

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

UNSTARRED QUESTION NO:2041

ANSWERED ON:26.03.2012

DE-NOTIFIED SEZS

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Bhoi Shri Sanjay;Gaikwad Shri Eknath Mahadeo;Paranjpe Shri Anand Prakash

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

- (a) whether the Government have de-notified certain Special Economic Zones (SEZs) recently;
- (b) if so, the details thereof, and reasons therefor;
- (c) whether there are many SEZs which have been notified much earlier but work has not yet been started;
- (d) if so, the details thereof, State-wise;
- (e) the response of the Government thereto; and
- (f) the steps taken/being taken by the Government to speed up the work in these SEZs?

Answer

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

(a)&(b): Since December, 2008 and till 15.3.2012, the Board of Approval on SEZ has approved 46 requests for de-notification on SEZs, subject to the refund of duty benefits availed, if any, by the developer. In all such cases, either the developers have not availed of duty benefits or the developers are willing to refund/refunded benefits if availed. Reasons given by developers for de-notification include economic meltdown, poor market response, non-availability of skilled labour force, lack of demand for space and imposition to Minimum Alternate Tax (MAT) and Dividend Distribution Tax (DDT) on Special Economic Zones (SEZs).

(c)&(d): In addition to seven Central Government Special Economic Zones (SEZs) and 12 State/Private Sector SEZs set up prior to the enactment of SEZ Act, 2005, formal approval has been accorded to 587 proposals out of which 380 SEZs have been notified. A total of 154 SEZs are already exporting. Statement containing state wise distribution of SEZs is annexed.

(e): 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. Request for extension of the validity received from the Developer is considered by the Board of Approval (BOA) on case to case basis keeping in view the recommendations of the Development Commissioner concerned and progress made on the ground in implementation of the project.

(f): On the basis of inputs received from stakeholders on the working of the SEZ scheme, SEZ rules and procedures are reviewed from time to time to facilitate the speedy implementation of SEZ projects. The review of SEZ Rules and procedure is an ongoing process.