

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

STARRED QUESTION NO:50  
ANSWERED ON:13.08.2012  
EXTENSION OF VALIDITY PERIOD FOR SEZs  
Choudhary Shri Harish;Jaiswal Shri Gorakh Prasad

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

- (a) whether there are any specific provisions in the rules relating to Special Economic Zones (SEZs) regarding the prescribed validity period for completion of projects by the developers and extension of validity period under certain conditions;
- (b) if so, the details thereof;
- (c) whether some SEZ developers have sought extension of validity period for the execution of their projects on certain grounds;
- (d) if so, the details thereof;
- (e) whether the Government has granted/proposes to grant extra time to any of these developers for the execution of their projects; and
- (f) if so, the details thereof, State-wise and the reasons therefor?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

(a) to (f): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION NO.50 FOR ANSWER ON 13TH AUGUST 2012 REGARDING "EXTENSION OF VALIDITY PERIOD FOR SEZs"

(a) & (b): Yes Madam. In terms of Rule 6(2)(a) of The Special Economic Zones Rules, 2006 the letter of approval granted to a SEZ developer is valid for a period of three years within which time effective steps are to be taken by the developer to implement the approved proposal. The Board of Approval may, on an application by the developer, extend the validity period of the letter of approval.

(c) to (f): SEZ developers have sought extension of validity period of the letter of approval granted to them for the execution of their projects for various reasons including adverse business climate due to global recession, delay in approvals from statutory State government bodies, delay in environmental clearance, lack of demand for space in SEZs, unstable fiscal incentive regime for SEZs etc. 283 developers (details as per Annexure) have been granted extension of validity period of the letters of approval granted to them for the execution of their projects.