

Minutes of the 75th meeting of the Board of Approval for SEZ held on 8th March 2017 to consider setting up of Special Economic Zones and other miscellaneous proposals

The Seventy Fifth (75th) meeting of the Board of Approval (BoA) for Special Economic Zones (SEZs) was held on 8th March, 2017 under the Chairpersonship of Ms. Rita Teatota, Secretary, Department of Commerce, at 10.00 A.M. in Room No. 47, Udyog Bhawan, New Delhi to consider the proposals in respect of notified/approved SEZs. The list of participants is Annexed (Annexure-1).

Item No. 75.1: Requests for extension of validity of formal approvals (5 proposals)

BoA in its meeting held on 14th September, 2012, examining similar cases observed as under: -

"The Board advised the Development Commissioners to recommend the requests for extension of formal approval beyond 5th year and onwards only after satisfying that the developer has taken sufficient steps towards operationalisation of the project and further extension is based on justifiable reasons. Board also observed that extensions may not be granted as a matter of routine unless some progress has been made on ground by the developers. The Board, therefore, after deliberations, extended the validity of the formal approval to the requests for extensions beyond fifth years for a period of one year and those beyond sixth year for a period of 6 months from the date of expiry of last extension".

(i) Request of M/s. Indus Gene Expression Ltd. for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Biotech and related activities at Kodur and Settupali villages, Chilamathur Mandal, Anantapur District, Andhra Pradesh, beyond 13th February, 2017

The Board, after deliberations, extended the validity of the formal approval up to 13th February, 2018.

(ii) Request of M/s. SEZ Biotech Services Pvt. Ltd. for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Biotechnology at Manjari Budruk, Taluka Haveli, District Pune, Maharashtra, beyond 27th March, 2017

The Board, after deliberations, extended the validity of the formal approval up to 27th March, 2018.

(iii) Request of M/s. Kandla Port Trust for further extension of the validity period of formal approval, granted for setting up of port based multi product SEZ at Kandla & Tuna Area, beyond 6th May, 2017

The Board, after deliberations, extended the validity of the formal approval up to 6th May, 2018.

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(iv) Request of M/s. Brookefields Real Estate and Projects Private Limited for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES/BPO/Electronic Hardware at "Brooke fields", Village Kundalahalli, Hobli Krishnarajapuram, Taluk Bangalore South, Karnataka, beyond 31st March 2017

The Board, after deliberations, extended the validity of the formal approval up to 31st March, 2018.

(v) Request of M/s. Golden Tower Infratech Pvt. Ltd. for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Plot No. 8, Sector-144, Noida, Uttar Pradesh, beyond 2nd September 2016

The Board, after deliberations, extended the validity of the formal approval up to 2nd September, 2017.

Item No. 75.2 Requests for extension of LoP beyond 3rd Year onwards (7 proposals)

- As per Rule 18(1) of the SEZ Rules, the approval Committee may approve or reject a proposal for setting up of Unit in a Special Economic Zone.
- Cases for consideration of extension of Letter of Permission (LoP)s i.r.o units in SEZs are governed by Rule 19(4) of SEZ Rules.
- Rule 19(4) states that an LoP shall be valid for one year. First Proviso grants power to DCs for extending the LoP not exceeding 2 years. Second Proviso grants further power to DCs for extending the LoP for one more year but subject to the condition that two-thirds of activities including construction, relating to the setting up of the Unit is complete and a Chartered Engineer's certificate to this effect is submitted by the entrepreneur.
- Extensions beyond 3rd year (*in cases where two-third activities are not complete*) and 4th year are granted by BoA.
- BoA can extend the validity for a period of one year at a time.
- There is no time limit up to which the Board can extend the validity

(i) Request of M/s. Icreon Communications Pvt. Ltd. (Unit-II), a unit in NSEZ at Noida, Uttar Pradesh for extension of validity period of its LoP beyond 28th February 2017.

The Board, after deliberations, extended the validity of the LoP up to 28th February, 2018.

(ii) Request of M/s Kusum Healthcare Pvt. Ltd., a unit in Indore SEZ for extension of validity period of its LoP beyond 28th February 2017

The Board, after deliberations, extended the validity of the LoP up to 28th February, 2018.

(iii) Request of M/s. APPL Industries Ltd., a unit in the multi product SEZ being developed by M/s. Dahej SEZ at Bharuch, Gujarat for extension of Letter of Permission (LOP) beyond 13th February, 2017

The Board, after deliberations, extended the validity of the LoP up to 13th February, 2018.

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(iv) Request of M/s. Macson Color Chem Pvt. Ltd., a unit in the multi product SEZ being developed by M/s. Dahej SEZ at Bharuch, Gujarat for extension of Letter of Permission (LOP) beyond 5th February, 2017

The Board, after deliberations, extended the validity of the LoP up to 5th February, 2018.

(v) Request of M/s. Astra Specialty Compounds India Pvt. Ltd., a unit in the multi product SEZ being developed by M/s. Dahej SEZ at Bharuch, Gujarat for extension of Letter of Permission (LOP) beyond 5th February, 2017

The Board, after deliberations, extended the validity of the LoP up to 5th February, 2018.

(vi) Request of M/s. Eternity Innovations & Technologies Pvt. Ltd., a unit in MIDC SEZ at Rajiv Infotech Park, Hinjewadi, Phase-III, Pune, Maharashtra for extension of validity period of its LoP beyond 8th January 2017.

The Board, after deliberations, extended the validity of the LoP up to 10th September, 2017 (Penalty free extension has been provided by MIDC till 10th September, 2017).

(vii) Request of M/s. Zydus Technologies Limited, a unit in pharmaceutical and biotechnology SEZ developed by M/s. Zydus Infrastructure Pvt. Ltd. at Matoda Ta. Sanand, Distt. Ahmedabad for extension of Letter of Permission (LOP) beyond 28th June, 2017

The Board, after deliberations, extended the validity of the LoP up to 28th June, 2018.

Item No. 75.3 Requests for co-developer (2 proposals)

(i) Request of M/s. Saicon Infratek Pvt. Ltd. for co-developer in the sector specific SEZ for IT/ITES at Rajiv Gandhi Infotech Park, Phase-III, Hinjewadi, Pune, Maharashtra, being developed by M/s. Maharashtra Industrial Development Corporation (MIDC)

After deliberations, the Board approved the proposal of M/s Saicon Infratek Pvt. Ltd. for construction of buildings and related infrastructure for IT/ITES Units, development of space of IT/ITES unit and all default authorized operations in the SEZ over an area of 17463 sq. mtrs in accordance with the co-developer agreement entered into with the developer, subject to standard terms and conditions as per SEZ Act and Rules.

(ii) Request of M/s. Peak Air Pvt. Ltd. for co-developer in the sector specific SEZ for IT/ITES at Block 9, Kakkanad Village, Kanayanoor Taluk, Ernakulam District, Kerala being developed by M/s. SmartCity (Kochi) Infrastructure Pvt. Ltd

After deliberations, the Board approved the proposal of M/s Peak Air Pvt. Ltd. for construction of Internet Service, Live Telecast, Surveillance, VoIP Services, IPTV, System Integration, and VPN services, IT Hardware, Telecom Products, Electronic Products and accessories, consistently to all existing units in SCK-01 Building and the new units which are coming up in SmartCity (Kochi) Infrastructure Pvt. Ltd. SEZ in accordance with the co-developer agreement entered into with the developer, subject to standard terms and conditions as per SEZ Act and Rules.

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Item No. 75.4 Proposals for setting up of New SEZs (5 proposals)

(i) Request of M/s. Modern Asset, Bangalore for setting up of sector specific SEZ for IT/ITES at Survey No. 2/1 & 2/2, Venkatala Village, Yelahanka Hobli, Bangalore, Karnataka, over an area of 2.33 hectares.

The Board, after deliberations, approved the proposal for setting up of a sector specific Special Economic Zone for IT/ITES at Survey No. 2/1 & 2/2, Venkatala Village, Yelahanka Hobli, Bangalore, Karnataka, over an area of 2.33 hectares.

(ii) Request of M/s. Modern Asset (Phase –II), Bangalore for setting up of sector specific SEZ for IT/ITES at Survey No. 2/2, Venkatala Village, Yelahanka Hobli, Bangalore, Karnataka, over an area of 3.22 hectares.

The Board, after deliberations, approved the proposal for setting up of a sector specific Special Economic Zone for IT/ITES at Survey No. 2/2, Venkatala Village, Yelahanka Hobli, Bangalore, Karnataka, over an area of 3.22 hectares.

(iii) Request of M/s. Oracle India Private Limited for setting up of sector specific SEZ for IT/ITES at Kadubeesanahalli Village, Varthur Hobli, Outer Ring Road, Bangalore East Taluk, Bangalore, Karnataka, over an area of 5.55 hectares.

The Board, after deliberations, approved the proposal for setting up of a sector specific Special Economic Zone for IT/ITES at Kadubeesanahalli Village, Varthur Hobli, Outer Ring Road, Bangalore East Taluk, Bangalore, Karnataka, over an area of 5.55 hectares.

(iv) Request of M/s. L&T Construction Equipment Limited (Reality Division) for setting up of a sector specific SEZ for IT/ITES at L&T Campus, Bellary Road, Byatarayanapura, Next to GKVK, Bangalore, Karnataka over an area of 2.34 Hectares.

The Board, after deliberations, approved the proposal for setting up of a sector specific Special Economic Zone for IT/ITES at L&T Campus, Bellary Road, Byatarayanapura, Next to GKVK, Bangalore, Karnataka, over an area of 2.34 hectares.

(v) Request of M/s. L&T Construction Equipment Limited (Reality Division) for setting up of a sector specific SEZ for IT/ITES at L&T Park SEZ Plot 2, L&T Campus, Bellary Road, Byatarayanapura, Next to GKVK, Bangalore, Karnataka over an area of 4.95 Hectares.

The Board, after deliberations, approved the proposal for setting up of a sector specific Special Economic Zone for IT/ITES at L&T Park SEZ Plot 2, L&T Campus, Bellary Road, Byatarayanapura, Next to GKVK, Bangalore, Karnataka, over an area of 4.95 hectares.

Item No. 75.5 : Change of Shareholding Pattern Cases (8 proposals)

With a view to promote the ease of doing business in India and that restructuring of entity/business is a fairly common occurrence, BOA in its 69th meeting held on 23.02.2016 decided that provisions of Rule 74A shall not apply to SEZ Units that do not exit or opt out of the SEZ Scheme by transferring its assets and liabilities to another person and the SEZ Unit continues to operate as a going concern in the situations mentioned above. The UACs concerned, may consider such requests under Rule 19(2) of the SEZ Rules, 2006.

In so far as Business Transfer Agreement is concerned, it was explained that certain acquisitions happen globally as a result of Business Transfer Agreement which result in transfer of the SEZ unit of the Indian company on a going concern basis to the acquirer. The BOA decided that such cases resulting in change of ownership would be decided on merits by the Board of Approvals on a case to case basis.

*** Proposal to incorporate the above decision of BoA in SEZ Rules, 2006 has been approved and was sent to DLA for vetting.**

(i) Request of M/s. DLF Info City Developers (Chennai) Limited in the sector specific SEZ for IT/ITES at 1/124, Shivaji Garden, Moonlight Stop, Nandampakkam Post, Ramapuram, Mount Poonamalle Road, Chennai for transfer of LoA from M/s. DLF Info City Developers (Chennai) Limited to M/s. DLF Home Developers Limited in terms of merger/amalgamation order passed by Hon'ble High Court.

After deliberations, the Board approved the proposal for transfer of LoA from M/s. DLF Info City Developers (Chennai) Limited to M/s. DLF Home Developers Limited, subject to following conditions:-

- (i) Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered developer entity;
- (ii) Fulfillment of all eligibility criteria applicable to developer, including security clearances etc., by the altered developer entity and its constituents;
- (iii) Applicability of and compliance with all Revenue / Company Affairs /SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.
- (iv) Full financial details relating to change in equity/merger, demerger, amalgamation or transfer in ownership etc. shall be furnished immediately to Member (IT), CBDT, Department of Revenue and to the jurisdictional Authority.
- (v) The Assessing Officer shall have the right to assess the taxability of the gain/loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and ownerships etc. as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.
- (vi) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.
- (vii) The developer shall furnish details of PAN and jurisdictional assessing officer of the co-developer to CBDT.
- (viii) Meanwhile, the proposal for amendment in SEZ Rules may also be taken up by the SEZ division to bring clarity on such transactions.

(ii) Request of M/s. Sahdev International, a unit in NSEZ for change in promoter and shareholding.

The Board, after deliberations, approved the proposal for change in promoter and shareholding subject to following conditions:-

- i) Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered unit entity;
- ii) Fulfillment of all eligibility criteria applicable to unit, including security clearances etc., by the altered unit entity and its constituents;
- iii) Applicability of and compliance with all Revenue / Company Affairs /SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.

- iv) Full financial details relating to change in equity/merger, demerger, amalgamation or transfer in ownership etc. shall be furnished immediately to Member (IT), CBDT, Department of Revenue and to the jurisdictional Authority.
- v) The Assessing Officer shall have the right to assess the taxability of the gain/loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and ownerships etc. as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.
- vi) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.
- vii) The unit shall furnish details of PAN and jurisdictional assessing officer of the unit to CBDT.
- viii) Meanwhile, the proposal for amendment in SEZ Rules may also be taken up by the SEZ division to bring clarity on such transactions.

(iii) Request of M/s. Sapient Consulting Pvt. Ltd. under the jurisdiction of NSEZ for change of shareholding of five units.

The Board, after deliberations, approved the proposal for change of shareholding of five units in different SEZs subject to following conditions:-

- i) Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered unit entity;
- ii) Fulfillment of all eligibility criteria applicable to unit, including security clearances etc., by the altered unit entity and its constituents;
- iii) Applicability of and compliance with all Revenue / Company Affairs /SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.
- iv) Full financial details relating to change in equity/merger, demerger, amalgamation or transfer in ownership etc. shall be furnished immediately to Member (IT), CBDT, Department of Revenue and to the jurisdictional Authority.
- v) The Assessing Officer shall have the right to assess the taxability of the gain/loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and ownerships etc. as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.
- vi) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.
- vii) The unit shall furnish details of PAN and jurisdictional assessing officer of the unit to CBDT.
- viii) Meanwhile, the proposal for amendment in SEZ Rules may also be taken up by the SEZ division to bring clarity on such transactions.

(iv) Request of M/s. H.R. Gems, a unit at Sitapura, Jaipur under the jurisdiction of NSEZ for change of proprietorship due to death of proprietor.

The Board, after deliberations, approved the proposal for change of proprietorship, subject to following conditions:-

- i) Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered unit entity;
- ii) Fulfillment of all eligibility criteria applicable to unit, including security clearances etc., by the altered unit entity and its constituents;
- iii) Applicability of and compliance with all Revenue / Company Affairs /SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.

- iv) Full financial details relating to change in equity/merger, demerger, amalgamation or transfer in ownership etc. shall be furnished immediately to Member (IT), CBDT, Department of Revenue and to the jurisdictional Authority.
- v) The Assessing Officer shall have the right to assess the taxability of the gain/loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and ownerships etc. as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.
- vi) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.
- vii) The unit shall furnish details of PAN and jurisdictional assessing officer of the unit to CBDT.
- viii) Meanwhile, the proposal for amendment in SEZ Rules may also be taken up by the SEZ division to bring clarity on such transactions.

(v) Request of M/s. Huron India Pvt. Ltd., a unit in the IT/ITES SEZ of M/s. Gurgaon Infospace Ltd. at Village Dundaheera, Sector-21, Gurgaon, Haryana under the jurisdiction of NSEZ for change of name & shareholding of the company.

The Board, after deliberations, approved the proposal for change of proprietorship subject to following conditions:-

- i) Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered unit entity;
- ii) Fulfillment of all eligibility criteria applicable to unit, including security clearances etc., by the altered unit entity and its constituents;
- iii) Applicability of and compliance with all Revenue / Company Affairs /SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.
- iv) Full financial details relating to change in equity/merger, demerger, amalgamation or transfer in ownership etc. shall be furnished immediately to Member (IT), CBDT, Department of Revenue and to the jurisdictional Authority.
- v) The Assessing Officer shall have the right to assess the taxability of the gain/loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and ownerships etc. as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.
- vi) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.
- vii) The unit shall furnish details of PAN and jurisdictional assessing officer of the unit to CBDT.
- viii) Meanwhile, the proposal for amendment in SEZ Rules may also be taken up by the SEZ division to bring clarity on such transactions.

(vi) Request of M/s. Divine Diamonds, unit no. 145, Plot No. 255, Surat SEZ under jurisdiction of KASEZ for change in partnership deed and shareholding pattern.

The Board, after deliberations, approved the proposal for change in partnership and shareholding pattern subject to following conditions:-

- i) Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered unit entity;
- ii) Fulfillment of all eligibility criteria applicable to unit, including security clearances etc., by the altered unit entity and its constituents;

- iii) Applicability of and compliance with all Revenue / Company Affairs /SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.
- iv) Full financial details relating to change in equity/merger, demerger, amalgamation or transfer in ownership etc. shall be furnished immediately to Member (IT), CBDT, Department of Revenue and to the jurisdictional Authority.
- v) The Assessing Officer shall have the right to assess the taxability of the gain/loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and ownerships etc. as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.
- vi) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.
- vii) The unit shall furnish details of PAN and jurisdictional assessing officer of the unit to CBDT.
- viii) Meanwhile, the proposal for amendment in SEZ Rules may also be taken up by the SEZ division to bring clarity on such transactions.

(vii) Request of M/s. iGate Global Solutions Ltd. under the jurisdiction of NSEZ for change of name to M/s. Capgemini Technology Services India Limited and change in shareholding of the company.

After deliberations, the Board approved the proposal for change of name from M/s. iGate Global Solutions Ltd. to M/s. Capgemini Technology Services India Limited and change in shareholding pattern of the company subject to following conditions:-

- (i) Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered unit entity;
- (ii) Fulfillment of all eligibility criteria applicable to unit, including security clearances etc., by the altered unit entity and its constituents;
- (iii) Applicability of and compliance with all Revenue / Company Affairs /SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.
- (iv) Full financial details relating to change in equity/merger, demerger, amalgamation or transfer in ownership etc. shall be furnished immediately to Member (IT), CBDT, Department of Revenue and to the jurisdictional Authority.
- (v) The Assessing Officer shall have the right to assess the taxability of the gain/loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and ownerships etc. as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.
- (vi) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.
- (vii) The unit shall furnish details of PAN and jurisdictional assessing officer of the unit to CBDT.
- (viii) Meanwhile, the proposal for amendment in SEZ Rules may also be taken up by the SEZ division to bring clarity on such transactions.

(viii) Request of M/s. Divija Commercial Properties Ltd. of sector specific SEZ for IT/ITES at Sy. No. 83/1, Raidurgam, Madhapur, Hyderabad for dilution of stake of 50% to M/s. RMZ Infotech Park (India) Pvt. Ltd. (Investor and Change in the Board of Directors of the developer entity).

The Board, after deliberations, approved the proposal for dilution of stake of 50% to M/s. RMZ Infotech Park (India) Pvt. Ltd. (Investor and Change in the Board of Directors of the developer entity) subject to following conditions:-

- i) Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered unit entity;
- ii) Fulfillment of all eligibility criteria applicable to unit, including security clearances etc., by the altered unit entity and its constituents;
- iii) Applicability of and compliance with all Revenue / Company Affairs /SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.
- iv) Full financial details relating to change in equity/merger, demerger, amalgamation or transfer in ownership etc. shall be furnished immediately to Member (IT), CBDT, Department of Revenue and to the jurisdictional Authority.
- v) The Assessing Officer shall have the right to assess the taxability of the gain/loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and ownerships etc. as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.
- vi) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.
- vii) The unit shall furnish details of PAN and jurisdictional assessing officer of the unit to CBDT.
- viii) Meanwhile, the proposal for amendment in SEZ Rules may also be taken up by the SEZ division to bring clarity on such transactions.

Item No. 75.6 : Miscellaneous cases (2 proposals)

(i) Proposal of M/s. Global Export House, a unit in Moradabad SEZ for approval of import of Sandal Wood, Sandal Wood Oil and export of Sandal Wood Chips (upto 50 gms) Sandal Wood Powder, Sandal Wood Oil, Sandal Wood Handicraft and its by-product based on Sandal Wood Oil.

The Board, after deliberations, noted that while DGFT, vide its letter dated 30.01.2017, has clarified the export policy, quantitative ceiling on import of Sandal Wood is applicable and license for the same is issued by DGFT. The Board, therefore, deferred the proposal. DGFT will hold a meeting with DGEP and DC NSEZ to discuss all issues raised by DC NSEZ and DGEP and give a report in the matter. In the meanwhile, all DCs will intimate the details of Sandal Wood units to DoC/DGFT by 27.3.2017.

(ii) Request of M/s. Wipro Ltd. at Survey No. 39, Old TB Hospital Area, Visakhapatnam to add additional area to the already approved area for its IT/ITES SEZ

The Board, after deliberations, approved the proposal with the condition that the direct tax benefits will be available only on the new infrastructure.

Item No. 75.7 Cancellation of Formal Approvals (8 proposals)

The Board examined the following 8 cases of cancellation of formal approval /notification and approved cancellation of their formal approvals:-

Sr. No.	Name of the Developer/co-developer	Sector	Date of formal approval	Zone
1.	M/s. Kinfotech Software Pvt. Ltd. (Ganjimutt, Mangalore, Karnataka)	IT/ITES	30.07.2007	CSEZ
2.	M/s. Concord India Pvt. Ltd. (Kadugondi Industrial area, Bitharahalli Hobli, Bangalore,	IT/ITES	30.10.2008	CSEZ

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3.	M/s. Chaitanaya Infrastructure Pvt. Ltd. (Whitefield Main Road, Bangalore Karnataka)	IT/ITES	26.10.2006	CSEZ
4.	M/s. Bangalore International Airport Limited (BIAL Airport, Devanahalli, Bangalore, Karnataka)	IT/ITES	29.09.2008	CSEZ
5.	M/s. Heera Realcon Private Limited (Village Thirupalaya, Bangalore, Karnataka)	IT/ITES	30.06.2008	CSEZ
6.	M/s. Salarpuria Properties Pvt. Ltd. (Sonenhalli Village, Bangalore, Karnataka)	IT/ITES	19.06.2007	CSEZ
7.	M/s. Gokaldas Images Infrastructure Pvt. Ltd. (Hire Amanikere and Akkupet Village, Bangalore Rural Dist., Karnataka)	IT/ITES	21.07.2008	CSEZ
8.	M/s. San Engineering and Locomotive Company Ltd. (Whitefield Road, Bangalore, Karnataka)	IT/ITES	21.08.2006	CSEZ

The cancellation is subject to the DC furnishing a certificate in the prescribed format certifying that the Developer has not availed any Tax/Duty benefits including Service Tax exemptions, if any, under SEZ Act/Rules, or has refunded any such benefits availed by it.

Item no. 75.8- Appeal before BoA (4 Appeals).

(i) Appeal of M/s. Prasar Enterprises, a unit in KASEZ against order dated 22.12.2016 passed by UAC, KASEZ.

After deliberation, the Board noted that the matter was covered under the provision of appeal under FDR Act, 1995. Therefore, the BOA was not the appropriate forum to consider the matter.

(ii) Appeal of M/s. V.V. Mineral, a unit at (AMRL SEZ) MEPZ against order dated 28.12.2016 passed by UAC, MEPZ.

The Board heard the submission of representative of M/s. V.V. Minerals at length and, after deliberations, remanded the matter back to the DC MEPZ for fresh consideration as per rules.

The Board also directed that till the completion of aforesaid procedure, no transaction of the firm will be allowed.

(iii) Appeal of M/s. Websol Energy System Limited, a unit in FSEZ against order dated 01.12.2016 passed by UAC, FSEZ.

The Board, after hearing the appellant upheld the appeal made in this regard and allowed enhancement of production capacity for manufacture of Solar PV Cell and Modules as requested by M/s. Websol Energy System Limited vide its letter dated 01.08.2016. The Board also noted that the unit has not defaulted in realization of pending FOREX and the unit should clear the pending FOREX realization at the earliest which will be monitored by DC, FSEZ.

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(iv) Appeal of M/s. Zoho Corporation Pvt. Ltd, a unit in MEPZ against order dated 18.01.2017 passed by UAC, MEPZ.

The appeal is against the order of Approval Committee, MEPZ in its meeting held on 12.1.2017 rejecting the request of M/s. Zoho Corporation Pvt. Ltd. for inclusion of the following additional services as these were not falling under the ambit of authorized operations of the unit:

- (i) Sponsorship services
- (ii) Selling of time or space slots for advertisements
- (iii) Promotion or marketing of brand of goods/services/events services
- (iv) Event management services
- (v) Tour operator services

The Board heard the representatives of the Appellant.

The appellant stated that they are a product company and they plan to build their brand by participating in various marketing events, tradeshows and also involve in various promotional activities. The reach of such activities is very wide across the globe which would boost their sales. They operate mainly as a SEZ Unit. They emphasized that the above services essential to boost their exports and required for their authorized operations, i.e. IT/ITES (They are in the business of development of software and its functioning, Being a product based company, it is essential for them to be aware of the customer requirements and satisfy them accordingly. Therefore, the above services are required for the reasons given in their appeal form J dated 4.2.2017.

DGEP expressed reservation on the proposal and stated that these additional services are not required for the authorized operations of the unit which is development of software. It was also stated the services proposed may not necessarily be utilised in the SEZ area but could also be utilized in DTA and permitting the aforesaid activities as authorized operations of M/s Zoho Corporation Pvt. Ltd. would lead to more similar demands from other Developers/Units.

The appellant emphasized that the company is located in SEZ only and has no other unit in India. Therefore, there is no question of utilizing the services in DTA.

After hearing all concerned, it was noted that the Unit is in SEZ only, and its authorized operation is development of software (IT/ITES) and therefore it was felt that these services are required to market its product and increase exports. Therefore, after detailed deliberations, the appeal was allowed for the addition of the above services required for its authorized operations by the Unit in SEZ only.

Decision on Supplementary Agenda

Item No. 75.9: Requests for extension of validity of formal approvals (one proposal)

BoA in its meeting held on 14th September, 2012, examining similar cases observed as under: -

“The Board advised the Development Commissioners to recommend the requests for extension of formal approval beyond 5th year and onwards only after satisfying that the developer has taken sufficient steps towards operationalisation of the project and further extension is based on justifiable reasons. Board also observed that extensions may not be granted as a matter of routine unless some progress has been made on ground by the developers. The Board, therefore, after deliberations, extended the validity of the formal approval to the requests for extensions beyond fifth years for a period of one

year and those beyond sixth year for a period of 6 months from the date of expiry of last extension”.

(i) Request of M/s. Infosys Limited for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Indore, Madhya Pradesh, beyond 27th March, 2017

The Board, after deliberations, extended the validity of the formal approval up to 27th March, 2018.

Item No. 75.10 Requests for extension of LoP beyond 3rd Year onwards (2 proposals)

- As per Rule 18(1) of the SEZ Rules, the approval Committee may approve or reject a proposal for setting up of Unit in a Special Economic Zone.
- Cases for consideration of extension of Letter of Permission (LoP)s i.r.o units in SEZs are governed by Rule 19(4) of SEZ Rules.
- Rule 19(4) states that an LoP shall be valid for one year. First Proviso grants power to DCs for extending the LoP not exceeding 2 years. Second Proviso grants further power to DCs for extending the LoP for one more year but subject to the condition that two-thirds of activities including construction, relating to the setting up of the Unit is complete and a Chartered Engineer's certificate to this effect is submitted by the entrepreneur.
- Extensions beyond 3rd year (*in cases where two-third activities are not complete*) and 4th year are granted by BoA.
- BoA can extend the validity for a period of one year at a time.
- There is no time limit up to which the Board can extend the validity

(i) Request of M/s. Lupin Ltd., a unit in MIHAN SEZ, for extension of Letter of Permission (LoP) beyond 22nd April 2017

The Board, after deliberations, extended the validity of the LoP up to 22nd April, 2018.

(ii) Request of M/s. Sarnamoy Plastic Sack Mfg. Pvt. Ltd., a unit in Falta SEZ, for extension of Letter of Approval (LoA) beyond 27th December, 2016.

The Board, after deliberations, extended the validity of the LoP up to 27th December, 2017.

Item No. 75.11: Requests for co-developer (3 proposals)

(i) Request of M/s. Swach Environment Private Limited for co-developer in the multi product SEZ at Nanguneri Tirunelveli District, Tamil Nadu being developed by M/s. AMRL Hitech City Ltd.

After deliberations, the Board approved the proposal of M/s. Swach Environment Private Limited to provide Intake, Supply & Distribution of Water, Water Management & Waste Water Management including Treatment & Recycle of Water, set up, Operation and Maintenance of Effluent Treatment Plant, Sewage Treatment Plant, Solid & Liquid Waste Management and other ancillary support in relation to Water Distribution within the SEZ in accordance with the co-developer agreement entered into with the developer, subject to standard terms and conditions as per SEZ Act and Rules.

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(ii) Request of M/s. Chain-Sys Software Exports Private Limited for co-developer in the sector specific SEZ for IT/ITES at Vadapalanji, Madurai, Tamil Nadu being developed by M/s. Electronic Corporation of Tamil Nadu Limited

After deliberations, the Board approved the proposal of M/s. Chain-Sys Software Exports Private Limited to provide support in developing, operating and maintaining the SEZ over an area of 8.09371 hectares in accordance with the co-developer agreement entered into with the developer, subject to standard terms and conditions as per SEZ Act and Rules provided that the lease period is reduced to a period not exceeding 30 years (Renewable).

(iii) Request of M/s. Aidt Phase-1 Private Limited for co-developer in sector specific SEZ for Electronics Hardware and IT/ITES at Village Behrampur, Balola & Bandhwari, Tehsil Sohna, District Gurgaon, Haryana being developed by M/s. G.P. Realtors Pvt. Ltd.

After deliberations, the Board approved the proposal of M/s. Aidt Phase-1 Private Limited for development of internal and external infrastructure facilities and buildings and undertaking such other authorized operations over an area of 9.626 hectares in accordance with the co-developer agreement entered into with the developer, subject to standard terms and conditions as per SEZ Act and Rules.

Item No. 75.12 : Proposals for setting up of SEZs (7 proposals)

(i) Request of M/s. Wipro Limited for setting up of sector specific SEZ for IT/ITES at Plot No. 2, MIDC, Phase – 1, Hinjewadi, Mulshi Taluka, Pune, Maharashtra, over an area of 9.15 hectares.

The Board, after deliberations, approved the proposal for setting up of a sector specific Special Economic Zone for IT/ITES at Plot No. 2, MIDC, Phase – 1, Hinjewadi, Mulshi Taluka, Pune, Maharashtra, over an area of 9.15 hectares.

(ii) Request of M/s. Nalanda Shelter Pvt. Ltd. for setting up of sector specific SEZ for IT/ITES at Sr. No. 129(P), 130(P), 131(P), Near Rajiv Gandhi Infotech Park, Hinjewadi, Phase – 1, Pune, Maharashtra, over an area of 3.4659 hectares.

The Board, after deliberations, approved the proposal for setting up of a sector specific Special Economic Zone for IT/ITES at Sr. No. 129(P), 130(P), 131(P), Near Rajiv Gandhi Infotech Park, Hinjewadi, Phase – 1, Pune, Maharashtra, over an area of 3.4659 hectares.

(iii) Request of M/s. Phoenix IT City Private Limited for setting up of sector specific SEZ for IT/ITES at Survey No. 53/Paiki/Part, Gachibowli Village, Serilingampally Mandal, Ranga Reddy District, Telangana, over an area of 1.78 hectares.

The Board, after deliberations, approved the proposal for setting up of a sector specific Special Economic Zone for IT/ITES at Survey No. 53/Paiki/Part, Gachibowli Village, Serilingampally Mandal, Ranga Reddy District, Telangana, over an area of 1.78 hectares.

(iv) Request of M/s. Phoenix Spaces Private Limited for setting up of sector specific SEZ for IT/ITES at Survey No. 285, Puppalaguda Village, Rajendranagar Mandal, Ranga Reddy District, Telangana, over an area of 2.63 hectares.

The Board, noted that the recommendation of the Government of Telangana had since been received, after deliberations, approved the proposal for setting up of a sector specific Special

Economic Zone for IT/ITES at Survey No. 285, Puppalaguda Village, Rajendranagar Mandal, Ranga Reddy District, Telangana, over an area of 2.63 hectares.

(v) Request of M/s. Phoenix Spaces Private Limited for setting up of sector specific SEZ for IT/ITES at Survey No. 286 and 287, Puppalaguda Village, Rajendranagar Mandal, Ranga Reddy District, Telangana, over an area of 3.46 hectares.

The Board, noted that the recommendation of the Government of Telangana had since been received, after deliberations, approved the proposal for setting up of a sector specific Special Economic Zone for IT/ITES at Survey No. 286 and 287, Puppalaguda Village, Rajendranagar Mandal, Ranga Reddy District, Telangana, over an area of 3.46 hectares.

(vi) Request of M/s. BSR Builders LLP for setting up of sector specific SEZ for IT/ITES at Sy. No. 141 & 142, Nanakramguda Village, Serilingampally Mandal, Ranga Reddy District, Telangana, over an area of 1.16 hectares.

The Board, after deliberations, approved the proposal for setting up of a sector specific Special Economic Zone for IT/ITES at Sy. No. 141 & 142, Nanakramguda Village, Serilingampally Mandal, Ranga Reddy District, Telangana, over an area of 1.16 hectares.

(vii) Request of M/s. Perungudi Real Estates Private Limited for setting up of sector specific SEZ for IT/ITES at OMR Road, Perungudi, Chennai, Tamil Nadu, over an area of 4.28 hectares.

The Board, after deliberations, approved the proposal for setting up of a sector specific Special Economic Zone for IT/ITES at OMR Road, Perungudi, Chennai, Tamil Nadu, over an area of 4.28 hectares.

Item No. 75.13 : Change of Shareholding Pattern Cases (7 proposals)

With a view to promote the ease of doing business in India and that restructuring of entity/business is a fairly common occurrence, BOA in its 69th meeting held on 23.02.2016 decided that provisions of Rule 74A shall not apply to SEZ Units that do not exit or opt out of the SEZ Scheme by transferring its assets and liabilities to another person and the SEZ Unit continues to operate as a going concern in the situations mentioned above. The UACs concerned, may consider such requests under Rule 19(2) of the SEZ Rules, 2006.

In so far as Business Transfer Agreement is concerned, it was explained that certain acquisitions happen globally as a result of Business Transfer Agreement which result in transfer of the SEZ unit of the Indian company on a going concern basis to the acquirer. The BOA decided that such cases resulting in change of ownership would be decided on merits by the Board of Approvals on a case to case basis.

*** Proposal to incorporate the above decision of BoA in SEZ Rules, 2006 has been approved and was sent to DLA for vetting.**

(i) Request of M/s. Solar Exports, a unit in Surat SEZ for change of partnership deed and shareholding pattern.

The Board noted that the existing entrepreneur was under scrutiny by Income Tax Authorities and therefore, after deliberations, rejected the proposal.

(ii) Request of M/s. Stellar Diamond, a unit in Surat SEZ for change of partnership deed and shareholding pattern.

The Board noted that the existing entrepreneur was under scrutiny by Income Tax Authorities and therefore, after deliberations, rejected the proposal.

(iii) Request of M/s. Arshiya Rail Siding and Infrastructure Ltd. (ARSL) a co-developer in the FTWZ at Village Sai, Taluka-Panvel, District Raigad, Maharashtra being developed by M/s. Arshiya Limited for sale/transfer of 100% shareholding to M/s. Ascendas Fund (India) Pte. Ltd.

The Board, after deliberations, approved the request for sale/transfer of 100% shareholding to M/s. Ascendas Fund (India) Pte. Ltd., subject to the following conditions:-

- i) Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered co-developer entity;
- ii) Fulfillment of all eligibility criteria applicable to co-developer, including security clearances etc., by the altered co-developer entity and its constituents;
- iii) Applicability of and compliance with all Revenue / Company Affairs /SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.
- iv) Full financial details relating to change in equity/merger, demerger, amalgamation or transfer in ownership etc. shall be furnished immediately to Member (IT), CBDT, Department of Revenue and to the jurisdictional Authority.
- v) The Assessing Officer shall have the right to assess the taxability of the gain/loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and ownerships etc. as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.
- vi) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.
- vii) The co-developer shall furnish details of PAN and jurisdictional assessing officer of the co-developer to CBDT.
- viii) Meanwhile, the proposal for amendment in SEZ Rules may also be taken up by the SEZ division to bring clarity on such transactions.

(iv) Request of M/s. Cessna Garden Developers Pvt. Limited a sector specific SEZ for IT/ITES at Kadubeesanahalli Village, Varthur Hobli, Bangalore, Karnataka for change in shareholding pattern.

The Board, after deliberations, approved the request for change in shareholding pattern of the company, subject to following conditions:-

- (i) Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered developer entity;
- (ii) Fulfillment of all eligibility criteria applicable to developers, including security clearances etc., by the altered developer entity and its constituents;
- (iii) Applicability of and compliance with all Revenue / Company Affairs /SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.
- (iv) Full financial details relating to change in equity/merger, demerger, amalgamation or transfer in ownership etc. shall be furnished immediately to Member (IT), CBDT, Department of Revenue and to the jurisdictional Authority.
- (v) The Assessing Officer shall have the right to assess the taxability of the gain/loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and

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ownerships etc. as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.

- (vi) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.
- (vii) The developer shall furnish details of PAN and jurisdictional assessing officer of the developer to CBDT.
- (viii) Meanwhile, the proposal for amendment in SEZ Rules may also be taken up by the SEZ division to bring clarity on such transactions.

(v) Request of M/s. Capgemini India Pvt. Ltd. for amalgamation with M/s. iGate Global Solutions Ltd. and change of name/constitution to M/s. Capgemini Technology Services India Ltd. under the jurisdiction of FSEZ.

After deliberations, the Board approved the proposal for change of name/constitution from M/s. iGate Global Solutions Ltd. to M/s. Capgemini Technology Services India Limited and change in shareholding pattern of the company subject to following conditions:-

- (i) Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered unit entity;
- (ii) Fulfillment of all eligibility criteria applicable to unit, including security clearances etc., by the altered unit entity and its constituents;
- (iii) Applicability of and compliance with all Revenue / Company Affairs /SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.
- (iv) Full financial details relating to change in equity/merger, demerger, amalgamation or transfer in ownership etc. shall be furnished immediately to Member (IT), CBDT, Department of Revenue and to the jurisdictional Authority.
- (v) The Assessing Officer shall have the right to assess the taxability of the gain/loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and ownerships etc. as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.
- (vi) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.
- (vii) The unit shall furnish details of PAN and jurisdictional assessing officer of the unit to CBDT.
- (viii) Meanwhile, the proposal for amendment in SEZ Rules may also be taken up by the SEZ division to bring clarity on such transactions.

(vi) Request of M/s. Marine Infrastructure Developer Private Limited (MIDPL) a co-developer in M/s. L&T Shipbuilding SEZ at Kattupalli village, Thiruvallur District, Tamil Nadu for transfer 97% of equity shares to M/s. Adani Ports and Special Economic Zone and remaining 3% equity shares to M/s. TIDCO

The Board, after deliberations, deferred the proposal as DGEP required more time to examine the proposal.

(vii) Request of M/s. Shriram Properties and Infrastructure Private Limited developer for sector specific SEZ for IT/ITES at Perungulathur, Chennai, for transfer of shareholding pattern of the company

The Board, after deliberations, approved the request for transfer of shareholding pattern of the company, subject to following conditions:-

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- (i) Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered developer entity;
- (ii) Fulfillment of all eligibility criteria applicable to developers, including security clearances etc., by the altered developer entity and its constituents;
- (iii) Applicability of and compliance with all Revenue / Company Affairs /SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.
- (iv) Full financial details relating to change in equity/merger, demerger, amalgamation or transfer in ownership etc. shall be furnished immediately to Member (IT), CBDT, Department of Revenue and to the jurisdictional Authority.
- (v) The Assessing Officer shall have the right to assess the taxability of the gain/loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and ownerships etc. as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.
- (vi) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.
- (vii) The developer shall furnish details of PAN and jurisdictional assessing officer of the developer to CBDT.
- (viii) Meanwhile, the proposal for amendment in SEZ Rules may also be taken up by the SEZ division to bring clarity on such transactions.

Item No. 75.14 : Miscellaneous cases (3 proposals)

(i) Request of M/s. KRC Infrastructure and Projects Private Limited setting up of sector specific SEZ for IT/ITES at Survey no. 65(p), Village Kharadi, Taluka Haveli District Pune, Maharashtra, for increase an area of 0.92 hectares.

The Board, after deliberations, approved the request of M/s. KRC Infrastructure and Projects Private Limited for increase in area of 0.92 hectares, increasing the total area of the SEZ to 4.95 hectares, subject to contiguity of the land in the SEZ being maintained.

(ii) Request of M/s. Gigaplex Estate Pvt. Ltd. setting up of sector specific SEZ for IT/ITES at Plot IT-5, Airoli Knowledge Park, MIDC-TTC, Dist. Thane, Maharashtra, for increase an area of 3.61 hectares.

The Board, after deliberations, approved the request of M/s. Gigaplex Estate Pvt. Ltd. for increase in area of 3.61 hectares, increasing the total area of the SEZ to 16.52 hectares, subject to contiguity of the land in the SEZ being maintained.

(iii) Proposal of M/s. MMG Impex, a unit in MEPZ to reconsider the proposal for manufacture of additional items of sandalwoods.

The Board, after deliberations, noted that while DGFT, vide its letter dated 30.01.2017, has clarified the export policy, quantitative ceiling on import of Sandal Wood is applicable and license for the same is issued by DGFT. The Board, therefore, deferred the proposal. DGFT will hold a meeting with DGEP, DC NSEZ and DC MEPZ to discuss all issues raised by DC NSEZ and DGEP and give a report in the matter.

Item No. 75.15 Appeal Before BoA (2 Appeals)

(i) Appeal of M/s. NKB Hardware Products, a unit in NSEZ against order dated 25.11.2016 passed by UAC, NSEZ.

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The Board noted that the appeal was against the decision of 73rd Board of Approval meeting held on 09.11.2016 rejecting the request of the unit for extension of validity of LoA beyond 27.10.2012. The Board rejected the proposal as the BoA was not competent to decide an appeal against its decision.

(ii) Appeal of M/s. GMR Aerospace Engineering Limited, a co-developer cum unit at Plot No. 1, GMR Hyderabad Aviation SEZ Limited, SEZ at Mamidipalli Village, Shamshabad Mandal, R. R. District, Telangana under the jurisdiction of VSEZ against order dated 19.01.2017 passed by UAC, VSEZ.

The Board rejected the appeal as the A1 and A2 forms cannot be issued for the retrospective period. The appellant should seek remedy from the competent authority in the Service Tax. BoA also directed that instructions be issued to the Development Commissioners to maintain and monitor the service tax foregone in the case of services availed by Developers/Units in SEZ.

T. V. Ramesh
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