

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

UNSTARRED QUESTION NO:526
ANSWERED ON:09.12.2013
SPECIAL ECONOMIC ZONES H .
Roy Shri Nripendra Nath; Tirkey Shri Manohar

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) with regard to the prescribed validity period for completion of projects by the developers and extension of validity period under certain condition and if so, the details thereof;
- (b) whether some SEZ developers have sought extension of validity period for the execution of their projects on certain grounds, particularly from the State of Gujarat and Maharashtra and if so, the details thereof;
- (c) whether the Government has granted/proposes to grant extra time to any of these developers for the execution of their projects;
- (d) if so, the details thereof, State-wise; and
- (e) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. E.M. SUDARSANA NATCHIAPPAN)

(a) 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 project. The Board of Approval may, on an application by the developer, extend the validity period of the letter of approval.

(b) to (e) Some SEZ developers have sought extension of validity period of the letter of approval granted to them for the execution of their projects stating 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, changed fiscal incentive regime for SEZs etc. After deliberations and taking into account the facts and circumstances of each case, the Board of Approval for SEZs has granted approval for extension of validity of approval in the case of several developers for the execution of their projects. The State wise position of extension of validity of approvals granted for developers from 1.4.2012 till 30.11.2013 is given as per Annexure.