

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

UNSTARRED QUESTION NO:538

ANSWERED ON:26.11.2012

EXTENSION OF TIME FOR SEZS

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

- (a) whether there has been delay in the execution of several projects under the Special Economic Zones (SEZs);
- (b) if so, the details of such projects, State-wise along with the reasons therefor;
- (c) whether the Government has granted/proposes to grant any extension of time limit to the SEZ developers for execution of these pending projects;
- (d) if so, the details thereof and the reasons therefor;
- (e) whether there has been any demands from the original owners of land to return their land in such cases where there has been inordinate delay in the execution of the SEZ project; and
- (f) if so, the reaction of the Government in this regard alongwith the steps taken/being taken by the Government to expedite the completion of these projects?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. D. PURANDESWARI)

(a) to (d): 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. 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. 307 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.

(e) & (f): Land is a State subject. Land for Special Economic Zones (SEZs) is procured by the SEZ developer as per the policy and procedures of the respective State Governments. The Board of Approval for SEZs only considers those proposals, which have been duly recommended by the State Government.