

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

STARRED QUESTION NO:348
ANSWERED ON:14.12.2009
IMPLEMENTATION OF SEZ PROJECTS
Singh Dr. Raghuvansh Prasad

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

- (a) the details of the provisions for legal/penal action against the developers who fail to develop the Special Economic Zones (SEZs) within the stipulated time-frame;
- (b) the names of the developers who have not developed these SEZs within the time limits; and
- (c) the action taken/being taken on the developers for hoarding of precious land in the name of developing SEZs?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 348 FOR ANSWER ON 14TH DECEMBER 2009 REGARDING "IMPLEMENTATION OF SEZ PROJECTS".

(a) to (c): As per the provisions of the SEZ Act, 2005, if a Developer is unable to discharge the functions or perform the duties reposed in him under the provisions of SEZ Act and Rules or has persistently defaulted in complying with any direction given by the Board of Approval or has violated the terms and conditions of the Letter of Approval or is unable to discharge the duties and obligations due to financial reasons, the Letter of Approval is liable to be suspended.

As per provisions of the SEZ Rules, 2006, an approval 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. On a request received from the Developer, the Board of Approval can extend the validity period by a further period two years.

Requests for extension of validity period 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) has permitted extension of validity of 89 SEZs beyond the initial 3 years subject to the same terms and conditions as envisaged in the original approval. As on date 346 SEZs stand notified and 101 SEZs are currently exporting.