagdish

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 thereof?

Answer

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

(a) & (b): In terms of Rule 6 of the SEZ Rules, 2006, 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. 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 184 SEZs beyond the initial 3 years subject to the same terms and conditions as envisaged in the original approval.

SEZs are under obligation to achieve positive Net Foreign Exchange (NFE) earnings to be calculated cumulatively for a period of 5 years from the commencement of production, failing which the units shall be liable for penal action under the provisions of the Foreign Trade (Development and Regulation) Act, 1992. As on 30th September, 2010, the total direct employment in SEZs is 6,20,824 persons. The total physical Exports of Rs 2,20,711 crore approximately have been made from SEZs during the year 2009-10 registering a growth of about 121.40% over the exports for the previous financial year. The total physical exports from SEZs as on 30th September, 2010 i.e. in the first half of the current financial year, has been to the tune of Rs 1,39,841 crore approximately registering a growth of 55.8% over the exports of corresponding period of the previous financial year.