

Agenda for the 68th meeting of the Board of Approval to be held on 30th December, 2015, in the Room No. 47, Udyog Bhawan, New Delhi

Item No. 68.1: Requests for extension of validity of formal approvals

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

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

(i) Request of M/s. Uralungal Labour Contract Co Operative Society Limited (ULCCS Ltd.) for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Nellikode Village, Kozhikode, Kerala, beyond 31st December 2015.

Name of the developer: M/s. Uralungal Labour Contract Co Operative Society Limited (ULCCS Ltd.)

Location: Nellikode Village, Kozhikode, Kerala

Extension: The developer has been granted three extensions, validity period of which was upto 31st December, 2015.

Basic facts: Formal approval to the developer was granted on 31st December, 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) Investment of Rs. 223 crores for completion of all civil, interior landscape work and external face, MEP work of building 1, with a built up area of 4.82 lakhs sq.ft. is completed.
- (ii) Land development work for commencing construction of building-2 is in progress.
- (iii) Three basement floors for parking area, underground sumps for water storage etc has also been completed. Interior and landscape works etc. has also been completed. Construction of utility building and commission of utilities like diesel generators, chillers, lifts, transformers and WTP have also been completed.

- (iv) The developer has informed that the interior work i.r.o. of four approved units (who have occupied space in building one) is in finishing stage and expecting the first export by January, 2016.

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

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

(ii) 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 IT/ITES at village Behrampur, District Gurgaon, Haryana, beyond 13th November 2015

Name of the developer: G.P. Realtors Private Limited

Location: Village Behrampur, District Gurgaon, Haryana

Extension: The developer has been granted six extensions, validity period of which was upto 13th November, 2015.

Basic facts: Formal approval to the developer was granted on 14th November, 2006. 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) Investment made till date is Rs. 163.58 crores and investment on developing infrastructure is Rs. 12.81 crores
- (ii) **Incremental Investment since last extension** – 12.8 crores
- (iii) **Physical progress till date** – Obtained Height approval from the office of Airport Authority of India (AAI), NOC obtained for Aravali range from office of Deputy Commissioner, Gurgaon, NOC from Forest department obtained.
- (iv) Request for approval of master plan and building plan submitted to DC NSEZ and building plan. BLUT (Bond-cum-Legal Undertaking) for INR 13.41 crores duly approved, Reference (ToR) for Environment Clearance to SEIAA Haryana.
- (v) Request of Re-Demarcation for Processing Zone and non processing zone submitted to DC NSEZ
- (vi) Request for approval of zoning and demarcation has been submitted to DC NSEZ,
- (vii) **Details of physical progress since last extension** – RCC Boundary wall construction commenced.
- (viii) Excavation work for phase 1 building commenced and leveling work completed on area measuring 45 acre and Repair and development on sheeting work done on whole site.

DC NSEZ has stated that the developer has inter-alia informed that Ascendas is developing a SEZ – 1 in Gurgaon through its investee company M/s. G.P. Realtors Pvt. Ltd. to be called, International Tech Park Gurgaon, the development will provide high quality IT office space and amenities for leading organizations. They also informed that they are

striving to construct and operationalize a 1.1 mn sq.ft. Phase 1 building in the SEZ-1 of M/s. G.P. Realtors Pvt. Ltd. within next 24 months. The construction of Phase 1 building will see an investment of over Rs. 300 crores with future investment plans of Rs. 1000 crores to develop the entire SEZ -1.

DC NSEZ has recommended the proposal for extension of formal approval.

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

(iii) Request of M/s. Frontier Lifeline Pvt. Ltd. for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Biotechnology at Edur Elavur Village, Gummidipoondi Taluk, Thiruvallur District, Tamil Nadu, beyond 27th November, 2015.

Formal approval to the developer was granted on 28th November, 2008. The SEZ stands notified as on date. The developer has been granted three extensions, validity period of which was upto 27th November, 2015.

Name of the developer: Frontier Lifeline Pvt. Ltd.

Location: Edur Elavur Village, Gummidipoondi Taluk, Thiruvallur District, Tamil Nadu

Extension: The developer has been granted four extensions, validity period of which was upto 27th November, 2015.

Basic facts: Formal approval to the developer was granted on 28th November, 2008. The SEZ stands notified as on date.

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

The developer has completed following activities.

- (i) Boundary walls
- (ii) Research Block
- (iii) Training Block
- (iv) Conventional Centre (Auditorium) civil

The following activities are under progress:-

- (i) Electrification - pending
- (ii) HVAC – work in progress
- (iii) Interior – work in progress
- (iv) BMS – pending of commissioning
- (v) Fire Fighting System – pending of commissioning
- (vi) STP/WTP – pending of commissioning

In view of the above, the developer could not implement their original plan of developing the SEZ as scheduled and has further stated that they hope to make the SEZ operational by Nov, 2016.

DC MEPZ has recommended the proposal for extension by one year.

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

Item No. 68.2 : Requests for extension of LoP beyond 3rd 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 3rd year (*in cases where two-third activities are not complete*) and 4th year are granted by BoA.
- BoA can extend the validity for a period of one year at a time.
- There is no time limit up to which the Board can extend the validity.

(i) Request of M/s. Avesta Engineering Pvt. Ltd., a unit in the multi product SEZ being developed by M/s. Adani Port and SEZ at Mundra, Kutch, Gujarat for extension of Letter of Permission (LOP) beyond 12th March, 2015

- **LoP issued:** 26th November, 2009 for manufacture and export of heat exchangers, pressure valves, oil & gas production modules and equipment.
- **Extensions:** 5 (five) up to 12th March, 2015
- **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:-

- The unit has invested Rs. 8,66,77,061/- towards various activities.
- **Incremental investment since last extension is Rs. 43,75,454/-.**
- **Details of physical progress till date:** The unit has completed more than 2/3rd of the work. They could complete the following activities during the period:-
 - (i) Earth filling completed
 - (ii) Plinth completed
 - (iii) Soiling and pile cap completed
 - (iv) The fabrication of shed is under progress at the fabricators works and erection is pending
 - (v) Approach road (inside) completed up to shed
 - (vi) Office completed.

- **Reason for delay** – The unit stated that they were unable to do construction activity at the site since May 2012, when the Hon’ble High Court of Gujarat stopped all construction work at APSEZ, Mundra due to absence of Environment Clearance to APSEZ, Mundra. Now, the Ministry of Environment & Forests has accorded its conditional approval to APSEZ on 15.07.2014. Further the unit stated that one of the shed is under construction and is expected to be completed in next 6-9 months.

DC APSEZ has recommended the proposal for a period of one year.

The request is placed before BoA for its consideration.

(ii) Request of M/s. Ultra Laboratories Pvt. Ltd., a unit in KIADB (Pharma) SEZ, Hassan for extension of Letter of Permission (LoP) beyond 31st October, 2015.

- **LoP issued:** 1st November, 2011 for manufacture and export of Omeprazole, Ranitidine, Astemizole, Metrinidazole, Antimintic Drugs, Antimalarial, Anti-inflammatory, Kitoralac imusilide, Anto-hypertensive, Vitamins, Ofloxacin & Azithromycine.
- **Extensions:** 3 (three) up to 31st October, 2015 by DC CSEZ.
- **Request:** For further extension.

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

The unit has made following investments/plans.

- (i) The unit has informed that the plant building and all major machineries have been installed and the machine is commissioned and the plant is ready for production. Further, most of the machines are under trial run and testing of the machines are under way.
- (ii) The unit has further informed that they have applied to Drug Controller Authority for the issuance of license for manufacturing of the tablets, capsules and syrup under Form 25, small volume parental and Drug Power, inject able under Form 28 D. They are expecting the license by end November, 2015. However, Drug Controller has already issued drug manufacturing license under Form 25.
- (iii) The unit has already started sourcing material and trial production, but it is mandatory to have stability study to be done for at least 3 months prior to commercial production.

DC CSEZ has recommended the request of extension of LoP by one year 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. Sajjan Specialty Ltd., a unit in Dahej SEZ for extension of Letter of Permission (LoP) beyond 08th November, 2015

- **LoP issued:** 9th November, 2010 for manufacture and export of various Organic Chemicals
- **Extensions:** 4 (four) up to 8th November, 2015
- **Request:** For further extension.

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

The unit has made following investments/plans.

- (i) **Total investment** made till date is Rs. 19.77 crores (Rs. 10 crores on land, Rs. 4.04 crores on land filing and Rs. 5.73 crores on other infrastructure).
- (ii) Proposed investment is Rs. 74 crore for phase-I.
- (iii) **Incremental investment since last extension:** Rs. 8.42 crores.
- (iv) **Physical progress since last extension:** Civil work of first phase is at advance stage, main plant building completed upto first floor, first floor slab completed and second floor slab, staging and shuttering work is completed.

DC Dahej SEZ has recommended the request of extension of LoP up to 8th November, 2016.

The request is placed before BoA for its consideration.

(iv) Request of M/s. Cadila Healthcare Ltd., a unit in Zydus Pharma SEZ at Ahmedabad, Gujarat for extension of validity period of its LoP beyond 21st February 2016

- **LoP issued:** 22nd February, 2010 for manufacture and export of various pharmaceutical products
- **Extensions:** 5 (five) up to 21st 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) The unit has invested Rs. 88.63 crores (14.63 on land, Rs. 12.06 crores on construction and Rs. 61.94 crores on plant and machinery)
- (ii) **Incremental investment:** Rs. 56.32 crores.
- (iii) The unit has completed the factory buildings, installed all required plant and machineries and commenced trial production which are being sent for analysis, study for submission before the Drug Regulatory Authorities of the countries where the drugs would be marketed.
- (iv) The unit has received approval from USFDA for manufacturing plant in August, 2015 and are awaiting approval/ validation of the products. Once approval for the same is received commercial production will start.

- (v) **Details of physical progress till date in quantifiable terms:** Developed 47 products till July, 2015 and same are filed for USFDA approval and approx. 32 products are in pipeline for filing.
- (vi) **Physical progress since last extension:** Manufacturing plant was audited by USFDA which has cleared site audit for manufacturing of tablets and capsules.
- (vii) The project is expected to be completed in two years time.

In view of substantial investment and the positive steps taken by the unit to implement the project as well as in view of long gestation period for starting commercial production in pharmaceutical industry, DC KASEZ has recommended the request of extension of LoP for one year.

The request is placed before BoA for its consideration.

(v) Request of M/s. Epsilon Pharmaceuticals Pvt. Limited, a unit in the sector specific SEZ for Pharmaceutical Formulations being developed by M/s. APIIC Limited at Polepally village, Jedcheria Mandal, Mahaboob Nagar District, Telangana for extension of LoP beyond 13th December 2015

- LoP issued: 14th December, 2010 for pharmaceutical formulations
- Extensions: 4 (four) up to 13th December, 2015
- Request: For further extension.

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

The unit has made following investments/plans.

- (i) Investment made till date is Rs. 146.25 crores (Rs. 1.30 crores on land and Rs. 144.95 crores on buildings plant and machinery etc).
- (ii) Entire construction activities completed
- (iii) The basic infrastructure like Power Connection, Water connections, Boiler, Chiller, HVAC, D.G. Set, Air Handling units etc are installed and in operation at site.
- (iv) All plant and Machineries are installed and in operation at site.
- (v) Tentative date for starting commercial production is between February, 2017 to July, 2017
- (vi) **Reasons for delay:** The unit has stated that their facility is ready for commercial production but prior to start of commercial activities they have to obtain plant approval as well as product approval from various regulatory authorities like US FDA and MHRA etc as their business is mainly for USA and EU markets
- (vii) The unit has taken exhibit and submitted data to overseas regulatory authorities which will review technical data and plan for physical inspection of their plant. This takes around 14-18 months.

DC VSEZ has recommended the proposal for extension by one year.

The request is placed before BoA for its consideration.

(vi) Request of M/s. KSK Surya Photovoltaic Venture Private Limited, a unit in the sector specific SEZ for Semiconductors being developed by M/s. FAB City SPV (India) Private Limited at Raviryala village, Maheswaram Mandal, Ranga Reddy District, Andhra Pradesh, for extension of Letter of Permission (LOP) beyond 11th November 2014

- **LoP issued:** 12th November, 2008 for manufacture of photovoltaic cells for a capacity of 140 MW per annum.
- **Extensions:** 5 (five) up to 11th November, 2014
- **Request:** For further extension.

The unit executed Bond cum LUT for Rs. 93,194.30 lakhs on 08.12.2008.

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

The unit has made the following investment/plans:-

- The unit has invested Rs. 82 crores in this Fab City Project.
- Field tests are being conducted and product certification processes from third party testing agency like IEC, UL, and TUV have been initiated and expected to obtain the certifications by the end of December 2015/mid Jan 2016
- The unit has completed land leveling, grading activities and completed the foundations for a huge structure of 55,000 sq.meter manufacturing area.
- The Inverter Manufacturing facility construction work (2000 sq. mts approx.) is likely to commence by Jan- 16 and completed in 4-6 month's time
- The production of Inverter is expected to be commenced by June 2016

The unit has stated that they had tied up with M/s. Medha Servo Drives Pvt. Ltd. (a reputed and major supplier of drives and inverters to India Railway) and they developed solar inverter which successfully passed the factory test and the performance observed is satisfactory confirming all the MNRE standards specified for 'on Grid Solar Inverter'. The unit has further stated that field tests are being conducted and product certification processes from third party testing agency like IEC, UL and TIV have been initiated and expected to obtain the certifications by the end of December 2015/mid Jan 2016.

The unit has made the following investment/plans:-

DC VSEZ has recommended the proposal.

The request is placed before BoA for its consideration.

(vii) 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, 2015

- **LoP issued:** 4th September, 2009 for manufacture of Gelatin and Di-Calcium Phosphate
- **Extensions:** 5 (five) up to 30th September, 2015
- **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:-

- The unit has invested Rs. 981.80 crores (Rs. 64.84 crores on land and Rs. 916.96 crores in other infrastructure) as on 31.08.2015.
- **Incremental investment since last extension is Rs. 107.94 crores.**
- **Details of physical progress till date:** As per CE Certificate around 80% of activities relating to setting up of the Unit is complete.
- **Physical progress since last extension:** The unit has completed underground tank of RO Plant Area, foundation of Cooling Tower and tank farm area, building foundation and plinth level of boiler house, bone handling area, B wing building Gelatin Godown, Chemical Room, Building RCC Frame Work of DCP & PPT Area and Bone Godown, Tanks work of liming vats, RC foundation work of Gelatin Handling Area, RCC wall of final treated water storage completed.
- **Reason for delay:** The project implementation was delayed due to some commercial exigencies and the unit is expected to start commencement of production in the 4th quarter of 2016.

DC Sterling SEZ has recommended the proposal.

The request is placed before BoA for its consideration.

Item No. 68.3 : Requests for co-developer

(i) Request of M/s. Vee Technologies Private Limited for co-developer in the sector specific SEZ for IT/ITES at Jagirammalayam, Salem District, Tamil Nadu, being developed by M/s. Electronics Corporation of Tamil Nadu Limited

The above mentioned SEZ stands notified over an area of 66.4736636 hectares.

M/s. Vee Technologies Private Limited has submitted a proposal for becoming a co-developer in the aforesaid SEZ to develop/create, operate & maintain infrastructure facilities within the SEZ, over an area of 3.840467 hectares.

Co-developer agreement dated 23rd April, 2015 entered into with the developer has been provided. Lease Deed dated 15th April, 2015 has also been provided. Lease period is 99 years. The lease premium payable at the rate of Re. 1/- per year. The Lessee has paid a land lease deposit of Rs. 2,37,25,000/-.

DC MEPZ has recommended the proposal.

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

(ii) Request of M/s. Adani International Container Terminal Pvt. Ltd. (AICTPL) a co-developer in the multi product SEZ at Mundra, Kutch, Gujarat, being developed by M/s. Adani Ports and Special Economic Zone Ltd. for additional authorized operations

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

M/s. Adani International Container Terminal Pvt. Ltd. has already been conferred the co-developer status in the aforesaid SEZ on 8th April, 2013 to develop, operate and maintain container Terminal and related infrastructure facilities and services within the processing area as per the following details:-

- (a) Container jetty and related facilities over an area of 43740 sq. meters
- (b) Container yard and related facilities over an area of 422750 sq. meters.

They expected that the container traffic of the country will grow substantially due to Government of India's "Make in India" initiative as well as improvements in the global trade. They informed that the on-going cluster based projects including Electronics Manufacturing Cluster, Mega Food Park and other upcoming mega projects at Mundra are likely to generate substantial export-import activities in APSEZ. Further, the co-developer has also informed that this infrastructure would attract additional FDI of approx. US \$ 54.5 million in country's infrastructure space.

Now, M/s. AICTPL has requested for additional authorized operation to develop, operate and maintain additional container jetty and yard having an area of 35,100 sq. mtrs and 238,100 sq. mtrs respectively.

Co-developer agreement dated 12th October, 2011 entered into with the developer has been provided. Draft Sub Lease Deed has also been provided. Sub Lease is for a period upto 16th February, 2031. Annual sub-lease rent of Rs. 123 per sq. meter payable annually. Annual sub-lease shall be paid in advance in full without any deductions and shall be escalated every 3 years at the rate of 10%.

DC, APSEZ has recommended the proposal.

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

(iii) 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 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 28th November, 2015 entered into with the developer has been provided. Draft Lease Deed has also been provided. Sub-lease for a period upto 16th 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.

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

DC, APSEZ has recommended for consideration in the BoA.

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

(iv) Request of M/s. Adani CMA Mundra Terminal Pvt. Ltd. for co-developer 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 mentioned SEZ stands notified over an area of 6456.3349 hectares.

M/s. Adani CMA Mundra Terminal Pvt. Ltd. has submitted a proposal for becoming a co-developer in the aforesaid SEZ to develop, operate and maintain Container Terminal (CT-4) and related infrastructure facilities & services, over an area of 27.27 hectares.

Co-developer agreement dated 19th December, 2014 entered into with the developer has been provided. Draft Sub-Lease has also been provided. Sub-Lease rent of Rs. 125/- per square meter is payable annually from the Effective Date, which shall be escalated every three years @10%. Sub-lease period is upto 16th February, 2031.

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

S. No.	Authorized Operations	Area per unit (in sqm.) as per FSI / FAR norms as applicable	Total area (in sqm.) / capacity (in MW)
1.	Development, Operation & maintenance of Container Jetty, Yard and related facilities	NA	Jetty: 35100 Sqm. Yard: 272700 Sqm.

The proposal was deferred in the 64th BOA in its meeting held on 20th February, 2015. The minutes are as under:-

“The Board noted that the proposal of the co-developer is to develop, operate and maintain Container Terminal and related infrastructure facilities & services and for approval of authorized operations in the processing area of the SEZ. The Board, after deliberations decided to defer the proposal.”

DC KASEZ had recommended the proposal.

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

(v) Request of M/s. Nidar Utilities Panvel LLP for co-developer in the sector specific SEZ for services at at Village Talegaon, and Panshil, Taluka Khalapur and village Bhokarapada, Taluka Panvel, Dist. Raigad Maharashtra being developed by M/s. Persipina Developers Pvt. Ltd.

The above mentioned SEZ stands notified over an area of 139.83 hectares.

M/s. Nidar Utilities Panvel LLP has submitted a proposal for becoming a co-developer in the aforesaid SEZ for infrastructure facilities including Generation and Distribution of power, laying of distribution network for supply of power, water, gas, utilities, irrigation systems etc., WTP, STP, solid waste collection, treatment and disposal, air conditioning, telecom infrastructure including Wi-Fi services, fuel & gas stations, transport system & parking, recreational facilities including sports, medical facilities and nursing homes/polyclinics, and Rail/MonoRail Network Mass Rapid Transport System (**Annexure-1**), over an area of 139.83 hectares.

Co-developer agreement dated 10th August, 2015 entered into with the developer has been provided. Draft Lease has also been provided. Lease period is 30 years. The Lessee shall pay to the Lessor a monthly lease rent of Rs. 1,00,000/- which is inclusive of all taxes and levies, but exclusive of Electricity charges, water charges, maintenance charges and any other charges, if any, payable by the lessee, on or before the 10th of every succeeding month commencing from (insert period in months/days).

DC SEEPZ has recommended the proposal.

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

Item No. 68.4 : Proposals for setting up of SEZs

(i) Request of M/s. ValueLabs Infra LLP for setting up of a sector specific SEZ for IT/ITES at Kokapet Village, Rajender Nagar Mandal, Ranga Reddy District, Telangana, over an area of 3.12 hectares.

S. No	Name of the Developer	Location	Sector	Area (in ha)	Land Possession	State Govt. Recommendation	Status of application
(i)	M/s. ValueLabs Infra LLP	Kokapet Village, Rajender Nagar Mandal, Ranga Reddy District, Telangana	IT/ITES	3.12	Yes	Yes (09.10.2015)	New

DC VSEZ has recommended the proposal.

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

(ii) Request of M/s. GAR Corporation Private Limited for setting up of a sector specific SEZ for IT/ITES at Sy. No. 107, Kokapet Village, Rajendranagar Mandal, Telangana, over an area of 2.22 hectares.

S. No	Name of the Developer	Location	Sector	Area (in ha)	Land Possession	State Govt. Recommendation	Status of application
(ii)	M/s. GAR Corporation Private Limited	Sy. No. 107, Kokapet Village, Rajendranagar Mandal, Telangana	IT/ITES	2.22	Yes*	Yes (16.10.2015)	New

**M/s. GAR Corporation Pvt. Ltd. is the owner of the land for 1.62 hectares and M/s. GAR Corporation Pvt. Ltd. entered into lease agreement with M/s. GAR Hotels and Estates Pvt. Ltd. for 0.60 hectares for a period of 21 years from the date of notification of the land as SEZ.*

DC VSEZ has recommended the proposal.

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

Item No. 68.5 : Miscellaneous Cases

(i) Request of M/s. Adani Warehousing Services Pvt. Ltd., a unit in M/s. Mundra SEZ for granting approval for the business of import and re-export of yellow peas/pulses and red lentils from Mundra SEZ

M/s. Adani Warehousing Services Pvt. Ltd. was granted LoP on 15.01.2013 for providing warehousing services and it is in operation since 23.07.2013. The unit has requested for granting approval for the business of import and re-export of yellow peas/pulses and red lentils from Mundra SEZ on the grounds that one of their international client intends to import these products from countries like Canada, Australia, Russia and France, store them in warehouse, undertake packing of the loose cargo in 25/50 kgs. Bags and re-export the cargo to nearby countries like Pakistan, Bangladesh, Egypt and Gulf nations.

The unit has informed that since this is regular business they seek recurring approval for the same for a definite period. They shall be dutibound to submit a report on the quantum of import of all categories of commodities, their repacking and export including countries of origin and countries of destinations and shipping details and all other details on a monthly basis. They have further informed that this business will lead to generation of employment for 12 to 15 people on a continuous basis for activities such as cargo handling, packing and stuffing of container for onwards export.

The export of yellow peas/pulses and red lentils (Tariff Item HS Code 0713) are prohibited for export. The unit has submitted the request as per instruction no. 47 issued by DoC according to which SEZ unit should be permitted to export prohibited items provided they import raw material for the same. However, each case will be placed before BoA.

DC APSEZ, has recommended the proposal for consideration of BoA (**Annexure-2**).

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

(ii) Request of M/s. Kakinada SEZ Private Limited developer for two SEZs (KSEZ–I and KSEZ–II) at Kakinada, East Godavari District, Andhra Pradesh for clubbing of KSEZ–I with KSEZ–II

M/s. Kakinada SEZ Pvt. Ltd., Developer of two multi product SEZs at Kakinada, East Godavari District, Andhra Pradesh has submitted a proposal for clubbing of KSEZ-I with KSEZ-II.

KSEZ – I, a port based multi product SEZ was notified on 23.04.2007, over an area of 1035.6688 hectares at A.V. Nagram & Ramanakkapeta villages, East Godavari District, Andhra Pradesh. The validity of formal approval has been extended upto 26.08.2016.

KSEZ –II, a multi product SEZ was notified on 08.02.2013, over an area of 1013.6 hectares at Ponnada, Mulapeta, Ramanakkapeta villages, Kakinada, East Godavari District, Andhra Pradesh. The validity of formal approval has been extended by the DoC up to 27.02.2016. Recently the developer has allotted land to M/s. Pals Plush India Pvt. Limited for setting up of a unit for manufacture of plush toys, pillows, sleepers etc for export.

The developer has informed that they are receiving enquiries and clients some of which are taking interest for taking huge extent of land which spread across the above two SEZs. The developer has stated that they have entered an MOU with one of the Chinese major who will be requiring 2000 acres which will spread across both Kakinada SEZ I and Kakinada SEZ II. In order to accommodate such huge requirement of land, the developer has decided to merge the KSEZ-I with KSEZ-II which will result in greater efficiently, planning and infrastructure development leading to better allocation of sectors in the master plan and operational convenience.

The State Government of Andhra Pradesh vide letter dated 24.08.2015 has conveyed its no objection for the proposed merger of the two SEZs subject to the condition that all other provisions stipulated for both the SEZs shall remain unaltered.

DC VSEZ has forwarded the proposal (**Annexure–3**).

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

(iii) Request of M/s. Milak Plastic Industries, KASEZ for waiver of condition under the provision of Rule 18(4) (d)

M/s. Milak Plastic Industries was granted approval on 17.09.1982, for setting up of a unit in the KASEZ, for manufacture of “Plastic bags, caps and stretch wrappings, plastic for packing and plastic straps for packing boxes excluding plastic containers”.

The unit was also granted broad-banding Permission vide letter dated 29.06.2001 for manufacture of “Recycled Granules, Powder, Shredding, Small Pieces & Agglomerates from Unusable & Obsolete Packing Materials of Zonal units. The unit has commenced its operations in KASEZ on 31.12.1985 and earned cumulatively positive NFE of Rs. 357.72 lakhs during the block of five years. The LOA of the unit was extended for further period of five years w.e.f. 31.10.2010 in terms of rule 19(6) of SEZ Rules, 2006 with a condition that it shall not procure any plastic scrap/waste from any sources.

Further, the proposal was considered in the 46th BOA meeting held on 31.03.2011 and it was approved the proposal of the unit to use the waste generated by the other units located in the SEZ as raw material subject to condition that no plastic scrap will be imported by the unit. The Unit has requested to remove this condition and permit procurement of “plastic waste and scrap generated by other units of SEZ”.

DC, KASEZ has stated that the unit uses virgin material as well as plastic scrap generated in its own factory as well as other units in the zone as raw material and does not import any plastic scrap waste. DC KASEZ has also stated that, since unit does not import any scrap and only sources it from the zone units, the condition imposed is contradictory to the LoA.

DC KASEZ has recommended the case for the consideration keeping in view the request of the unit for the relaxation of the above mentioned condition under the Rule 18(4) (d). **(Annexure-4).**

(iv) Proposal of M/s. Siddhartha Logistics Company Private Limited, Mumbai for import of restricted item viz, Howitzer Artillery Gun System from Isreal, procurement of Gun carriage from M/s. Bharat Forge Group in India, Pune and assembling, integrating in FTWZ and further supply to Indian Defence Establishment/Ordinance depots under customs duty exemption certificate issued by Ministry of Defence.

M/s. Siddhartha Logistics Company Private Limited, Mumbai has been issued Letter of Approval on 13.08.2012 for establishment of a unit in FTWZ at M/s. Sri City Private Limited, multi product SEZ at Satyavedu Mandal, Chittoor District, Andhra Pradesh for “Services” of storage warehousing, Assembly and testing SKD & CKD kits for import & export etc. The unit has commenced its operation w.e.f. 03.01.2013 and effecting services and earning Net Foreign Exchange.

The unit has submitted a proposal for import of restricted item viz., Howitzer Artillery Gun Machanism [(ITC/HC classification No. 9301 10 00, under Chapter 93, Artillery weapons (for example, guns, howitzers and mortars)] from Elbit Systems Land and C4i Limited, 2 Ha'machshev St. Southern Industrial Zone, Netanya 42507, Isreal and for procurement of Gun carriage from M/s. Bharat Forte Group in India, Pune and further assembling, integrating and supply of finished goods of “Howitzer Artillery Gun System” to Indian Defence establishments/ordinance depots under the customs duty exemption certificate issued by Ministry of Defence.

The unit has stated that the requirement and design, services for assembling and integrating of both the part of howitzer assemblies in to a complete Howitzer Artillery Gun System under the supervision of Elbit engineers, Isreal. The unit further states that the present practice is that M/s. Bharat Forge, Pune is exporting gun carriage to Isreal and the finished goods of Howitzer Artillery Gun System is importing by Indian Defence Establishment.

As per present defence procurement policy of India, Elbit Systems Limited and C4i Limited, Isreal has a joint venture entity with Bharat Forge Group, as their defence offset partner in India for supply of finished gun system. India must have minimum 30% indigenous content on cost basis. Apart from the overall indigenous content being at least 30% of the contract value a minimum 30% indigenous content will also be required in (i) basic cost of equipment, (ii) cost of manufactures, recommended list of spares and (iii) cost of special

maintenance tools and special test equipment, taken together provided a minimum 30% indigenous content is ensured in the basic cost of equipment at all stages of contract.

DC, Sri City SEZ has stated that the unit's proposal may be considered, subject to NOC from the procurement authority of Ministry of Defence, in view of the letter of Intent, furnished by M/s. Elbit Systems Land and C4i Limited, Isreal (**Annexure-5**).

The proposal is placed before BoA for its consideration.

(v) Request of M/s. AS Cargo Movers (P) Limited, Co-developer in Sri City Private Limited SEZ, a multi product SEZ for transfer of ownership to M/s. Indospace AS Industrial Park Private Limited and change of name of co-developer to M/s. Indospace AS Industrial Park Private Limited

M/s AS Cargo Movers (P) Limited, Co-developer in M/s. Sri City Private Limited SEZ was granted co-developer status on 25.06.2009 for developing infrastructure by constructing "Ready Built Factories" (RBF) over an area of 50 acres.

M/s. AS Cargo Movers Private Limited has entered into an MOU on 25.02.2015 with the developer for developing infrastructure by constructing RBF, over an area of 50 acres on phase wise. Accordingly, a lease deed was executed on 13.06.2009 for an extent of 9.77 acres by M/s. AS Cargo Movers Private Limited with M/s. Sri City Private Limited (Developer).

Further, both M/s. Indospace AS Industrial Park Private Limited and M/s. AS Cargo Movers Private Limited have submitted a proposal for transfer of ownership/lease hold rights and subsequent change of name of co-developer to M/s. Indospace AS Industrial Park Private Limited.

In the existing case, the co-developer of M/s. AS Cargo Movers Private Limited has constructed a RBF around one lakh forty thousand square feet in an area of 9.77 acres and the same building was given on lease to a SEZ unit holder namely M/s. Control Components India Private Limited. The SEZ unit is functioning with effect from 25.11.2010 and effecting exports. A copy of NOC, furnished by M/s. Control Components India Private Limited, a SEZ unit in Co-developer's premises, for the transfer of ownership of co-developer to M/s. Indospace AS Industrial Park Private Limited.

The consent letter from the developer (Sri City) has accorded vide dated 3.06.2014 for taking over the land of 9.77 acres to M/s Indospace AS Industrial Park Private limited.

Change of name from M/s. AS Cargo Movers Private Limited to M/s Indospace AS Industrial Park Private Limited has been approved by Registrar of Companies, Mumbai on 5th October, 2012.

DC Sri City SEZ has forwarded the proposal for consideration before the BoA.

The proposal is placed before BoA for its consideration.

(vi) Request of M/s. R.R. Vibrant Polymers Limited (erstwhile known as M/s. Vibrant Polymers Limited a sick unit) a unit in KASEZ for revival and renewal of LoA

M/s. R.R. Vibrant Polymers Ltd. (erstwhile known as M/s. Vibrant Polymers Limited a sick unit) is a plastic recycling unit was granted LoP on 27.11.1996 for manufacturing of recycled polymer Pellets of LDPE/HDPE/PP/PVC/ABB. Further, DC KASEZ had approved for broad banding of manufacturing of agglomerates on 07.08.1997.

DC KASEZ has stated that the unit was operating successfully till a fire broke out on 27.05.2000 in their factory. Due to this accident, there was substantial monetary loss of the said company. Unfortunately the insurance company i.e. M/s. United Insurance Company rejected their claim. They preferred an appeal before Grievance Redressal Committee but all in vain.

Their bank i.e. Corporation Bank filed suit for recovery before DRT, Ahmedabad and all their operations came to a standstill and they were forced to close down their unit due to non-availability of funds. Further, the devastating earthquake on 26.01.2001 caused substantial damage their plant and machinery including sheds.

Further, it has been stated that after the struggle of 15 years, they have sorted out their issue with Corporation Bank. The unit has also paid Rs. 69.50 lakh against the dues for rental charges and user charges.

The unit has submitted following commitments in support to their request:-

- (i) That they will pay rental arrears till date with interest.
- (ii) They will abide by the provisions of policy dated 17.09.2013 finalized by MoC for regulating their LoA a fresh.
- (iii) They will invest about Rs. 300 lakhs in new plant and machineries.
- (iv) They will generate employment opportunities for about 430 unskilled workers essentially women and around 40 skilled workers.
- (v) They have also informed that they have a new investor, Shri S.I. Motanwala who is successful entrepreneur in various industrial projects and they have already transferred 450000 shares equaling to 30% of the company's total shares
- (vi) With this development their company will get a fresh infusion of funds much needed for its quick rehabilitation.

DC KASEZ has recommended the proposal for consideration of BOA.

The proposal is placed before BoA for its consideration.

(vii) Request of M/s. Vedanta Aluminium Ltd., Odisha for procurement of BTAP Wagons

M/s. Vedanta Aluminium Ltd. was notified on 22.02.2009 for manufacture and export of Aluminium with a capacity of 12.50 lacs MTPA at Jharsuguda, Odisha and also invested about Rs. 12,000 crores. The last extension of the validity period of formal approval was granted up to 22.05.2016. They have stated that the plant is complete in all respect and ready for commissioning.

M/s. Vedanta Aluminium Ltd. has represented for procurement of Bogie Alumina Tank Wagons (BTAP), specially designed for transportation of alumina powder for exclusive use of their SEZ and the movement of such wagon shall be regulated as per SEZ provision. The justification of the proposal was made in support of their representation which is as under:-

- (a) The BTAP Wagon is not a vehicle and totally different from a normal wagon. Its use is restricted to only carrying the prime raw material (Calcined Alumina) to the SEZ from the refinery plant. The BTAP cannot be used for any other purpose;
- (b) Calcined Alumina, having hygroscopic character, its carriage inside a sealed, tight container like BTAP, is essential;
- (c) This Wagon shall be operated under liberalized Wagon Scheme of Railway. However, the same shall be privately owned by them and railway shall not use these Wagons to transport Alumina for any other public or private entity and the movement can be monitored through the railway receipts by the Specified Officer;
- (d) The EPCG Committee under DGFT in its meeting held on 10.10.2012 has also allowed domestic procurement of BTAP under invalidation against EPCG authorization. After a detailed discussion, the Committee observed that although the request is not covered by any Rules of the SEZ Rules, 2006, duty free import of BTAP Wagon is possible by a DTA unit under the EPCG route considering the exclusive and restricted use of wagon. The EPCG Committee under DGFT has decided to recommend the case to Ministry.
- (e) The total value of BTAP Wagon is Rs. 60,73,90,182/-

DC FSEZ has recommended the case for consideration before BoA.

The proposal is placed before BoA for its consideration.

(viii) Inclusion of additional items in the approved list of items for Industrial Licence already approved by BoA in its 61st meeting held on 03.04.2014 and 66th Meeting held on 27.08.2015 in respect of M/s Syrma Technology Pvt. Ltd., SEZ unit in Chennai.

This is regarding the issuance of Industrial Licence to M/s Syrma Technology Pvt. Ltd., Chennai for manufacturing of Defence Products like Radio & Satellite Communication Equipment, optronics and electro optronics systems and simulators.

The BoA approved the proposal for issue of IL in its meeting held on 03.04.2014 and 27.08.2015 for the above mentioned items. The Board approved the annual capacity of 500 Nos. subject to conditions as prescribed by MoD/MHA.

Department of Defence Production (DoDP) subsequently vide O.M dated 19.10.2015 has also recommended grant of IL for Thermal Imagers, Electronic Fuzes, Electronic Warning Systems specially designed for military application in addition to the recommendation furnished earlier for grant of IL for manufacture of Communication Equipments including simulators, optronics and electro optronics systems. DoDP also informed that the unit may be directed to follow the security guidelines as Revised to Category 'A' (in place of Category 'B' recommended earlier) mentioned in the Security Manual available at DoDP's website.

In view of the above, since the Board has already approved three items viz. Radio & Satellite Communication Equipment, optronics and electro optronics and simulators, therefore the proposal is placed before BoA for the approval of 'Thermal Imagers, Electronic Fuzes, Electronic Warning Systems subject to Category 'A' Security Guidelines in the Security Manual of DoDP.

(ix) Proposal for change in the entrepreneurship of M/s Genpact India to its 100% holding company M/s Empower Research Knowledge Services Pvt. Ltd. on account of business restructuring on the basis of amalgamation on the direction of High Court.

M/s. Genpact India, which holds eight LOAs in different private SEZs falling under the jurisdiction of DC, NSEZ vide its letter dated 24.11.2015 has submitted proposal for change of entrepreneur of seven working units in favour of M/s. Empower Research Knowledge Services Pvt. Ltd. as approved under the scheme of amalgamation by Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh.

The Hon'ble High Court of Judicature at Hyderabad vide order dated 17.08.2015 in CP No. 174 of 2015 has inter-alia allowed amalgamation of M/s Genpact India into M/s. Empower Research Knowledge Services Pvt. Ltd., subject to sanction of the scheme by the High Court of Delhi. The unit has informed that the sanction of the scheme by the High Court of Delhi is pending.

DC NSEZ has observed that the proposal of the applicant tantamount to change of name from M/s. Genpact India to M/s. Empower Research Knowledge Service Pvt. Ltd. and thus appears to be a case of change in entrepreneur and therefore, as per Rule 19(2) 3rd proviso, the unit has to comply with the conditions of Rule 74A to the effect that it should have held valid LoA as well as lease deed for 5 years and should have been in operation for a minimum period of 2 years on the date of approval of such change of name.

Relevant Rule Position

Second proviso below Rule 19(2)

“Provided also that, subject to the provisions of Rule 74A, the Approval Committee may also approve change of the entrepreneur of an approved unit, if the incoming entrepreneur undertakes to take over the assets and liabilities of the existing unit.”

Rule 74-A

“Transfer of Assets by Special Economic Zone Units upon their exit. The Unit may opt out of SEZ by transferring its assets and liabilities to another person by way of transfer of ownership including sale of SEZ units subject to the following conditions:-

- (i) The Unit has held a valid Letter of Approval as well as lease of land for not less than a period of five years on the date of transfer;
- (ii) The unit has been operational for a minimum period of two years after the commencement of production as on the date of transfer;
- (iii) Such sale or transfer transactions shall be subject to the approval of the Approval Committee;
- (iv) The transferee fulfils all eligibility criteria applicable to a Unit; and

- (v) The applicable duties and liabilities, if any, as calculated under rule 74, as well as export obligations of the transferor Unit, if any, shall stand transferred to the transferee Unit which shall be under obligation to discharge the same on the same terms and conditions as the transferor Unit.”

This Department has also received representations on the applicability of the above provisions in the case of amalgamation of a subsidiary which is an operational SEZ unit with its parent organisation on the basis of Court orders/directions. It has been represented that Group restructurings involving companies owning units in Special Economic Zones (SEZs) are a fairly common occurrence. In several cases, such restructurings involve the merger of wholly-owned subsidiary companies into their holding companies, which have no effect on the ultimate ownership pattern or controlling interest. Such mergers are undertaken through schemes of amalgamation, which require the sanction of the High Court in order to become effective.

It has been stated that the schemes of amalgamation sanctioned by the High Court in such cases provide for the vesting of the entire undertaking of the amalgamating company with the amalgamated holding company on a going concern basis, and also for the dissolution of the amalgamating company. Such schemes also expressly provide that all statutory permissions and approvals of every kind granted to the amalgamating company shall be deemed to be vested in the amalgamated company.

It has been stated that the above provisions of the SEZ Rules, 2006 applies only where the existing unit intends to exit from or opt out of the SEZ scheme by transferring its assets and liabilities to another person and that a consolidation through a merger cannot be considered as an exit, since the identity and existence of the existing entrepreneur is subsumed into the surviving consolidated entity.

It has been stated that in the case of a merger, there is no intent to exit or opt out of the SEZ scheme. The existing entity is simply being merged into its holding company on an as is basis, as a going concern and would continue to operate as is after the merger. The provisions of various tax laws (income tax, excise duty, service tax and VAT) also treat mergers on a different footing than transfer / sale of assets or business. In case of a merger, the new entity is considered to be a continuity of the existing entity if all the assets and liabilities get transferred. In line with the same, such merger schemes cannot be treated as resulting in the transfer or opting out of the SEZ scheme by an entrepreneur.

It has further been pointed out that vide Instruction No. 21 dated July 16, 2009 specific guidelines had been provided allowing Developers to effectuate change of shareholding/ transfer approval including those arising from de-merger/ slump sale, etc. While these pre-date the introduction of Rule 74-A, the rationale behind these guidelines should equally apply to cases of mergers and group restructurings.

It has been pointed out that the Board of Approvals too, has approved changes in name, pursuant to court sanctioned scheme of mergers in the case of developers/co-developers.

It has therefore been proposed that once consolidations are sanctioned by the Courts, there is no further role for UACs or other SEZ authorities to revisit the issue either under Rule 19 or under Rule 74A. As it is clear from the scope of Rules 19 and 74-A that these are

not intended to apply to mergers sanctioned by High Courts. Therefore necessary directions be issued to ensure that UACs take cognizance of and automatically give effect to High Court orders sanctioning mergers and that Rule 19 and 74-A have no relevance in the context of High Court sanctioned merger schemes where there is no change in the ultimate ownership.

In view of the foregoing, it is proposed that where there is a court ordered merger/amalgamation of a 100% subsidiary SEZ unit with its parent organisation and there is no change in the share holding pattern post merger/amalgamation and the parent organisation also takes over all the assets and liabilities of the subsidiary, such cases may be delegated to the Department of Commerce for considering each case on its merit.

Item No. 68.6 : Appeals before BoA

(i) Appeal of M/s. Noida Plast Pvt. Ltd., a unit in Noida SEZ against order of the UAC dated 28th September, 2015.

The Unit was issued LOA on 28.02.2007 for manufacturing of Plain fabric Made-Ups (Curtains, Pillow Cover and Cushion Cover) and/or as amended from time to time subject to the conditions imposed therein. The unit commenced its export productions w.e.f. 05.06/2008 at Plot No. 69 NSEZ LoA of the unit was valid upto 04.06.2013.

The UAC in its meeting held on 12.03.2015 monitored the performance of the under Rule 54 of SEZ Rules, 2006 and noted that performance of unit since inception has been negligible and the unit has been lying non-functional since 2011-12. The Committee has further observed that the LoA had already expired on 04.06.2013 and the unit had not applied for its renewal till March, 2015. Therefore, the Committee has issued a Show Cause Notice to the unit on 24.04.2015 informing that as to why the LoA and allotment of plot no 69 should not be cancelled.

In reply, the Unit has stated that they made last export from NSEZ in 2008-09 and due to delay in approval of building plan/map, they could not apply for renewal of LOA.

The matter along with the reply of the unit was placed before the UAC held on 22.06.2015 giving personal hearing to the promoters. However, nobody from the unit turned up for the personal hearing and subsequently the case was again placed before the next UAC held on 2.09.2015 giving personal hearing to the promoters before adjudication of the SCN. As no one turned up for hearing despite giving two hearings and also intimating to the unit to attend the hearing vide emails dated 16.6.2015 and 28.8.2015, the Committee after taking into consideration of the facts that the unit had made an export of Rs. 84,000/- in 2008-09 only, the unit is lying non-functional since 2009-10 and the LOA lapsed on 4.6.2013, cancelled the LOA on 28.09.2015 with the direction to vacate the plot No. 69, NSEZ failing which action under PP Act shall be initiated.

The appellant has given following reasons for appeal:-

The appellant has requested that they have not received the above two emails sent on old addresses, which is not operation at present. Further, the unit has appealed that they have not received Completion Certificate of Building applied on 27.11.2013 from NSEZ despite lapse of two years. The unit has no outstanding Lease Rent pertaining to the plot in NSEZ.

The appellant has filed the instant appeal against the above rejection (**Annexure-6**).

The appeal is placed before the BoA for consideration.

(ii) Appeal of M/s. DLF Utilities Limited, a co-developer in DLF Ltd. at Sector – 30, village Silokhera, Gurgaon Haryana against order of the UAC dated 16th July, 2015.

M/s. DLF Utilities Limited has been given co-developer status on 17.06.2008 in DLF Ltd. at Sector – 30, village Silokhera, Gurgaon, Haryana. The co-developer has been given approval from the BoA to carrying out the power generation activity in the processing area as authorized operation, on 7th October, 2008 with condition that the co-developer to provide and uninterrupted power supply at stable frequently including reliable connectivity for uninterrupted and secure data transmission as well as provision of central air conditioning in the IT/ITES SEZ.

The DC NSEZ vide letter dated 16.07.2015 has allowed the interim approval for duty free import/procurement of goods, amounting to Rs. 347.27 lacs for setting up 60 MW capacity of co-generation plant in the processing area to M/s. DLF Utilities Limited with condition that the interim approval shall remain valid for a period of one year from the date of its issue and is further subject to its ratification by the UAC. If the same is not being ratified by the UAC within the stipulated period, duties foregone would be refunded by the co-developer.

The above matter was discussed by the UAC in its meeting held on 23.7.2015 within the purview of Power Guidelines issued by DoC vide letter dated 06.04.2015 and UAC has decided to withdraw the interim approval issued on 16.07.2015. It has also been directed by UAC to inter alia review all the approvals issued after effective date of aforesaid power guidelines i.e. 01.04.2015.

The appellant has filed the instant appeal (**Annexure-7**) against the above rejection.

The appeal is placed before the BoA for consideration.

(iii) Appeal of M/s. Global Diamonds Pvt. Ltd., a unit in Noida SEZ against order of the UAC dated 28th September, 2015.

The Unit was issued LOA on 07.02.1988 for manufacturing and export of plain & studded gold, platinum, silver jewellery and/or as amended from time to time, subject to the conditions imposed therein. The unit commenced its export productions w.e.f. 12.08.1991 at plot no. JC 16-18. LoA of the unit was valid upto 31.03.2012.

A Show Cause Notice was issued to the unit on 12.11.2014 for (i) non-utilization of allotted plot No. JC-13-15 & 16-18 (ii) No activity in the allotted space; (iii) misuse of the benefits/facilities of SEZ Scheme; being non-operational since year 2004-05; and (iv) expiry of sub-lease deed of the plot No. JC-13-18 on 01.09.2012. The proposal of the unit came before the UAC in its meeting held on 12.03.2015 for Adjudication of SCN dated 12.11.2014. The Committee observed that the unit had not given concrete proposal for the renewal of LoA. After hearing them and on the request of the unit, an opportunity for written submission was given to the unit.

The unit vide letter dated 14.4.2015 again requested for renew of their LOA along with projections for next five years. This was placed before the UAC meeting held on 22.06.2015 and again given a chance for the personal hearing to the promoters of the unit and directed to the unit to submit revised projections along with the credible business plan as projections given by them were not realistic for the reason that they had shown export of Rs. 29051 lakhs against the raw material worth Rs. 198 lakhs only. However, the unit did not submit the revised projections and business plan. The case was again placed the UAC meeting held on 02.09.2015 giving personal hearing to the promoters and no body turned up for the hearing. The UAC after taking into consideration of the facts of the case cancelled its LoA under the provision of Rule 54 of SEZ Rules, 2006 – Monitoring of Performance by the UAC.

The appellant has given following reasons for appeal:-

There was some typographical and calculation error in the proposal. Subsequently, the revised projection submitted by the unit was not considered by the UAC on its meeting of 02.09.2015. Further, the promoters could not reach the UAC for personal hearing and got delayed by 10 minutes due to his appointment with a Doctor in AIIMS. The unit has also stated that lease rent was being paid regularly and last such payment of Rs. 19916/- was made on 1/10/2015.

The appellant has filed the instant appeal against the above rejection (**Annexure-8**).

The appeal is placed before the BoA for consideration.
