

**Supplementary Agenda for the 75<sup>th</sup> meeting of the Board of Approval to be held on 8<sup>th</sup> March, 2017, at 10.00 A.M. in Room No. 141, Udyog Bhawan, New Delhi**

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

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

*“The Board advised the Development Commissioners to recommend the requests for extension of formal approval beyond 5<sup>th</sup> 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 27<sup>th</sup> March, 2017**

**Name of the developer:** M/s. Infosys Limited

**Sector :** IT/ITES

**Location :** Indore, Madhya Pradesh

**Extension :** The formal approval was granted on 27<sup>th</sup> March, 2012. The developer has been granted two extensions, validity period of which is upto 27<sup>th</sup> March, 2017. The developer has requested for further extension of six months upto 26.09.2017.

The developer has made following total investments on various heads so far:

Type of Cost	Investment done till last extension (in Cr.)	During last one year from March, 2016 to Jan, 2017(in Cr.)	Total Investment made till Jan, 2017 (in Cr.)
Land	26.05	0.00	26.05
Boundary wall	9.25	0.20	9.45
Built up premises	17.51	29.15	45.66
<b>Total</b>	<b>52.81</b>	<b>29.35</b>	<b>82.16</b>

\* Purchase order of Rs. 79.00 crores for construction and interior work has already been released. The Building/built up premises is nearing completion and the developer is in the process of procuring the plant and machinery technology inputs. Thus, the developer has invested Rs. 82.0 crores against the projected 100 crores for creation of infrastructures for being operational.

Employment: Direct and Indirect

Sl. No.	Employee	Actual employment as on 22.03.2017
1	Direct	1
2	Indirect	700

**Reason for delay in implementing the project:** The initial stage the construction activity started late due to delay in environment clearance and approval of building plan. Last to last year they had received all the approval and simultaneously they had started the construction work which they are planning to completed in another 6 months.

DC Indore SEZ has recommended the proposal for extension for a period of six months beyond 27.03.2017 up to 26.09.2017.

The request of the developer is accordingly placed before BoA for its consideration.

**Item No. 75.10 Requests for extension of LoP beyond 3<sup>rd</sup> 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 3<sup>rd</sup> year (*in cases where two-third activities are not complete*) and 4<sup>th</sup> 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 22<sup>nd</sup> April 2017**

- LoP issued: 23<sup>rd</sup> April, 2012 for manufacture of pharmaceutical products
- Extensions: 4 (four) up to 22<sup>nd</sup> April, 2018.
- Request: For further extension.

The unit has requested for further extension so as to implement the project.

The unit has made the following investment:-

The details of investments made from inception till 31.12.2016 as under:-

S. No.	Nature of investment	Amount (in crores)
1.	Leasehold land	3.93

2.	Civil Construction	29.38
3.	Plant and Machinery	67.82
4.	Other assets	11.18
	Total	112.31

Investment made during 2016-2017 – separately on land and other infrastructure

S. No.	Nature of investment	Amount (in crores)
1.	Civil Construction	3.25
2.	Plant and Machinery	10.8
3.	Other Assets	1.22
	Total	15.27

Rs. 8.38 crores invested up to 31.12.2016.

The unit had made a total investment of Rs. 112.31 crores as on 31<sup>st</sup> December, 2016 i.e. 89.85% of proposed investment.

Details of physical progress till date in quantifiable terms:-

Sl.No.	Description	Proposed plan for plot 6A/1	Actual construction done in plot 6A/1	% completed in Plot 6A/1
1.	Main building – ground floor	6,873.719	6,873.719	100%
2.	Main building – 1 <sup>st</sup> floor	591.470	591.470	100%
3.	Main building – 2 <sup>nd</sup> floor	2,615.833	2,615.833	100%
4.	Solvent plant	272.077	272.077	100%
5.	Security building	97.230	97.230	100%
6.	Utility	2179.683	0	0%
7.	Canteen	1077.426	0	0%
	Total	13707.44	10450.329	76%

DC, MIHAN SEZ, has recommended the request of extension of the unit.

The request is placed before BoA for its consideration.

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

- LoA issued: 28<sup>th</sup> December, 2012 for Manufacturing and export of ‘Bag, Fabrics and Liners’.
- Extensions: 4 (four) up to 27.12.2016.
- Request: For further extension of one year.

The unit has requested for further extension so as to implement the project.

The unit has completed the following works:-

The unit has completed the work related to construction installed machineries, factory and fire license, deployed manpower, electricity work etc. The unit has also carried out the trial production and proposed to commence its commercial production immediately after extending validity of its LoA.

DC, Falta SEZ, has recommended the request of extension of the unit through no reason for delay in project or delay in seeking further extension have been indicated.

The request is placed before BoA for its consideration.

#### **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.**

The above mentioned SEZ stands notified over an area 1020 hectares.

M/s. Swach Environment Private Limited has submitted a proposal for becoming a co-developer in the aforesaid SEZ 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.

Co-developer agreement dated 7<sup>th</sup> February, 2017 entered into with the developer has been provided. The proposed amount of investment by the co-developer in the SEZ is Rs. 50.15 crores.

DC MEPZ has recommended the proposal.

The request of the co-developer is submitted for consideration of BoA.

**(ii) Request of M/s. Chain-Sys Software 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**

The above mentioned SEZ stands notified over an area 86.46.5 hectares.

M/s. Chain-Sys Software Private Limited has submitted a proposal for becoming a co-developer in the aforesaid SEZ to provide support in developing, operating and maintaining the SEZ over an area of 8.09371 hectares.

Co-developer agreement dated 29<sup>th</sup> December, 2016 entered into with the developer has been provided. Lease Deed dated 19<sup>th</sup> September, 2016 has also been provided. Lease period is 95 years. The proposed amount of investment by the co-developer in the SEZ is Rs. 11 crores.

DC MEPZ has recommended the proposal.

The request of the co-developer is submitted for consideration of BoA.

**(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.**

The above mentioned SEZ stands notified over an area 25.8093 hectares.

M/s. Aidt Phase – 1 Private Limited has submitted a proposal for becoming a co-developer in the aforesaid SEZ for development of internal and external infrastructure facilities and buildings and undertaking such other authorized operations over an area of 9.626 hectares.

Co-developer agreement dated 16<sup>th</sup> February, 2017 entered into with the developer has been provided. The proposed amount of investment by the co-developer in the SEZ is Rs. 414.90 crores.

DC NSEZ has recommended the proposal.

The request of the co-developer is submitted for consideration of BoA.

**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.**

S. No	Name of the Developer	Location	Sector	Area (in ha)	Land Possession	State Govt. recommendation
(i)	M/s. Wipro Limited	Plot No. 2, MIDC, Phase – 1, Hinjewadi, Mulshi Taluka, Pune, Maharashtra	IT/ITES	9.15	Yes	Yes 22.02.2017

DC SEEPZ SEZ has forwarded the proposal.

The proposal of the developer is submitted for consideration of BoA.

**(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.**

S. No	Name of the Developer	Location	Sector	Area (in ha)	Land Possession	State Govt. recommendation
(ii)	M/s. Nalanda Shelter Pvt. Ltd.	Sr. No. 129(P), 130(P), 131(P), Near Rajiv Gandhi Infotech Park, Hinjewadi, Phase – 1, Pune, Maharashtra	IT/ITES	3.4659	Yes	Yes 22.02.2017

DC SEEPZ SEZ has recommended the proposal.

The proposal of the developer is submitted for consideration of BoA.

**(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.**

S. No	Name of the Developer	Location	Sector	Area (in ha)	Land Possession	State Govt. recommendation
(iii)	M/s. Phoenix IT City Private Limited	Survey No. 53/Paiki/Part, Gachibowli Village, Serilingampally Mandal, Ranga Reddy District, Telangana	IT/ITES	1.78	Yes	Yes 02.03.2017

DC VSEZ has recommended the proposal.

The proposal of the developer is submitted for consideration of BoA.

**(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.**

S. No	Name of the Developer	Location	Sector	Area (in ha)	Land Possession	State Govt. recommendation
(iv)	M/s. Phoenix Spaces Private Limited	Survey No. 285, Puppalaguda Village, Rajendranagar Mandal, Ranga Reddy District, Telangana	IT/ITES	2.63	Yes	Awaited.

DC VSEZ has recommended the proposal.

The proposal of the developer is submitted for consideration of BoA.

**(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.**

S. No	Name of the Developer	Location	Sector	Area (in ha)	Land Possession	State Govt. recommendation
(v)	M/s. Phoenix Spaces Private Limited	Survey No. 286 and 287, Puppalaguda Village, Rajendranagar Mandal, Ranga Reddy District, Telangana	IT/ITES	3.46	Yes	Awaited.

DC VSEZ has recommended the proposal.

The proposal of the developer is submitted for consideration of BoA.

**(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.**

S. No	Name of the Developer	Location	Sector	Area (in ha)	Land Possession	State Govt. recommendation
(vi)	M/s. BSR Builders LLP	Sy. No. 141 & 142, Nanakramguda Village, Serilingampally Mandal, Ranga Reddy District, Telangana	IT/ITES	1.16	Yes	Yes 02.03.2017

DC VSEZ has forwarded the proposal.

The proposal of the developer is submitted for consideration of BoA.

**(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.**

S. No	Name of the Developer	Location	Sector	Area (in ha)	Land Possession	State Govt. recommendation
(vii)	M/s. Perungudi Real Estates Private Limited	OMR Road, Perungudi, Chennai, Tamil Nadu	IT/ITES	4.28	Yes	Yes 03.03.2017

DC MEPZ SEZ has forwarded the proposal.

The proposal of the developer is submitted for consideration of BoA.

#### **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 69<sup>th</sup> 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 above mentioned unit was granted LoP on 30.06.2010 for manufacturing of jewellery items. The LOA is valid up to 08.08.2020.

The unit has submitted a proposal for change of shareholding pattern of the firm w.e.f. 04.01.2016 as under:-

S. No.	Name of the partner	Profit/loss sharing ratio		Remarks
		Previous	New	
1.	Nirav Family Trust	60%	0.50%	Continuing partner
2.	Nirav Modi Family Trust	40%	0.50%	Continuing partner
3.	Divyesh Maganbhai Ladumor	--	49.50%	New partner
4.	Maganbhai Nanabhai Jinjala	--	49.50%	New partner
	Total	100%	100%	

The unit is not opting out from the SEZ and there is a 100% change in promoter and shareholding & as such the proposal is not covered under the powers delegated to the UAC as per the clarification issued by 69<sup>th</sup> BoA held on 23.02.2016.

DC Surat SEZ has recommended the proposal.

The request of the unit is submitted for consideration of BoA.

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

The above mentioned unit was granted LoP on 30.06.2010 for manufacturing of jewellery items. The LOA is valid up to 08.08.2020.

The unit has submitted a proposal for change in partnership and shareholding pattern of the firm w.e.f. 04.01.2016 as under:-

S. No.	Name of the partner	Profit/loss sharing ratio		Remarks
		Previous	New	
1.	Nirav Family Trust	25%	0.50%	Continuing partner
2.	Nirav Modi Family Trust	75%	0.50%	Continuing partner
3.	Manojbhai Jadavbhai Sankhat	--	49.50%	New partner
4.	Mohan Ukhabhai Ladumor	--	49.50%	New partner
	Total	100%	100%	



The unit is not opting out from the SEZ and there is a 100% change in promoter and shareholding & as such the proposal is not covered under the powers delegated to the UAC as per the clarification issued by 69<sup>th</sup> BoA held on 23.02.2016.

DC Surat SEZ has recommended the proposal.

The request of the unit is submitted for consideration of BoA.

**(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.**

M/s. Arshiya Rail Siding and Infrastructure Ltd. (ARSL) was granted co-developer status on 05.12.2016 for development, operation and maintenance of warehouses in the SEZ.

Now, the ARSL (co-developer) applied for change in 100% shareholding of M/s. ARSL to M/s. Ascendas as under:-

- (a) ARSL is intending to transfer its current shareholding of 100% shares consisting 50000 shares to M/s. Ascendas
- (b) Post transfer of shares, M/s. Ascendas will continue functioning as co-developer in Arshiya FTWZ
- (c) All the approvals of M/s. ARSL will be transferred to M/s. Ascendas post approval by BoA
- (d) M/s. Ascendas will continue operating as co-developer in Arshiya FTWZ on 05.12.2016 and will carry out all the activities approved to M/s. ARSL.
- (e) M/s. Ascendas post acquisition of 100% shareholding of M/s. ARSL (co-developer) shall invest Rs. 434.00 crores for maintenance and operations of the FTWZ
- (f) M/s. Ascendas shall further invest funds for development of new warehouses in Arshiya FTWZ.

DC SEEPZ SEZ has recommended the proposal for sale/transfer of 100% shareholding of M/s. Arshiya Rail Siding Infrastructure Limited to M/s. Ascendas Property Fund (India) Pte. Ltd.

The request of the unit is submitted for consideration of BoA.

**(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 above mentioned SEZ stands notified over an area of 18.789 hectares.

The developer has submitted the proposal to change in shareholding patter as under:-

S. No.	Name of Shareholders	Existing shareholding	Proposed shareholding
1.	Prestige estates Projects Limited	85.00%	0.00%
2.	Exora Business Parks Limited	0.00%	85.00%

3.	Jawahar Gopal	0.44%	0.44%
4.	Meera Jawahar	0.96%	0.96%
5.	Lav jawahar	0.97%	0.97%
6.	Kush Jawahar	0.97%	0.97%
7.	Manohar Gopal	0.44%	0.44%
8.	Neha Manohar	2.90%	2.90%
9.	Dhiren Gopal	0.44%	0.44%
10.	Neeta Dhiren	2.89%	2.89%
11.	Syed Ahmed	2.50%	2.50%
12.	Fareena Syed Ahmed	2.50%	2.50%
13.	Total	100%	100%

M/s. Prestige Estates Projects Limited is holding 85% of shares in M/s. Cessna Garden Developers Pvt. Limited. M/s. Prestige estates Projects Limited proposes to transfer its 100% shares to M/s. Exora Business Parks Limited, which is a subsidiary of M/s. Prestige Estates Projects Limited. There is no other change in share holding pattern of the company. M/s. Prestige Estates Projects Limited vide letter dated 01.03.2017 given consent for the proposed transfer of shares to M/s. Exora Business Parks Limited and M/s. Exora Business Parks Limited has given an undertaking on compliance of all the requirements. It may be noted that there is no change in directors of the company.

DC CSEZ has recommended the proposal.

The request of the unit is submitted for consideration of BoA.

**(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.**

M/s. iGate Global Solutions Ltd. has been issued LoA on 20.12.2017.

The unit vide its letter dated 17.02.2017 has submitted details of changes in shareholding before and after name change as under:-

S. No.	Name of shareholder	% shareholding before change of name as on 28.10.2016	% shareholding after change of name as on 28.10.2016
1.	Pan Asia IGATE Solutions	50.35%	23.10%
2.	IGate Inc.	No shareholding	No shareholding
3.	IGATE Corporation	47.05%	21.58%
4.	IGate Technology Inc.	2.09%	0.96%
5.	Capgemini America Inc.	No shareholding	42.14%
6.	Capgemini S.A.	No shareholding	11.99%
7.	Minority Public Sharing	0.50%	0.24%
	Total change in shareholding		54.13%

The unit has also submitted copy of approval of Court for scheme of amalgamation. Further, as a part of amalgamation scheme, the name of company was changed from iGate Global Solutions Ltd. to Capgemini Technology Services India Ltd. w.e.f 16.12.2016 after approval of RO.

The unit is not opting out from the SEZ and there is a 50% change in shareholding & as such the proposal is not covered under the powers delegated to the UAC as per the clarification issued by 69<sup>th</sup> BoA held on 23.02.2016.

DC FSEZ has recommended the proposal.

The request of the unit is submitted for consideration of BoA.

**(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**

M/s. Marine Infrastructure Developer Private Limited was granted co-developer status on 12<sup>th</sup> July, 2016.

Now the co-developer requested to transfer equity shares of 97% of equity shares to M/s. Adani Ports and Special Economic Zone and remaining 3% equity shares to M/s. TIDCO in line with the permission obtained from Government of Tamil Nadu vide letter dated 29.02.2016. The Industries Department, Government of Tamil Nadu vide above order dated 29.02.2016 have conveyed the approval on the following grounds:-

*“Approval of the Government is conveyed to the proposal of L&T Ltd. for demerging the port business of L&T Shipbuilding Ltd. and the proposed shareholding pattern in the demerged entity viz. 97% by L&T and 3% by TIDCO and bringing in the strategic partner viz. M/s. Adani Ports and Special Economic Zone Ltd. in the new company for port business through buying out of the entire shareholdings of L&T Ltd. by M/s. Adani Ports and SEZ Ltd., subject to protecting the present TIDCO’s equity investment value in full and with no obligation on the part of TIDCO to invest in the equity of new Port Company.”*

DC, MEPZ has recommended the proposal.

The request of the co-developer is submitted for consideration of BoA.

**(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 above mentioned SEZ stands notified over an area of 15.06.51 hectares and the SEZ is operational w.e.f. 26.11.2007. There are 19 units in the SEZ which had effected exports of Rs. 1451 crores during the financial year 2015-16.

Now the developer has indicated the existing shareholding pattern and the proposed shareholding pattern as under:-

**Existing shareholding pattern**

S. No.	Name of shareholder	No. of equity shares	Percentage
1.	Shriram Properties Private Limited	2,95,76,161	50%
2.	SUN-Apollo Investment Holding I LLC	2,95,76,161	50%

### **Proposed shareholding pattern**

S. No.	Name of shareholder	No. of equity shares	Percentage
1.	Horus Holdings Pte, Ltd., Singapore	2,95,76,161	50%
2.	SUN-Apollo Investment Holding I LLC	2,95,76,161	50%

The developer has requested for the proposed transaction and transfer of the 100% shareholding pattern from existing shareholder to the proposed shareholders as mentioned above. Further, the developer has stated that the earlier approval conveyed by the 73<sup>rd</sup> BoA meeting held on 09.11.2016 for the change of shareholding pattern of the company may be treated as cancelled.

DC MEPZ has recommended the proposal for consideration by BoA.

The proposal is placed before BoA for its consideration.

#### **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.**

M/s. KRC Infrastructure and Projects Private Limited (Developer) has applied for increase in area of 0.92 hectares for the approval of IT/ITES SEZ at Survey no. 65(p), Village Kharadi, Taluka Haveli District Pune, Maharashtra. M/s. KRC Infrastructure and Projects Private Limited and M/s. Gera Development Pvt. Ltd. has been approved an area of 1.37 ha and 2.66 ha respectively by the BoA and also issued formal approval vide letter dated 22.02.2017 over an area of 4.03 hectares which is yet to be notified.

Now, the developer proposed to increase the SEZ area of 4.03 hectares to 4.95 hectares by increasing 0.92 hectares. The additional admeasuring 0.92 hectares is part of land portion of 1.32 ha belong to survey no. 65(p) and the land has been transferred to M/s. KRC Infrastructure and Projects Private Limited by M/s. Gera Development Pvt. Ltd., (the land owner through conveyance deed (Sale Document) dated 22.02.2017. The revised area admeasuring 4.95 ha is contiguous and without any public thoroughfare. Further, the additional area i.e. 0.92 ha proposed to be added to the existing SEZ is lying vacant and is in possession of M/s. KRC Infrastructure and Projects Private Limited.

DC SEEPZ SEZ has recommended the proposal.

The proposal of the developer is submitted for consideration of BoA.

**(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.**

M/s. Gigaplex Estate Pvt. Ltd. has been granted formal approval on 06.01.2012 amended on 11.04.2013 and notified on 11.06.2013 and amended on 18.02.2015. The above SEZ admeasuring 12.91 Ha is operational since 19.08.2013

Now, the developer proposed to increase the SEZ area from 12.91 Ha to 16.52 Ha by increasing 3.61 Ha. Further, the developer stated that the existing SEZ is a portion of the larger plot IT-5 admeasuring 20.23 Ha, which has been leased by MIDC for period of 90 years w.e.f. 01.06.2007. The additional area admeasuring 3.61 Ha is also a portion of the same larger plot IT-5 SEZ for the revised area admeasuring 16.52 Ha is of 3.61 Ha proposed to be added to existing SEZ is lying vacant.

DC SEEPZ SEZ has recommended the proposal.

The proposal of the developer is submitted for consideration of BoA.

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

The above mentioned unit was granted LoP on 6<sup>th</sup> June, 2012 for manufacture and export of sandalwood. The proposal came before the 69<sup>th</sup> meeting of BOA held on 23.02.2016 for manufacturing of following items:-

- (i) Sandalwood chips (upto 50 grams per piece)
- (ii) Sandalwood powder/dust
- (iii) Sandalwood flakes/scrap/waste

The BoA, after deliberations, did not allow the manufacturing of (i) Sandalwood chips (upto 50 grams per piece) (ii) Sandalwood powder/dust and (iii) Sandalwood flakes/scrap/waste as these are prohibited items. The Board also directed DC, MEPZ to seek reports from Ministry of Environment, Forests & Climate Change and DGFT on the prohibited items.

The matter again came up before the BoA in its 73<sup>rd</sup> meeting held on 9<sup>th</sup> November, 2016. The Board, after deliberations, deferred the proposal with the observation that clarification/comments may be obtained from DGFT regarding the policy on export & import of sandal wood within three weeks.

DGFT vide letter dated 03.03.2017 has informed that in consultation with the (MOEF&CC) they have issued notification No. 37/2015-20 dated 27.01.2017 revising the Export Policy of sandalwood against Sl. No. 182 to 187, Chapter 44 of Schedule 2 (export Policy). It has been stated that DGFT have stated that the unit has requested them to clarify whether there is need for BoAs approval on its application. Therefore, DGFT has requested that the matter may be placed before the BoA for its consideration.

The proposal is placed before BoA for its consideration.

**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.**

M/s. NKB Hardware Products was granted LoA on 28.10.2010 for manufacture and export of builders hardware materials. The unit had started work at the site on 09.11.2011 but were unable to proceed further as they could not get the approval of building plans. The unit has not commenced manufacturing and export activities till date. The NSEZ, UAC

meeting held on 25.11.2014 and observed that the unit had neither started export production nor requested for extension of validity of LoA beyond 27.10.2012. The UAC/DC NSEZ had issued a Show Cause Notice on 29.01.2015 and the representative of the units had explained the personal and financial difficulties being faced by them under which the unit could not commence its activities in the UAC meeting held on 22.06.2015. Further, the UAC directed to the promoter of the unit to submit credible business plan for next five years and clear the outstanding lease rent against above unit.

Again the proposal i.r.o. extension of LoA beyond 4<sup>th</sup> year was considered in the UAC meeting held on 07.10.2015 and the unit again requested to submit the credible business plan for next five years, wherein, the unit has admitted that due to certain family and financial problems, his not able to submit the business plan and requested for extension of approval. Due to ongoing circumstances cited above the UAC has rejected the request of unit vide letter dated 25.11.2016 for extension of validity of LoA as per Rule 19(4) of SEZ Rules, 2006 on the basis of the decisions passed by the 73<sup>rd</sup> BoA meeting held on 9<sup>th</sup> November, 2016.

Now, the unit has stated that they have made the payment of the lease rent amounting to Rs. 3,54, 976/- and also submitted business plan along with the complete project details on 30.06.2015. Keeping in view the position cited above, the appellant once again requested to give an opportunity to set up the unit and start production within a limited time of one year.

The appellant has filed the instant appeal against the above rejection (**Annexure-1**).

The appeal is placed before the BoA for consideration.

**(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.**

M/s. GMR Aerospace Engineering Limited (GAE) has been notified by the Government vide letter of approval No bearing No. F.1/12/2007-SEZ dated 20<sup>th</sup> September, 2010 for development of MRO facilities for various types of aircrafts. Under co-developer status, they have entered into lease agreement with effective from 27<sup>th</sup> July, 2010 with GMR Hyderabad Aviation SEZ Limited (GAEL) developer, for rendering various services as follows:-

- (i) Land lease: GAE has entered land lease agreement with GHASL for setting up MRO facilities for 25 acres of land on which the present MRO facilities were constructed.
- (ii) Electricity supply service: Electricity is being supplied by GHAEEL for commercial operations of GAE and GAT
- (iii) Water supply service: water is being supplied by GAEL for commercial operations of GAE and GAT

Under Renting of immovable property service, they have been utilizing the above service & paying amount as per invoice raised by developer M/s. GMR Hyderabad Aviation SEZ Limited. While raising the invoices developer has not charged any services tax relying on the certificate issued by VEZ F.No. 9/082/SEZ/HYD/2010 dated 29.09.2010 and service tax notification 9/2009, 15/2009, 17/2011 and 40/2012.

Further as per SEZ Act 2005 section 26(1)(e) “exemption from service tax under chapter (vi) of the Finance Act 1994 on taxable services provided to a developer or unit to carry on the Authorized operations in a SEZ. Also under Rule 31 of SEZ Rules 2006. “The exemption of services tax on taxable services under section 65 of the Finance Act 1994 (32 of 1994) rendered to a developer or a unit (including a unit under construction) by any service provider shall be available for the authorized operations in a SEZ”.

The appellant further stated that they are under impression that from A1 & A2 between developer and co-developer were not required since both are in SEZ Zone, more so the A1 format itself for DTA services providers only vide 40/2012 Service Tax notification dated 20<sup>th</sup> June, 2012. The format of A1 form is reproduced below for ready reference:-

On receipt of notice from service tax department the developer is demanding exemption certificate form A1 & A2, in the absence of the same the service tax payment.

UAC has rejected their for approval stating that the services will be approved from prospective effect only but not retrospective effect and hence approved prospectively leaving for the past period.

Now the developer is insisting for form A1 & A2 for retrospective period to as on date as Service Tax Department is insisting for the same.

- (i) We request your good self to kindly issue clarification that the requirement of submission of Form A1 and seeking exemption in Form A2 is not necessary for the activities provided by a developer or SEZ unit (Vice-versa) within the SEZ area or to another SEZ, in view of the specific Tax Exemptions provided in Section 26(1) of the SEZ Act.
- (ii) Thus, as per our view, the procedural compliance of obtaining Form A-1/A-2 (which was not provided in the impugned Notifications), if not complied for under Notification 12/2013-ST would not lead to denial of substantive benefit of exemption from Service tax.
- (iii) There are catena of judgments wherein it has been held that, substantive benefit to SEZs cannot be denied on account of procedural infraction where there is no loss of revenue to the Government. In the case of KB Power Care Pvt. vs. Commissioner of Central Excise, Hyderabad 2013 (291) ELT 561 (Tri-Bang).

As the Developer is insisting for from A1 & A2 for retrospective period to as on date as Service Tax Department is insisting for the same, the M/s. GMR Aerospace Engineering Limited, co-developer cum unit has requested to consider and issue clarifications in r/o obtaining form A1 & A2 not required for the services rendered by the developer to unit or vice versa or this may be considered as procedural lapse and suitable direction to UAC/Dc to issue Form A1 & A2 with retrospective period from September, 2010.

The appellant has filed the instant appeal against the above rejection (**Annexure-2**).

The appeal is placed before the BoA for consideration.

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