

Minutes of the 73rd meeting of the Board of Approval for SEZ held on 09th November 2016 to consider setting up of Special Economic Zones and other miscellaneous proposals

The Seventy Third (73rd) meeting of the Board of Approval (BoA) for Special Economic Zones (SEZs) was held on 9th November, 2016 under the Chairpersonship of Ms. Rita Teaotia, Secretary, Department of Commerce, at 3.30 P.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. 73.1: Requests for extension of validity of formal approvals

(i) **Request of M/s. G.P. Realtors Private Limited for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Electronic Hardware & IT/ITES at village Behrampur, Gurgaon, Haryana for acquired of two years, beyond 13th November, 2016**

The Board, after deliberations, extended the validity of the formal approval up to 13th November, 2017.

Item No. 73.2 : Requests for extension of LoP beyond 3rd Year onwards

(i) **Request of M/s. Benzo Chem Industries Pvt. Ltd., a unit in M/s. Dahej SEZ Limited, Gujarat for extension of LoP beyond 7th September, 2016**

The Board, after deliberations, extended the validity of the LoP up to 7th September, 2017.

(ii) **Request of M/s. J.S. Designer Ltd., a unit in NSEZ for extension of LoP beyond 21st November 2014.**

The Board, after deliberations, condoned the delay and extended the validity of the LoP up to 21st November, 2017.

(iii) **Request of M/s Sterling Biotech Ltd., a unit in Sterling SEZ at Bharuch, Gujarat for extension of validity period of its LoP beyond 30th September, 2016.**

The Board, after deliberations, extended the validity of the LoP up to 30th September, 2017.

(iv) **Request of M/s. HAAAS Corporation Pvt. Ltd., a unit in MIHAN SEZ at Nagpur (MIHAN), District Nagpur, Mahatashtra for extension of LoP beyond 14.09.2016**

The Board, after deliberations, extended the validity of the LoP up to 14th September, 2017.

(v) **Request of M/s. Saraf Agencies Pvt. Ltd., a unit in M/s. Saraf Agencies Pvt. Ltd. SEZ at Chatrapur, Ganjam, Odisha for extension of Letter of Permission (LOP) beyond 16th October, 2016**

The Board, after deliberations, extended the validity of the LoP up to 17th April, 2017.

Item No. 73.3 : Requests for co-developer

(i) Request of M/s. ATS Savvy Developers LLP, Ahmedabad for co-developer in the sector specific SEZ for multi services at Ratanpur, District Gandhinagar, Gujarat, being developed by M/s. GIFT SEZ Ltd.

After deliberations, the Board approved the proposal of M/s ATS Savvy Developers LLP for construction development, maintenance and operation of SEZ building for units to undertake export of services in the processing area of SEZ, over an area of 400000 sq.ft. BUA in Block 15 Zone within GIFT SEZ processing area 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).

(ii) Request of M/s. Classic Info Tech LLP for co-developer in the sector specific SEZ for electronic Hardware and Software including IT/ITES at Nanakramguda village, Serilingampally Mandal, Ranga Reddy District, Telangana, being developed by M/s. Mantri Developers Pvt. Ltd.

After deliberations, the Board approved the proposal of M/s. Classic Info Tech LLP for development of the infrastructure facilities needed for setting up of a IT/ITES SEZ such as Interior fit outs & services, electrification, fire fighting, providing 24x7 uninterrupted power supply at stable frequency, 100% power back up, reliable data connectivity, Central air conditioning system (HVAC), and to upgrade other infrastructure facilities of Mantri Cosmos Tower I as per the requirement of the Lessee, over an area of 30,115,190 sqm 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. C.B. Global IT Park & Infra Pvt. Ltd. as a Co-Developer in the sector Specific SEZ, Rajiv Gandhi Infoteck Park, Phase-II, Hinjewadi, Pune being developed by Maharashtra Industrial Development Corporation.

After deliberations, the Board approved the proposal of M/s. C.B. Global IT Park & Infra Pvt. Ltd. as a Co-Developer for construction of IT/ITES building to be undertaken in the notified area of SEZ admeasuring 5,827 Sq.mt. in the Sector Specific SEZ developed by Maharashtra Industrial Development Corporation (MIDC). The activities should be completed by March, 2018 as allowed by the developer Maharashtra Industrial Development Corporation (MIDC)

(iv) Request of M/s. Arshiya Rail Siding and Infrastructure Limited for co-developer in the FTWZ at Village SAI, Taluka – Panvel, Maharashtra, being developed by M/s. Arshiya Limited

After deliberations, the Board approved the proposal of M/s Arshiya Rail Siding and Infrastructure Limited is a wholly owned subsidiary of Arshiya Ltd. which is focusing on infrastructure based logistic which includes development operation and maintenance of FTWZ. Further, the company requested for the grant of co-developer status for operation and maintenance of six warehouses at Arshiya Ltd. in accordance with the co-developer agreement entered into with the developer, subject to standard terms and conditions as per SEZ Act and Rules.

(v) **Request of M/s. Brigade (Gujarat) Projects Pvt. Ltd. for co-developer in the sector specific SEZ for multi services at Ratanpur, District Gandhinagar, Gujarat, being developed by M/s. GIFT SEZ Ltd. for additional built up area admeasuring 7,456.71 sqft. (431.572 sqm.)**

After deliberations, the Board approved the proposal of M/s. Brigade (Gujarat) Projects Pvt. Ltd. for additional built up area of 7,456.71 sqft. (431.572 sqm.), in accordance with the supplemental agreement to 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).

Item No. 73.4 : Proposals for setting up of SEZs

(i) **Request of M/s. Vaxenic India Private Limited for setting up of a sector specific SEZ for Biotechnology & Bio-Pharmaceuticals at Kolthur village, Shameerpet Mandal, Ranga Reddy District, Telangana, over an area of 11.473 hectares.**

The Board approved the proposal for formal approval for setting up of a sector specific Special Economic Zone for Biotechnology & Bio-Pharmaceuticals at Kolthur village, Shameerpet Mandal, Ranga Reddy District, Telangana, over an area of 11.473 hectares. It was observed that the issue of smaller SEZs may be examined separately for a policy decision.

(ii) **Request of M/s. Phoenix Embassy Tech Zone Private Limited for setting up of a sector specific SEZ for IT/ITES at Sy. No. 115/35, Nanakramguda Village, Serilingampally Mandal, Ranga Reddy District, Telangana, over an area of 2.02 hectares.**

The DC, VSEZ informed that proposal was withdrawn as State Government recommendation was not available.

(iii) **Request of M/s. Phoenix Embassy Tech Zone Private Limited for setting up of a sector specific SEZ for IT/ITES at Sy. No. 203 Part, Manikonda Jagir Village, Serilingampally Mandal, Ranga Reddy District, Telangana, over an area of 2.02 hectares.**

The DC, VSEZ informed that proposal was withdrawn as State Government recommendation was not available.

(iv) **Request of M/s. EON Kharadi Infrastructure Private Limited for setting up of a sector specific SEZ for IT/ITES at Sy. No. 72, Village Khardi, Pune, over an area of 4.86 hectares.**

The Board, after deliberations, approved the proposal for setting up of a sector specific Special Economic Zone for IT/ITES at Sy. No. 72, Village Khardi, Pune, over an area of 4.86 hectares with direction to DC SEEPZ SEZ to review the case.

(v) **Request of M/s. GAR Corporation Private Limited for setting up of a sector specific SEZ for IT/ITES at Sy. No. 89 (P), Kokapet Village, Serilingampally Mandal, Telangana, over an area of 1.66 hectares.**

The Board, after deliberations, approved the proposal for setting up of a sector specific Special Economic Zone for IT/ITES at Sy. No. 89 (P), Kokapet Village, Serilingampally Mandal, Telangana, over an area of 1.66 hectares.

(vi) Request of M/s. GAR Corporation Private Limited for setting up of a sector specific SEZ for IT/ITES at Sy. No. 21 (P), 22 (P), 23 and 24, Kokapet Village, Serilingampally Mandal, Telangana, over an area of 2.56 hectares.

The Board, after deliberations, approved the proposal for setting up of a sector specific Special Economic Zone for IT/ITES at Sy. No. 21 (P), 22 (P), 23 and 24, Kokapet Village, Serilingampally Mandal, Telangana, over an area of 2.56 hectares.

(vii) Request of M/s. KRC Infrastructure and Projects Private Limited and M/s. Gera Developments Pvt. Ltd. for jointly setting up of sector specific SEZ for IT/ITES at Kharadi District Pune, Maharashtra, over an area of 4.03 hectares.

The Board, after deliberations approved the proposal with observation the DC, SEEP SEZ may take an undertaking from the developers so that the Government will deal with only one developer.

Item No. 73.5 : Miscellaneous Cases

(i) Request of M/s. Kogta Import Export Pvt. Ltd., a unit in M/s. Indiabulls Industrial Infrastructure Limited at C-8/2, Village Musalgaon & Gulvanch, Taluka Sinnar, Nashik for setting up of a unit in terms of Rule 45(i) & instruction No. 47.

The Board, after deliberations, rejected the proposal.

(ii) Request for reduction in area of M/s. Kandla Port Trust (KPT) holding LoA for setting up of multi product SEZ at Kandla & Tuna area.

The Board, after deliberations, decided to approve the request of M/s. Kandla Port Trust for reduction in the area of the formally approved SEZ by 1000 hectares from the formally approved area of 5000 hectares thereby making the total area of the formally approved SEZ as 4000 hectares. The approval is subject to the DC furnishing a certificate in the prescribed format certifying inter alia that the contiguity of the SEZ is maintained, the developer has either not availed or has refunded all the tax/duty benefits availed under SEZ Act/Rules in respect of the area to be reduced and that the State Govt. has no objection to the proposal, etc.

(iii) Request of M/s. Gujarat Textiles for transfer of unit from Falta SEZ to VSEZ

The Board, after deliberations rejected the proposal.

(iv) Request of M/s. Orga Systems India Pvt. Ltd, a unit in M/s. DLF SEZ for change of name to M/s. Redknee India OS Pvt. Ltd. consequent upon change in shareholding.

After deliberations, the Board approved the proposal for change of name from Orga Systems India Pvt. Ltd. to M/s. Redknee India OS Pvt. Ltd. consequent upon change in 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.
- (v) Request of M/s. Chordia Brothers, a unit at Plot No. F-20, SEZ-II, Sitapura, Jaipur for change of name of partners and shareholding of the firm.**

The Board, after deliberations, approved the proposal for change of partners and shareholding of the firm 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.
- (vi) Request of M/s. Artesian Software Technologies LLP, a unit in M/s. Quarkecity India Pvt. Ltd. at Mohali, Punjab for inclusion of partner with 60% shareholding in the firm.**

~~The Board, after deliberations, approved the proposal for inclusion of partner with 60% shareholding in the firm 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.

(vii) Request of M/s. DLF Utilities Ltd., a co-developer in the sector specific SEZ for IT/ITES at New Town, Rajarhat, Kolkata being developed by M/s. DLF Limited for transfer of Co-developer LoA including all authorized operations, assets & liabilities to M/s. DLF Power & Services Ltd.

The Board, after deliberations, approved the request for transfer of Co-developer LoA including all authorized operations, assets & liabilities to M/s. DLF Power & Services Ltd., subject to standard terms and conditions as per SEZ Act and Rules.

(viii) Request of M/s. DLF Utilities Ltd., a co-developer in the sector specific SEZ for IT/ITES at Gachibowli village, Serilingampally Mandal, Ranga Reddy District, Telangana being developed by M/s. DLF Commercial Developers Limited for transfer of Co-developer LoA including all authorized operations, assets & liabilities to fellow subsidiary.

The Board, after deliberations, approved the request for transfer of Co-developer LoA including all authorized operations, assets & liabilities to fellow subsidiary, subject to standard terms and conditions as per SEZ Act and Rules.

(ix) Request of M/s. DLF Utilities Ltd., a co-developer in the sector specific SEZ for IT/ITES at Sector – 24 & 25A, DLF Phase-III, Gurgaon, Haryana, being developed by M/s. DLF Cyber City Developers Ltd. for transfer of LoA to fellow subsidiary company M/s. DLF Power & Services Ltd., pursuant to slump sale under the Business Transfer Agreement.

The Board, after deliberations, approved the request for transfer of LoA to fellow subsidiary company M/s. DLF Power & Services Ltd., pursuant to slump sale under the Business Transfer Agreement, subject to standard terms and conditions as per SEZ Act and Rules.

(x) Request of M/s. DLF Utilities Ltd., a co-developer in the sector specific SEZ for IT/ITES at Village Silokhera, Sector – 30, Gurgaon, Haryana, being developed by M/s. DLF Ltd. for transfer of LoA to fellow subsidiary company M/s. DLF Power & Services Ltd., pursuant to slump sale under the Business Transfer Agreement.

The Board, after deliberations, approved the request for transfer of LoA to fellow subsidiary company M/s. DLF Power & Services Ltd., pursuant to slump sale under the Business Transfer Agreement, subject to standard terms and conditions as per SEZ Act and Rules.

(xi) Request of M/s. DLF Utilities Ltd. (DUL), a co-developer in the sector specific SEZ for IT/ITES at Ramapuram, Chennai being developed by M/s. DLF Info City Developers (Chennai) Ltd. for transfer of Co-developer LoA to M/s. DLF Power & Services Ltd. (DPSL)

The Board, after deliberations, approved the request for transfer of Co-developer LoA to M/s. DLF Power & Services Ltd. (DPSL), subject to standard terms and conditions as per SEZ Act and Rules.

(xii) Request of M/s. Embassy Services Pvt. Ltd., a co-developer in the sector specific SEZ for Electronic Hardware and Software including IT/ITES at Rachenhalli and Nagavara Villages, Hobli, Outer Ring Road, Bangalore District, Karnataka, being developed by Manyata Promoters Pvt. Ltd. for additional authorized operations.

The Board after deliberations, approved the proposed additional authorized operations of the co-developer in the processing area with the condition that no O & M benefits will be available for security services.

(xiii) 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:-

- (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.

(xiv) Request of M/s. Super Gems, a unit in Plot No. H-119, SEZ-II, Sitapura, Jaipur for change of partners and shareholding of the company.

The Board, after deliberations, approved the proposal for change of partners and shareholding 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.
- (xv) Request of M/s. Symphony Jewels Pvt. Ltd., a unit in Plot No. H-119, SEZ-II, Sitapura, Jaipur for change of Directors and shareholding of the company.**

DC, NSEZ informed that the proposal was withdrawn.

- (xvi) Request of M/s. Ansal IT City & Parks Ltd. to grant extension in timeline for construction of minimum built area in the IT/ITES at Plot No. TZ-06, Sector Tech Zone, Gr. Noida, Uttar Pradesh.**

The Board, after deliberations, observed that as per Rule 5(7) of SEZ Rules, 2006, the developer or co-developer shall have to construct the minimum built up area (100000 sqmt.) within a period of ten years from the date of notification of the SEZ in which at least fifty percent of such area to be constructed within a period of five years from the date of notification." In instant case 10 years of SEZ notification has already been completed on 28.08.2016 and approx. 15000 sqm (1,65,000 sqft.) of built up area have been constructed in the processing area of SEZ. However, the Developer has not completed 50% of construction work even after lapse of 10 years.

The Board authorized DC, NSEZ to issue notice to the developer as to why the letter of approval should not be cancelled and the SEZ denotified. Thereafter, DC, NSEZ will bring a fresh proposal for consideration of the BOA.

- (xvii) 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, 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.

- (xviii) Proposal of M/s. Global Export House for addition of Sandal Wood Oil and Chips.**

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.

Item No. 73.6 : Cancellation of Formal Approvals

M/s. Balaji Infra Projects Ltd. (Dighi Port, Raigad)

The Board, after deliberations, decided to cancel the formal approval/notification. The cancellation was 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. 73.7 : Appeals before BoA

(i) Appeal of M/s. Moser Baer India Limited (SEZ Power Plant Unit), a unit in NSEZ against order dated 20.08.2015 passed by UAC, NSEZ.

The representatives of Appellant were present and they were heard.

It was pointed out that UAC meeting held on 01.04.2016 directed unit to refund an amount of Rs.1,55,76,751/- being the duty foregone on material procured from DTA & imported for operation & maintenance of power plant for the period from 01.04.2015 to 15.02.2016 and ordered that no duty free benefits for transfer of power to EOU shall be allowed.

Aggrieved by the above decision of UAC, the unit preferred an appeal before the BoA stating that under SEZ Act, Rules & Regulations and relevant Power Guidelines, (i) the O&M benefits during the period 01.04.2015 to 15.02.2016 and (ii) duty free benefits for transfer of power to EOU were admissible.

The Appellant has stated that the period from 1.4.2015 to 15.2.2016 is governed by the power guidelines of 27.2.2009 as per DOC letter dated 6.4.2015. The 27.2.2009 guidelines allow O&M benefits for the unit. Further, even 21.3.2012 and 16.2.2016 guidelines also permit O&M benefits to units.

Further, Appellant has claimed that duty free benefits for transfer of power from SEZ unit to EOU are admissible under Rule 47(3)(c) of SEZ Rules. It is to be noted that Rule 47(3)(c) has not been kept in abeyance vide Instruction No 75 dated 7.2.2011. Further for EOUs, Custom Notification No 52/2003, stipulates that all goods including electricity can be sold to EoU without payment of duty.

Therefore, appellant has claimed that UAC order 01.04.2016 directing the unit to refund an amount of Rs.1,55,76,751/- being the duty foregone on material procured from DTA & imported for operation & maintenance of power plant for the period from 01.04.2015 to 15.02.2016 and ordering that no duty free benefits for transfer of power to EOU would be allowed is wrong and hence should be cancelled.

BoA observed that Department circular dated 06.04.2015 clearly stipulates that those power plants which are presently situated in the processing area of SEZ shall be demarcated as non-processing area and no O&M benefits will now be available for such power plants. The unit will now be eligible for O&M benefits under Para (iii) of 16.02.2016 power guidelines, subject to the condition that no duty free benefits for transfer of power to EOU shall be allowed as O&M benefits are available to the unit.

In view of the above BoA, after detailed consideration, rejected the appeal.

(ii) Appeal of M/s. Vikas Telecom Private Limited (VTPL), developer Vikas Telecom SEZ at Embassy Tech Village, Bangalore against order dated 30.05.2016 passed by UAC, CSEZ.

The representative of Appellant was not present.

VTPL had, on 8.3.2016, applied to DC CSEZ for approval to run the DG set, ie, the back-up power facility as SEZ unit, within the processing area of VTPL Special Economic Zone, w.e.f April 1, 2015. However, UAC granted the SEZ Unit approval under 2016 Power guidelines w.e.f. 09.05.2016. Aggrieved by the decision of UAC, M/s. Vikas Telecom Private Limited (VTPL) has preferred the appeal on the grounds that both 2009 Guidelines and 2016 guidelines permitted duty free import of capital goods, raw material and consumables etc.

BoA observed that Department circular dated 06.04.2015 clearly stipulates that those power plants which are presently situated in the processing area of SEZ shall be demarcated as non-processing area and no O&M benefits will now be available for such power plants. The unit will now be eligible for O&M benefits under Para (iii) of 16.02.2016 power guidelines.

In view of the above BoA, after detailed consideration, rejected the appeal.

(iii) Appeal of M/s. Manyata Promoters Private Limited (MPPL) developer of Manyata Embassy Business Park SEZ at Nagavara, Bangalore against order dated 30.05.2016 passed by UAC, CSEZ.

The representative of Appellant was not present.

M/s. Manyata Promoters Private Limited (MPPL) developer of Manyata Embassy Business Park SEZ at Nagavara, Bangalore had, on 7.3.2016, applied to DC, CSEZ to run the DG sets installed in the Processing Area of SEZ as a SEZ unit w.e.f April 1, 2015. However, UAC granted the SEZ Unit approval under 2016 Power guidelines w.e.f. 09.05.2016. Aggrieved by the decision of UAC, M/s. Manyata Promoters Private Limited (MPPL) has preferred the appeal on the grounds that both 2009 Guidelines and 2016 guidelines permitted duty free import of capital goods, raw material and consumables etc.

BoA observed that Department circular dated 06.04.2015 clearly stipulates that those power plants which are presently situated in the processing area of SEZ shall be demarcated as non-processing area and no O&M benefits will now be available for such power plants. The unit will now be eligible for O&M benefits under Para (iii) of 16.02.2016 power guidelines.

In view of the above BoA, after detailed consideration, rejected the appeal.

(iv) Appeal of M/s. Morgan Tectronics Ltd. (MTL) against the order dated 23.02.2016 passed by the DC, NSEZ/UAC.

M/s. Morgan Tectronics Ltd. (MTL) has preferred an appeal against the order dated 23.02.2016 passed by the DC, NSEZ/UAC which was placed before the 70th BoA meeting held on 28th April, 2016. It was decided by the BoA that the appellant should furnish the statement in r/o NFE within a week regarding clearances figures for physical export and trading activity separately.

Accordingly, M/s Morgan Tectronics Ltd. vide its letter dated 4.5.2016 had furnished the statement/inputs in connection with physical export/DTA Sale/NFE for the consideration of Department which was forwarded to DC, NSEZ for verification. DC NSEZ vide his letter dated 2.6.2016 informed that the M/s MTL has not furnished the details of import, export and DTA sale

by them in the prescribed format. M/s MTL has informed that their records had been seized by the DRI, Delhi and they will submit the details whenever they will get back the records.

DC, NSEZ further stated that since the unit has failed to provide the said documents i.e. details of EEFC Account of DTA Buyer or Free Foreign Exchange received from overseas, NFE position cannot be determined. Further, details of payment received from EEFC Account or from overseas buyer should be through normal banking channel and that can be provided by the unit. Thus the contention of the unit that it is unable to provide the details of EEFC account etc. as the same has been seized by DRI, is untenable.

Further, the following observation of the UAC were noted:-

- (i) The unit has been persistently violating the provisions of SEZ Act/SEZ Rules and terms & conditions of LoA/Bond-cum-LUT
- (ii) The unit has admitted the mis-declaration of goods covered under the Bills of Entry- a) BE No. NSEZ0008568 dated 05.10.2015, b) BE No. NSEZ0008527 dated 03.10.2015 as explained in Para 3 and 8 above
- (iii) The unit has deposited an amount of Rs. 50 Lakhs (Rs. 35 lakh vide challan No. 730468 dated 20.10.2015 and Rs. 15 lakhs vide Challan No. 730467 dated 20.10.2015 towards their duty/penalty/fine liability emerging as the outcome of Investigation against the said three Bills of Entry
- (iv) The unit had also requested to Special Intelligence & Investigation Branch (SIIB) to decide the matter on merits and stated that he did not want any Show Cause Notice or personal hearing.

DC, NSEZ stated that many cases have been registered by different revenue agencies against the M/s Morgan Telectronics Ltd at DRI, Lucknow Zonal Unit and NSEZ, Customs and DRI, HQ, New Delhi.

In view of the above, after detailed deliberations, the BoA observed that no grounds have been made for the appeal and hence rejected the appeal.

Decision on Supplementary Agenda

Item No. 73.8 : Requests for extension of LoP beyond 3rd Year onwards

- (i) **Request of M/s. Tech Mahindra Ltd. (Unit-IV), a unit in NSEZ for extension of LoP beyond 22nd September 2016**

The Board, noted that no construction activity had commenced and permitted a final extension of six months up to 22.4.2017 for getting the Building Plan approved by NOIDA Authority and that the Developer must commence construction activity by that time, which shall be duly certified by a Chartered Engineer.

- (ii) **Request of M/s. Webel Ltd., an IT unit in M/s. M.L. Dalmia & Co. IT/ITES SEZ at Bangala, Kolkata for extension of LoP beyond 22.04.2016**

The Board, after deliberations, extended the validity of the LoP up to 22nd April, 2017.

(iii) Request of M/s. NKB Hardware, a unit in NSEZ for extension of LoP beyond 27.10.2012

The Board, after deliberations, rejected the proposal as LOP had already lapsed on 27.10.2012.

Item No. 73.9 : Proposals for setting up of SEZs

(i) Request of M/s. Information Technology Park Limited for setting up of a sector specific SEZ for IT/ITES at Whitefield, Bengaluru, Karnataka, over an area of 1.51 hectares.

The Board, after deliberations, approved the proposal for setting up of a Sector specific Special Economic Zone for IT/ITES at Whitefield, Bengaluru, Karnataka, over an area of 1.51 hectares.

Item No. 73.10 : Requests for duty paid dual usages in the non-processing area

(A) Request of M/s. Persipina Developers Pvt. Ltd. a sector specific SEZ for Services at District Raigad, Maharashtra for dual usage in the non-processing area

The BOA did not approve the proposal for grant of permission for dual use of infrastructure and directed the Developer to de-notify the total area of 1077419 sq.ft. (100094 sqm.) in the Non-processing area where 1012 residential units have been built from the said SEZ, subject to payment of duty benefits availed after obtaining NOC from the State Government as per the decision of 65th BoA held on 19.05.2015.

(B) Request of M/s. Persipina Developers Pvt. Ltd. for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Services sector at Village Talegaon, and Panshil, Taluka Khalapur and village Bhokarapada, Taluka Panvel, Dist. Raigad Maharashtra, beyond 14th October, 2016

The Board, after deliberations, extended the validity of the formal approval up to 14th October, 2017.

(ii) Request of M/s. TRIL Infopark Ltd. a sector specific SEZ for IT/ITES at Ramanujan IT City, Rajiv Gandhi Salai (OMR), Taramani, Chennai, Tamilnadu, for dual usage in the non-processing area

The Board, after deliberations, approved the proposal subject to fulfilment of conditions laid down in Rule 11A of the SEZ Rules, 2006.

(iii) Request for Telecom and Infrastructure facility to be created by M/s. Bharti Airtel Limited to facilitate IT and ITES units set up in IT/ITES SEZ being developed by M/s. Ganesh Housing Corporation Limited and units located outside in the DTA m/r.

The Board, after deliberations, approved the proposal subject to fulfilment of conditions laid down in Rule 11A of the SEZ Rules, 2006.

Item No. 73.11 : Miscellaneous Cases

(i) Request of M/s. Aequs SEZ Private Limited for sectoral broad banding in sector specific SEZ for precision engineering products at Belgaum, Karnataka to IT/ITES, Electronic Components and hardware manufacturing energy BPO (including Lega, medical and similar services) KPO and R&D Services

The Board, after deliberations, approved the proposal.

Item No. 73.12 : Cancellation of Formal Approvals

The Board examined the following 2 cases of cancellation of formal approval /and approved cancellation of their formal approvals:-

Sr. No.	Name of the Developer/co-developer	Sector	Date of formal approval	Zone
1.	M/s. Karanja Infrastructure (P) Ltd. (vill. Chanje, Tal. Uran, Raigad)	FTWZ	31.10.2006	SEEPZ
2.	M/s. Gitanjali Gems Ltd. (Panvel Village, Raigad)	Gems & Jewellery	25.10.2006	SEEPZ

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. 73.13 : Appeal before BoA

(i) Appeal of M/s. Jai Bharat Plastics a unit in FSEZ against order dated 07.09.2016 passed by UAC, FSEZ.

After deliberations, the Board rejected the appeal as the unit has neither achieved NFE positive during the last five years which was stipulated at the time of approval nor they have renewed the proposal before the expiry of the date of LoP on 22.02.2016.

(ii) Appeal of M/s. Jagdamba Impex, against the condition imposed by the Approval Committee (UAC) dated 02.06.2016 in their LoA.

After deliberations, the Board ordered that the unit shall import only prime CRGO for the goods to be cleared to DTA and all the conditions specified in the Steel Products (Quality Control) Second Order dated 12.3.2012 of Ministry of Steel should be complied with in respect of such goods cleared to DTA. Accordingly, BoA remanded the appeal to DC NSEZ for further action.

(iii) Appeal of M/s. Kamal Deep Jewellers a unit in NSEZ against order dated 05.09.2016 passed by UAC/NSEZ.

After deliberation, the BoA rejected the appeal with observation that the unit has not renewed the LOA within the time limit as per SEZ Act, 2005 and SEZ Rules, 2006. However, DC, NSEZ should ensure that all duties and interest etc have been recovered before de-bonding.

(iv) **Appeal of M/s. Dr. Reddy's Laboratories Ltd. CTO SEZ Process Unit-1 a unit in Dr. Reddy's Laboratories Ltd. at Sy. N. 53-80, Devunipalavalasa village, Ranasthalam Mandal, Srikakulam District against order dated 11.05.2016 passed by UAC/VSEZ.**

M/s. Dr. Reddy's Laboratories Ltd. CTO SEZ has preferred an appeal against the UAC decision dated 11.05.2016 wherein their request for inclusion of service activity of QA/QC services for the existing CTO SEZ process unit-1 with the intention to extend QA/QC related services like analytical method validation for other SEZ units and other units in DTA was rejected without citing any reason.

After deliberation, the BoA upheld the appeal.

Decision on Supplementary Agenda II

Item No. 73.14 : Proposals for setting up of SEZs

(i) **Request of M/s. RGA Infrastructure for setting up of a sector specific SEZ for IT/ITES at Sy. No. 31/1, Chikkankannelli Village, Varthur Hobli, Bangalore East Taluk, Bangalore, Karnataka, over an area of 1.59 hectares.**

The Board, after deliberations, approved the proposal for formal approval for setting up of a sector specific Special Economic Zone for IT/ITES at Sy. No. 31/1 Chikkankannelli Village, Varthur Hobli, Bangalore East Taluk, Bangalore, Karnataka, over an area of 1.59 hectares.

Decision on Table Agenda

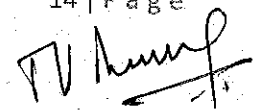
Item No. 73.15 : Miscellaneous Cases

(i) **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, rejected the proposal as the NoC from Government of Andhra Pradesh, IT E& C had not been received.

(ii) **Request of M/s. CCL Products(India) Limited for setting up of a sector specific SEZ for Agri based Food Processing at Kuvakolli Village, Vardaiyah Palem Mandal, Chittoor, Andhra Pradesh over an area of 11.87 hectares.**

The Board, after deliberations, approved the proposal.



List of Participants for the Meeting of the Board of Approval for Special Economic Zones held on 9th November, 2016 under the Chairpersonship of Commerce Secretary, Department of Commerce

1. Ms. Rita Teatota, Chairpersonship, BoA & Commerce Secretary, Department of Commerce
2. Shri Ajay Kumar Bhalla, , DGFT
3. Shri Alok Vardhan Chaturvedi, Additional Secretary, Department of Commerce
4. Shri Vinay Chhabra, DG, DGEP, Department of Revenue, Ministry of Finance
5. Dr. Tejpal Singh, Additional Director General, DGEP
6. Smt. Deepshikha Sharma, Director, CBDT, Department of Revenue, Ministry of Finance
7. Shri Saroj Kumar Behera, Joint Director, DGEP
8. Shri Anand Krishna DIG (SU Moet & CC)
9. Shri A.K. Mishra, Research Assistant TCPO, Ministry of Urban Development, Vikas Bhawan, I.P. Estate, New Delhi
10. Dr. Rajesh, AR, TCPO, Ministry of Urban Development, Vikas Bhawan, I.P. Estate, New Delhi
11. Shri Lokesh Chandra Secretary & Commissioner investment & Protocol Govt. of Maharashtra.
12. Shri Soumen May O/o Resident liaison officer MIDC

LIST OF DEVELOPMENT COMMISSIONERS

13. Dr. L.B. Singhal, Development Commissioner, Noida SEZ/Falta SEZ
14. Dr. Safeena AN, Development Commissioner, CSEZ
15. Shri Upendra Vashisht, Development Commissioner, KASEZ
16. Shri R.P. Goyal, Development Commissioner, AP&SEZ/Mundra
17. Ms. Sobhana K.S. Rao, Development Commissioner, VSEZ
18. Shri D. Anandan, Joint Development Commissioner, MEPZ-SEZ
19. Shri J.M. Gupta, Development Commissioner, Indore SEZ
20. S.K. Sharma, Development Commissioner, Mihan SEZ Nagpur
21. Smt. Lata Shukla, Development Commissioner, Navi Mumbai SEZ
22. Shri K.L. Sharma, Development Commissioner, Surat SEZ
23. Shri N.P.S. Monga, Development Commissioner, SEEPZ-SEZ

LIST OF PARTICIPANTS FROM DEPARTMENT OF COMMERCE

24. Shri T.V. Ravi, Director, Department of Commerce
25. Shri G. Srinivasan, Under Secretary, Department of Commerce
26. Shri Aditya Narayan, Under Secretary, Department of Commerce
27. Shri K.C. Biswal, Section Officer, Department of Commerce
28. Shri Piyush, Section Officer, Department of Commerce