

**Agenda for the 71<sup>st</sup> meeting of the Board of Approval to be held on 22<sup>nd</sup> June, 2016, in the Room No. 47, Udyog Bhawan, New Delhi**

**Item No. 71.1 Requests for extension of validity of formal approvals**

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 for further extension of formal approval from M/s. HBS Pharma SEZ Pvt. Ltd. for setting up of Pharmaceutical SEZ at GIDC, Panoli Industrial Estate, Panoli, District Bharuch, Gujarat beyond 16<sup>th</sup> June, 2016**

**Name of the developer:** M/s. HBS Pharma SEZ Pvt. Ltd.

**Sector :** Pharmaceutical

**Location:** GIDC, Panoli Industrial Estate Panoli, District Bharuch, Gujarat

**Extension:** The developer has been granted five extensions, validity period of which is upto 16<sup>th</sup> June, 2016.

**Basic facts:** Formal approval to the developer was granted on 17<sup>th</sup> June, 2008. The SEZ stands notified as on date.

The developer has requested for further extension so as to complete his project.

The developer has made following investments/plans.

- (i) They have made an incremental investment of approx Rs. 9.00 crores since last extension i.e. since June 2015.
- (ii) The total amount invested as on date to approximately is Rs. 200 crores
- (iii) They are in advanced talks with a few Pharma companies who have shown interest in setting up factories in the SEZ
- (iv) The revised master plan of the SEZ, submitted by them before the proper authority for approval in 2013-14 was approved on 25.06.2014 for placing before the Gujarat SEZ Authorities. The issue was discussed during the Gujarat SEZ Authority meeting held on 19.02.2016.

In view of infrastructure development and investment mentioned above, DC KASEZ has recommended the proposal of further extension for one year upto 16<sup>th</sup> June, 2017.

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

**(ii) Request of M/s. Gulf Oil Corporation 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 Kattigenahalli and Venkatala villages, Yelahanka Hobli, Bangalore, Karnataka, beyond 17<sup>th</sup> June, 2016**

**Name of the developer:** M/s. Gulf Oil Corporation Limited

**Sector :** IT/ITES/BPO/Electronic Hardware

**Location:** Kattigenahalli and Venkatala villages, Yelahanka Hobli, Bangalore, Karnataka

**Extension:** The developer has been granted four extensions, validity period of which is upto 17<sup>th</sup> June, 2016.

**Basic facts:** Formal approval to the developer was granted on 18<sup>th</sup> June, 2009. The SEZ stands notified as on date.

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

The developer has made following investments/plans.

- (i) The phase 1 of the project with a built up area of 14.52 lacks sq.ft. has been completed on incurring an approx. expenditure of Rs. 200 cr.
- (ii) In phase – 2 a new block of approx 10.06 lakh sqft. built up area is already under construction with an investment of approx Rs. 184 crores and the building is expected to be ready for occupation by end 2017. Construction of another Block of approx 6.35 lakh sq.ft. built up area with approx Rs. 133 crores investment would commence in couple of months.
- (iii) The second phase of construction is in progress and the building is expected to be ready for occupation by December, 2017.
- (iv) All approvals related to building plan have been obtained.
- (v) Site cleaning activity is completed
- (vi) Construction of boundary wall is completed
- (vii) Electrical connection of 250 KVA for construction purpose is obtained.

DC CSEZ has recommended the proposal for extension of validity of formal approval upto 17.06.2017.

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

**(iii) Request of M/s. Calica Construction and Impex Pvt. Ltd. for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Village Ognaj, Taluka Dascroi, District Ahmedabad, Gujarat, beyond 6<sup>th</sup> May, 2016**

**Name of the developer:** M/s. Calica Construction and Impex Pvt. Ltd.

**Sector :** IT/ITES

**Location:** Village Ognaj, Taluka Dascroi, District Ahmedabad, Gujarat

**Extension:** The developer has been granted seven extensions, validity period of which is upto 6<sup>th</sup> May, 2016.

**Basic facts:** Formal approval to the developer was granted on 6<sup>th</sup> November, 2006. The SEZ stands notified as on date.

The developer has requested for further extension so as to complete his project

The developer has made following investments/plans.

- (i) The developer has invested Rs. 2 crores for land and rs. 25 crores for development of infrastructure and buildings.
- (ii) Compound wall has been completed
- (iii) WBC of roads has been completed
- (iv) They have constructed 4.50 lacs sq.ft. of office space in tower D and E
- (v) The office premises with required facilities have been provided and the permanent structure is under construction for Customs staff
- (vi) Tubewell ready for water supply and electricity supply is available at the site.
- (vii) Construction work has been stopped by the Gujarat Pollution Control Board's officials till further instruction.
- (viii) **Incremental investment since last extension i.e. 27.08.2015** has been made by the developer only to the tune of Rs. 26 lacs and as on dated, total investment of Rs. 27 crores has been made by the developer which includes land cost also.
- (ix) Civil work is in progress

DC KASEZ has **not recommended** the proposal for further extension.

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

### **Item No. 71.2 : Requests for extension of validity of in-principle approval**

**(i) Proposal of M/s. Venkatesh Coke & Power Ltd. for extension of the validity of in-principle approval for setting up of a FTWZ at Athipattu, Nandiambakkam and Puludivakkam villages, Ponneri Taluk, Thiruvallur Distt. Tamilnadu, beyond 12<sup>th</sup> May, 2016**

In-principle approval was granted afresh to the developer on 13.05.2014 over an area of 47.52.5 hectares. The developer has been granted one extension. The validity of last extension was up to 12<sup>th</sup> May, 2016.

- (i) Incremental investment since last extension is Rs. 5.5 crores has already been incurred towards pre-operative expenses as on date.
- (ii) The developer has yet to succeed in obtaining Government land.
- (iii) Physical progress till dated – M/s. Jones Lang Lasalle (India) Pvt. Ltd. have valued the land at Rs. 250 crores. Further investment in infrastructure will take place after getting formal approval and notification.
- (iv) An expenditure of Rs. 5.5 crores has already been spent towards pre-operative expenses as on date.

DC MEPZ has recommended extension of in-principle approval upto 12<sup>th</sup> May, 2017.

The case is, accordingly, placed before BoA for consideration.

### **Item No. 71.3 : Requests for extension of LoP beyond 3<sup>rd</sup> Year onwards**

- 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. 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 13<sup>th</sup> February, 2016**

- **LoP issued:** 14<sup>th</sup> February, 2011 for manufacture and export of Nylon compounds, PBT compounds, polycarbonate compounds, blends & alloys, advanced polypropylene compounds, advanced styrenic compounds, advanced colour master batches, speciality additives master batches.

- Extensions: 4 (four) up to 13<sup>th</sup> February, 2016
- **Request:** For further extension.

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

The unit has made the following investment/plans:-

- (i) Invested Rs. 3.18 crore in land and other infrastructure is Rs. 0.40 crores.
- (ii) Since last extension they have done many activities at plot at Dahej SEZ., i.e. sit cleaning, plot demarcation, soil testing and survey, building plan preparation and submission to developer.
- (iii) The entrepreneur/approval holder could not commence production within the stipulated and extended time limit of the LoA dated 14.02.2011, because they got consent to establish (NOC) from Gujarat Pollution Control Board on 01.02.2016 and their raw material supplier M/s. OPAL is yet to come into production.

DC Dahej SEZ has recommended the request of extension of LoP for a period of one year up to 13.02.2017.

The request is placed before BoA for its consideration.

**(ii) 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 5<sup>th</sup> February, 2015**

- **LoP issued:** 6<sup>th</sup> February, 2013 for manufacture and export of (i) sulfanilic acid (salt), (ii) PCOSA (ii) Schaeffers salt (iv) Flouroskien Series and (v) Colourformer, Thermal Paper coating.
- Extensions: The validity of the LoP was extended by DC till 05.02.2015.
- **Request:** For further extension.

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

- (i) The unit has made total investment of Rs. 2.35 crores
- (ii) Investment in land is Rs. 1.65 crores.
- (iii) The unit has got their samples approved in international market.
- (iv) The unit has also obtained Environmental Clearance from Gujarat Pollution Control Board on 30.09.2015.

The unit has given assurance that they will complete the project and commence commercial production within one year.

DC Dahej SEZ has recommended the request of extension of LoP by one year upto 05.02.2017 in terms of the provisions of Rule 19(4) of SEZ Rules 2006.

The request is placed before BoA for its consideration.

**(iii) Request of M/s. BEML Limited, a unit in KIADB SEZ, Bangalore for extension of LoP beyond 6<sup>th</sup> January, 2016**

- **LoP issued:** 6<sup>th</sup> January, 2012 for manufacture and export of Aerospace Mechanical Components.
- **Extensions:** 3 (three) up to 6<sup>th</sup> January, 2016.
- **Request:** For further extension.

The unit has made the following investment/plans:-

- (i) The unit could not implement the project since the Civil & PEB works awarded to the contractor have been hampered and construction work has come to standstill on account of invocation of arbitration proceedings by the contractor, M/s. URC Constructions (P) Ltd.
- (ii) The unit have spent an amount of Rs. 65.94 crores towards land, construction of compound wall, machinery and other statutory fee etc.

The unit requires extension in validity of LoP for the fourth year and beyond in the absence of completion of two-third of activities including construction in terms of second proviso of Rule 19 (4) of SEZ Rules, 2006.

DC, CSEZ, has forwarded the request of the unit for extension of validity of LoP for consideration.

The request is placed before BoA for its consideration.

**(iv) Request of M/s. Lanco Solar Private Limited, a unit in M/s. Lanco Solar Private Limited SEZ at Village Mehrumkhurd & Chawardhal, Rajnandgaon Dist., Chhastigarh for extension of LoP beyond 28<sup>th</sup> June, 2016**

- **LoP issued:** 29<sup>th</sup> June, 2011 for manufacture of Polysilicon, Ingots & Wafers & associated materials/products.
- **Extensions:** 4 (four) up to 28<sup>th</sup> June, 2016.
- **Request:** For further extension.

The unit has made the following investment/plans:-

- (i) The unit has invested an amount of Rs. 1411 crores so far in the project towards the installation of plant and machinery and civil work.
- (ii) Furnished a Chartered Engineer's certificate to that effect. The unit has planned to start trial production by December 2016 and commercial production by June, 2017.
- (iii) Civil work done 91% (2015-2016)
- (iv) Imported plant & machinery 85% (2015-2016)

DC, VSEZ, has recommended the request of the unit for extension of validity of LoP up to 28.06.2017.

The request is placed before BoA for its consideration.

**(v) Request of M/s Dr. Reddy's Laboratories Limited – FTO IX, a unit in VSEZ for extension of validity period of its LoP beyond 7<sup>th</sup> June 2016**

The above mentioned unit was granted LoP on 19<sup>th</sup> April, 2010 for manufacture of Tablets/Capsules. The unit was granted four extensions, the validity of which is upto 18<sup>th</sup> April, 2015.

- **LoP issued:** 8<sup>th</sup> June, 2012 for manufacture of injectables/injections (pre-filled syringes vials & Cartridges
- **Extensions:** 3 (three) up to 7<sup>th</sup> June, 2016.
- **Request:** For further extension.

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

The unit has made the following investment/plans:-

- (i) Investment is Rs. 266.72 crores as on 31.12.2016 in creation of all facilities for production of injectable in Phase – I and provided employment to 207 people.
- (ii) The unit has completed the civil works and installation of machinery and trial batches are in progress to meet the USFDA standards for filing DMFs.
- (iii) USFDA inspection is pending and is expected to be completed within six months and after which they will go for commercial batches.

DC VSEZ has recommended the request of extension of LoP for period of one year upto 07.06.2017.

The request is placed before BoA for its consideration.

**Item No. 71.4 : Requests for co-developer**

**(i) Request of M/s. Syngene International Limited for co-developer in the sector specific SEZ for Bio-technology at Bangalore, Karnataka, being developed by M/s. Biocon Limited**

The above mentioned SEZ stands notified over an area of 35.55 hectares.

M/s. Syngene International Limited has submitted a proposal for becoming a co-developer in the aforesaid SEZ. The applicant will be undertaking Green field campus consisting of common infrastructure in an area of 8082 sq. mt. to cater to the infrastructure requirements of SEZ unit of Syngene International Limited (13 unit) located in 36150 sq. mt. of area in the Biocon SEZ at a cost of Rs. 100 crores.

Draft Co-developer agreement entered into with the developer has been provided. Draft Lease Deed has also been provided.

DC CSEZ has recommended the proposal.

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

**(ii) Request of M/s. Mantri Cosmos II Owners Welfare Association 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.**

The above mentioned SEZ stands notified over a built up area of 1,03,512.5 sq. mt. on an area of 1.0504 hectares.

M/s. Mantri Cosmos II Owners Welfare Association has submitted a proposal for becoming a co-developer in the aforesaid SEZ to invest, upgrade the bare shell to warm shell, operate and maintenance their share of space for convenience of negotiating with the Unit, some of the land owners formed an association for undertaking the activities (i) create infrastructural facilities such as interior fit outs & services, electrification, firefighting providing 24x7 uninterrupted power supply at stable frequency, 100% power back up reliable dated connectivity, central air conditioning system (HVAC), required by the IT/ITES companies to operation in the SEZ (ii) Invest amounts required for creating such infrastructural facilities (iii) and to manage, maintain, operate and upkeep the infrastructure facilities of Mantri Cosmos Tower II after leasing. Further the co-developer carried out additional up gradation of the facility from bare shell to warm shell investing about Rs. 22.90 crores, over an area of 62406.56 sqm.

Co-developer agreement dated 11<sup>th</sup> February, 2016 entered into with the developer has been provided. The Supplementary Agreement dated 11<sup>th</sup> March, 2013 has been provided.

The developer stated that in pursuance of the Development Agreements with the land owners, they have constructed two commercial blocks of 1,03,512.5 sq.ft. in an extent of 1.0504 hectares in Sy. No. 130(P), Nanakramguda village, Serilingampally Mandal, Ranga Reddy District, Telangana. These two blocks are named as Mantri Cosoms Tower I and Tower II. As a prospective tenant has shown its willingness to take on lease the entire Mantri Cosmos towers as on single unit but required an SEZ status for the Towers, they had applied for SE status which was granted formal approval.

Further, as per the amendment agreement to lease dated 1<sup>st</sup> September, 2015 and executed on 22<sup>nd</sup> January, 2016 between the Mantri Developers Private Limited and M/s. Accenture Services Private Limited, the lessor and the land owners have agreed to share the following percentage of ownership of the two buildings for the purpose of receipt of rents and other rents and other revenues and deposits:

(i)	Mantri Developers Private Limited	- 10.536%
(ii)	Classic Info Tech LLP	- 29.464%
(iii)	Mantri Cosmos – II owners Welfare Association	- 60.00 %

DC VSEZ has recommended the proposal.

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



**(iii) Request of M/s. Embassy Property Development Private Limited for co-developer in the sector specific SEZ for IT/ITES at Zamin Pallavaram Village, Chenglept Taluk, Kancheepuram Distt., Tamil Nadu, being developed by M/s. SNP Infrastructure LLP**

The above mentioned SEZ stands notified over an area 11.14.7 hectares.

M/s. Embassy Property Development Private Limited has submitted a proposal for becoming a co-developer in the aforesaid SEZ for development, operation and maintenance of the SEZ, including undertaking authorized operation as contracted under the co-development agreement, over an area of 11.14.7 hectares.

Co-developer agreement dated 20<sup>th</sup> May, 2016 entered into with the developer has been provided. Lease deed dated 28<sup>th</sup> June, 2016. Lease period is 30 years. The co-developer shall pay 60 crores in terms of clause 15 of the co-developers agreement which is refundable on the completion of the project in accordance with the terms of the co-developer agreement. Right to seek rental discounting facility with regard to the leasehold rights, 61% of the leasable area and the co-developer's rent.

DC MEPZ has recommended the proposal.

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

**(iv) Request of M/s. Marine Infrastructure Developer Pvt. Ltd. for co-developer in the sector specific SEZ for Heavy Engineering at Kattupalli Village, Ponneri taluk, Tiruvallur Distt., Tamil Nadu, being developed by M/s. L&T Shipbuilding Limited**

The above mentioned SEZ stands notified over an area 607.89 hectares.

M/s. Marine Infrastructure Developer Pvt. Ltd. has submitted a proposal for becoming a co-developer in the aforesaid SEZ to operate, maintain and provide port services in the port and container freight station existing in the SEZ and to further develop, operate and maintain infrastructure facilities for the purpose of providing the port services to the customers in the co-development land, over an area of 187.30 hectares.

Co-developer agreement dated 27<sup>th</sup> April, 2016 entered into with the developer has been provided. Lease deed dated 27<sup>th</sup> April, 2016. Lease period is 30 years.

DC MEPZ has recommended the proposal.

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

**(v) Request of M/s. Adani LPG Terminal Pvt. Ltd. for co-developer status in the multi product SEZ at Mundra, Kutch, Gujarat, being developed by M/s. Adani Port and Special Economic Zone Ltd. alongwith specific authorized operations.**

The above proposal was come before the 69<sup>th</sup> BoA meeting held on 23<sup>rd</sup> February, 2016 which was not approved by the Board. After deliberations, the Board directed that in the event the Developer wants to develop the facilities without taking any duty free benefits and without taking income-tax benefits, as admissible under the SEZ act. Now, M/s ALTPL agreed to develop and operate the project without taking

**any duty free benefits, on both CAPEX as well as O &M and Income Tax benefits, as admissible under the SEZ Act.**

The above mentioned SEZ stands notified over an area of 6456.3349 hectares.

M/s. Adani LPG Terminal Pvt. Ltd. has submitted a proposal for becoming a co-developer in the aforesaid SEZ to develop, operate and maintain LPG Storage & Evacuation Terminal and related infrastructure facilities, over an area of 26 hectares.

Co-developer agreement dated 28<sup>th</sup> November, 2015 entered into with the developer has been provided. Draft Lease Deed has also been provided. Sub-lease for a period upto 16<sup>th</sup> February, 2031. Annual lease rent is Rs. 200/- per square meter which is payable annually. Annual sub-lease rent shall be paid in advance in full without any deductions and shall be escalated every 3 years at the rate of 20%. The sub-lease shall pay SEZ maintenance charges being the maintenance charges of the SEZ to be paid @ Rs. 18/- per square meter per annum for the maintenance and upkeep of all the infrastructure facilities provided around the land.

- (i) M/s ALTPL is a 100% subsidiary of M/s APSEZ Ltd..
- (ii) M/s ALTPL informed that they proposed to develop, operate and maintain LPG Storage & Evacuation Terminal facilities in Mundra over an area of 26 hectares in APSEZ.
- (iii) In the initial phase the terminal will have two storage tanks with a combined capacity of 50,000 mt. for handling butane and propane cargo and LPG evacuation facilities.
- (iv) The project involves an investment of about Rs. 1023 crores in infrastructure facilities
- (v) It is expected to generate employment of 4000 persons (direct & indirect)
- (vi) As per project profile, the project is expected to be implemented by mid – 2017.

The co-developer has further requested for approval of following specific authorized operations in the **processing area** of the SEZ:

S. No.	Authorized Operations	No. of units	Area per unit (in sqm.) as per FSI / FAR norms as applicable	Total area (in sqm.) / capacity (in MW)
1.	Pipeline from Jetty to Terminal Area and Tanker Loading area (1.1 km pipe route corridor from jetty to terminal area with width of around 3-4 meters. 3.5 km route corridor from terminal to tanker loading area with width of around 3-4 meters)	4 nos	NA	20.0 km
2	Storage Tanks (2 X 25000 MT)	2 Nos	NA	50000 MT
3	Regasification & blending facility	-	NA	1.60 MMTPA

DC APSEZ has recommended the proposal **without any duty benefit on CAPEX as well as OPEX.**

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

### Item No. 71.5 : Miscellaneous Cases

**(i) Request of M/s. Logcapt Informatics Pvt. Ltd., a unit in M/s. Quarkcity India Pvt. Ltd. at Mohali, Punjab for change of Directors and shareholding of the company.**

The above mentioned unit was granted LoP on 17.09.2014 for. The LOA is valid up to 10.11.2019

The unit has submitted a proposal for change in its shareholding pattern as under:-

Name of shareholder	Shareholding prior to change in Directors (No. of shares)	Shareholding after change in Directors (No of shares)
Mr. Pawan Kumar	5000 (50%)	--
Mr. Anju	5000 (50%)	--
Mr. Abhay Goel	--	5000 (50%)
Mr. Nikhil Garg	--	5000 (50%)
Total	10000 (100%)	10000 (100%)

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.**

The unit is not opting out from the SEZ and there is a 100% 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 NSEZ has recommended the proposal.

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

**(ii) Request of M/s. Kings Canyon SEZ Private Limited, for co-developer in the sector specific SEZ for IT/ITES at Village Gwal Pahari, Tehsil Sohna, District Gurgaon, Haryana, being developed by M/s. ASF Insignia SEZ Pvt. Ltd.**

The above mentioned SEZ stands notified over an area 19.3028 hectares.

M/s. Kings Canyon SEZ Private Limited submitted a proposal for becoming a co-developer in the aforesaid SEZ for operation and maintenance of infrastructure existing in the identified SEZ area admeasuring 2.751 acres within processing zone of ASF Insignia SEZ

Pvt. Ltd. being Kings Canyon SEZ Building having built up space of 1100466 sqft. including Block-A (Ground floor plus 14 floors), block B (Ground floor plus 12 floor), Block-C (Ground floor plus 12 floor) and 3 basement underneath, as a co-developer; and/or further development in the nature of re-development of the identified SEZ area and its operation & maintenance pursuant to sanction of further authorized operation.

The DC, NSEZ vide letter dated 08.04.2016 had recommended the proposal for the above authorized operations and accordingly, same was decided by the 70<sup>th</sup> BoA held on 28<sup>th</sup> April, 2016. However, the developer vide letter dated 24.05.2016 has requested under the head(**Details of facilities proposed to be provided**) authorized operation which was not been comprehensively captured in the last BoA recommended by the DC, NSEZ as follows:

Details of facilities approved in the last BoA	Details of facilities proposed to be provided
operation and maintenance of infrastructure existing in the identified SEZ area admeasuring 2.751 acres within processing zone of ASF Insignia SEZ Pvt. Ltd. being Kings Canyon SEZ Building having built up space of 1100466 sqft. including BloA-A (Ground floor plus 14 floors), block B (Ground floor plus 12 floor), Block-C (Ground floor plus 12 floor) and basement underneath.	Operation and maintenance of infrastructure existing in the identified SEZ area admeasuring 2.751 acres within processing zone of ASF Insignia SEZ Pvt. Ltd. being Kings Canyon SEZ Building having built up space of 1100466 sqft. including Block-A (Ground floor plus 14 floors), block B (Ground floor plus 12 floor), Block-C (Ground floor plus 12 floor) and 3 basement underneath, as a co-developer; and/or further development in the nature of re-development of the identified SEZ area and its operation & maintenance pursuant to sanction of further authorized operation.

DC NSEZ had recommended the proposal.

The proposal is submitted for consideration of BoA.

**(iii) Request of M/s. Grand Canyon SEZ Pvt. Ltd. for co-developer in the sector specific SEZ for IT/ITES at Village Gwal Pahari, Tehsil Sohna, District Gurgaon, Haryana, being developed by M/s. ASF Insignia SEZ Pvt. Ltd.**

The above mentioned SEZ stands notified over an area 19.3028 hectares.

M/s. Grand Canyon SEZ Pvt. Ltd. has submitted a proposal for becoming a co-developer in the aforesaid SEZ for operation and maintenance of infrastructure existing in the identified area of 3.739 acres, namely Grand Canyon SEZ Building with built up space of 1420198 sqft. comprising ground floor plus plus 17<sup>th</sup> floors each in Block A,B,C,D and E and 3 level basements, a part of the ASF Insignia SEZ as a co-developer (details at annexure- 1 & Annexure- 2 of Form A1) (that is operation & maintenance of infrastructure existing in the “identified SEZ area” and/or further development/redevelopment of the identified SEZ area and it’s operation & maintenance pursuant to sanction of further authorized operation”).

Co-developer agreement dated 3<sup>rd</sup> February, 2016 entered into with the developer has been provided. Draft Lease Deed has also been provided. Lease period is 30 years. Lessee

shall pay INR 24,30,000/- as fixed annual lease rental to the Lessor (“Lease Rental”). The Lease Rental shall be payable in advance, on a yearly basis, on or before 15<sup>th</sup> day of January of every calendar year, for the subsequent year lease.

The DC, NSEZ vide letter dated 08.04.2016 had recommended the proposal for the above authorized operations and accordingly, same was decided by the 70<sup>th</sup> BoA held on 28<sup>th</sup> April, 2016. However, the developer vide letter dated 24.05.2016 has requested under the head(**Details of facilities proposed to be provided**) authorized operation which was not been comprehensively captured in the last BoA recommended by the DC, NSEZ as follows:

<b>Details of facilities approved in the last BoA</b>	<b>Details of facilities proposed to be provided</b>
co-develop (including operation and maintenance of SEZ area to be developed) the identified area of 3.739 acres, namely Grand Canyon SEZ Building with built up space of 1420198 sqft. comprising ground floor plus 17 <sup>th</sup> floor each in Block A,B,C,D and E and 3 level basements’ in the processing area of SEZ, over an area of 3.739 acres.	Operation and maintenance of infrastructure existing in the identified SEZ area admeasuring 3.739 acres namely Grand Canyon SEZ Building with built up space of 1420198 sq.ft. comprising ground floor + 17 floor each in Block A,B,C,D and E and 3 level basements, a part of the ASF Insignia SEZ as a co-developer (details at annexure- 1 & Annexure– 2 of Form A1) (that is operation & maintenance of infrastructure existing in the “identified SEZ area” and/or further development/redevelopment of the identified SEZ area and it’s operation & maintenance pursuant to sanction of further authorized operation”).

DC NSEZ had recommended the proposal.

The proposal is submitted for consideration of BoA.

**Item No. 71.6 : 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 Unit was issued LOA F.No. 1/03/2009-PROJ/6842 dated 08.10.2009 and subsequently renewed on 04.12.2014 engaged in generation of electricity, which is captivity consumed and also supplied to other SEZ units within the MBIL-SEZ. The Unit vide letter dated 22.03.2016 applied for issuance of fresh LOA for setting up of Power plant unit in Non-conventional Energy SEZ of M/s Moser Baer India Limited(MBIL) at plot No. 66B, Udyog Vihar, Greater Noida. The same was placed before the UAC in its meeting held on 01.04.2016.

After due deliberations, the DC, NSEZ vide letter dated 18.04.2016 has communicated that the Committee unanimously felt that there is no need to issue a fresh LOA to the unit as the Approved Committee had already approved the said power generation unit. Further, the Committee notes that the O&M benefits were not allowed to the unit during the period 01.04.2015 to 15.02.2016 as per previous power guidelines dated 27.02.2009 restored by DOC vide letter No. .6/3/3006-SEZ dated 06.04.4015 and directed that the same

is required to be recovered from the unit. The Committee further decided that the unit will now be eligible for O&M benefits under Para(iii) of new power Guidelines issued by DoC vide letter No. P.6/3/2006-SEZ(Vol.III) dated 16.02.2016 subject to the following conditions that no duty free benefits for transfer of power to EOU shall be allowed. Further, the Committee informed that the unit hereby allowed to continue as a unit under LOA F.No. 1/03/2009-PROJ/6842 dated 08.10.2009 in terms of para(iii) of the Power guidelines issued by DoC dated 16.02.2016 subject to following conditions:-

- (i) The unit will 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 of 01.04.2015 to 15.02.2016 within a period of 15 days from the date of issue of this letter.
- (ii) Comply the Power Guidelines issued by DoC vide dated 16.02.2016;
- (iii) No duty free benefits for transfer of power to EOU shall be allowed;
- (iv) All other terms and conditions of LoA dated 08.10.2009 shall remain unchanged;
- (v) Execute fresh/ additional Bond-Cum LUT within 15 days of issue of above letter and confirm acceptance of the above terms and conditions.

Aggrieved by the above order, the appellant prayed to the Hon'ble BoA that the O&M benefits were applicable to the units during the period 01.04.2015 to 15.02.2016 may be allowed under SEZ Act, Rules & Regulations and under relevant Power Guidelines and duty free benefits for transfer of power to EOU are admissible under SEZ Act, Rules & Regulations and under relevant Power Guidelines.

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

**(ii) Appeal of M/s. Allianz Managed Operations & Services SEZ in SEEPZ-SEZ against order dated 12.02.2016 conveyed vide letter dated 26.02.2016.**

The Unit was issued LOA No. SEEPZ-SEZ/EKIPL-SEZ/AMO&S/20/2012-13/4585 dated 16.04.2013 and SEEPZ-SEZ/EKIPL-SEZ/AMO&S/20/2012-13/10418 dated 25.09.2013. Allianz Managed Operations & Services SE(AMOS) has been approved for setting up a unit in EON Kharadi SEZ-(hereinafter referred to as AMOS Pune) pursuant to the approval granted by DC SEPZ, Mumbai vide above mentioned LoA granting permission to set up a Branch as a SEZ unit at Pune for undertaking the following activities:

- Export of information technology and information technology enabled services(excluding professional legal services and professional accounting services)
- Application development and maintenance
- Help desk and service related services
- Services in area of IT infrastructure
- Sap Services & Back office finance business services.

AMOS vide dated 20.11.2015 had requested O/o DC, SEEPZ SEZ to include setting up of Disaster Recovery(DR)/Business Continuity Plan(BCP) Centre in accordance with the provision contained in Instruction No.D.12/25/2012-SEZ dated 20/22 February, 2013(the DR/BCP instruction). AMOS planning to undertake DR/BCP activity for third party overseas clients on a commercial basis.

The above proposal was conceder Unit Approval Committee Meeting (UAC) held on 12<sup>th</sup> February, 2016 wherein the UAC didn't approve the above proposal for inclusion of Disaster Recovery/Business Continuity plan Centre in the LoA under Broad Banding category, as these are two different models of business for which NFE cannot be calculated together.

Aggrieved by the above decision of UAC, the unit requested for inclusion of DR/BCP activities under the existing LoA has not been approved by the UAC as it states that these are two different models of business for which NFE cannot be calculated together.

AMOS has prayed that DR/BCP would qualify as an extension of IT/ITES activities, as per the definition defined under SEZ Rules. As per the instruction issued with respect to DR/BCP, it has been applicable to the IT/ITES SEZ units. Accordingly, DR/BCP arrangement under Para 4 of the instruction should qualify to recognise as Broad-Banding and activity continues to be in the nature of IT/ITES and carrying out DR/BCP on commercial basis to be permitted within the same SEZ unit as diversification of the activities.

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

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