

Minutes of the 60th meeting of the SEZ Board of Approval held on 8th November 2013 to consider proposals for setting up Special Economic Zones and other miscellaneous proposals

The sixtieth (60th) meeting of the SEZ Board of Approval (BoA) was held on 08.11.2013 under the Chairmanship of Shri S.R. Rao, Secretary, Department of Commerce, at 10.30 A.M. in Room No. 47, Udyog Bhawan, New Delhi, to consider proposals in respect of notified/approved SEZs. The list of participants is annexed (**Annexure -1**).

2. Addressing the Board of Approval members, the Chairman informed that so far 574 formal approvals have been granted for setting up of SEZs out of which presently 391 SEZs stand notified. He further informed that as on 08.11.2013, over Rs. 2,81,133.91 crores have been invested in the SEZs and direct employment of 11,56,677 persons has been generated in the SEZs. During the financial year 2012-13, total exports to the tune of Rs. 4,76,159 crores have been made from the SEZs, registering a growth of about 31% over the exports for the year 2011-12. Exports in the current financial year, up to 30.09.2013, have been to the tune of Rs. 2,46,646 crores registering a growth of 3% over the exports of the corresponding period of FY 2011-12.

Item No. 60.1: Proposals for setting up of SEZs

(i) **Proposal of M/s. Kerala State IT Infrastructure Ltd. (KSITIL), for setting up of a sector specific Special Economic Zone for IT/ITES at Muringur and Thekkumuri Villages, Mukundapuram Talu, Koratty Panchayath, Thrissur District, Kerala, over an area of 7.4909 hectares.**

The Board noted that the Developer was in possession of the land. The Government of Kerala had also recommended the proposal for formal approval vide their letter dated 14.06.2013. Accordingly, the Board decided to grant **formal approval** to the proposal of M/s. Kerala State IT Infrastructure Ltd. (KSITIL), for setting up of a sector specific Special Economic Zone for IT/ITES at Muringur and Thekkumuri Villages, Mukundapuram Talu, Koratty Panchayath, Thrissur District, Kerala, over an area of 7.4909 hectares.

(ii) **Proposal of M/s. Transcendent Developers Pvt. Ltd., for setting up of a sector specific Special Economic Zone for IT/ITES at Wagholi & Bhavadi, Taluka Haveli, Dist. Pune, Maharashtra, over an area of 13.01 hectares.**

The Development Commissioner, SEEPZ SEZ sought approval of the Board to withdraw the proposal. The proposal was accordingly withdrawn.

Item No.60.2: Requests for co-developer

All BoA sanctioned approvals to co-developers are subject to the condition that particular terms and conditions of lease agreement/co-developer agreement will not have any bearing on the treatment of the income by way of lease rentals/down payment/premium etc., for the purposes of assessment under the prevalent Income Tax Act and Rules. The Assessing Officer, will have the right to examine the taxability of these amounts under the SEZ Act and Income Tax Act as applicable. This is applicable to all the cases of co-developers approved by the BoA in this meeting. The Board further directed that proposals for grant of co-developer status should be accompanied by lease deed/draft lease deed which must inter-alia contain the details of financial transactions/arrangements between developer and proposed co-developer. The decision of the BoA on the proposals are as under:-

(i) Request of M/s. Palnadu Infrastructure Pvt. Limited for co-developer in the sector specific SEZ for IT/ITES at Nanakramguda Village, Serilingampally Mandal, Ranga Reddy District, Andhra Pradesh, being developed by Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC)

After deliberations, the Board **approved** the request of M/s. Palnadu Infrastructure Pvt. Limited for becoming a co-developer in the above mentioned SEZ, for development of complete IT incubation centre and other social amenities, over an area of 0.376 hectares (0.93 acres), in accordance with the co-developer agreement entered into with the developer.

(ii) Request of M/s. Cyberpark Kozhikode for co-developer in the sector specific SEZ for IT/ITES at Kozhikode District, Kerala, being developed by M/s. Kerala State Information Technology Infrastructure Ltd. (KSITIL)

After deliberations, the Board **approved** the request of M/s. Cyberpark Kozhikode, the co-developer in the above mentioned SEZ for extending the scope of its status for development of an additional area of 0.70 acres for infrastructure facilities related to services like Common Facility Centre (CFC) etc, thereby making the total area for development by the co-developer as 5 acres, in accordance with the co-developer agreement entered into with the developer.

(iii) Request of M/s. GSPC LNG Ltd. for co-developer in the multi product SEZ at Mundra, Kutch, Gujart, being developed by M/s. Adani Port and Special Economic Zone Ltd alongwith specific authorized operations.

The Board heard the representatives of M/s GSPC LNG Ltd. It was noted by the Board that the Environment Clearance of the project had not been received. Certain other details relating to the proposed operations of the company were sought which the applicant agreed to provide. After deliberations, the Board decided that the matter be decided after examination on file by DoC.

Item No. 60.3: Request for decrease in area of SEZ

(i) Request of M/s. APIIC Limited for decrease in area of the sector specific SEZ for IT/ITES at Gambheeram Village, Anandapuram Mandal, Visakhapatnam, Andhra Pradesh

After deliberation, the Board **approved** the proposal of M/s. APIIC Limited for decrease in area by 10.66 hectares from the existing area of 20.76 hectares of the SEZ thereby making the total balance area of the SEZ as 10.109 hectares. The approval is subject to the DC furnishing a certificate in the prescribed format certifying inter-alia that the contiguity of the SEZ is maintained, the developer has either not availed or has refunded all the tax/duty benefits availed under SEZ Act/Rules in respect of the area to be de-notified, there are no units in the de-notified area or they have been de-bonded and the State Govt has no objection to the de-notification proposal and subject to stipulations communicated vide DoC's letter No. D.12/45/2009-SEZ dated 13.09.2013.

Item No. 60.4: Request for extension of validity of in-principle approval

(i) Request from M/s. Posco-India Private Limited for grant of extension of in-principle approval for 8th year.

The Board noted that the State Government had recommended extension of approval for another period of 1 year. The Board after deliberations **extended** the validity of the in-principle approval for one year up to 24th October, 2014.

(ii) Request from M/s. Vikram Logistic Maritime Services Pvt. Ltd. for grant of extension of in-principle approval for 5th & 6th years.

The Board noted that after deliberations extended the validity of the in-principle approval up to 15th October, 2014 during which period the developer is required to take necessary action to obtain formal approval for the SEZ.

Item No. 60.5: 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. Sutherland Global Services P. Ltd. for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Village Thrikkakkara North, Ernakulam District, Kerala, beyond 31st October, 2013 (beyond 4th year)

The Board after deliberations extended the validity of the formal approval for one year i.e. up to 31st October, 2014.

(ii) Request of M/s. Myron Realtors Pvt. Ltd. for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Santhal Junction, Taluka Sanand, District Ahmedabad, Gujarat, beyond 12th November, 2013 (beyond 5th year)

The Board after deliberations extended the validity of the formal approval for six months i.e. up to 12th May, 2014.

(iii) Request of M/s. Opto Infrastructure Ltd. for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Manufacturing Equipments, Devices, Accessories and Consumable for Medical Applications at Hassan, Karnataka, beyond 23th September 2013 (beyond 5th year)

The Board after deliberations extended the validity of the formal approval for one year i.e. up to 23rd September, 2014.

(iv) Request of Kerala State Information Technology Infrastructure Limited for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Cheemeni Village, Kasaragod District, Kerala, beyond 18th September 2013 (*beyond 5th year*)

The Board after deliberations extended the validity of the formal approval for one year i.e. up to 18th September, 2014.

(v) Request of Kerala State Information Technology Infrastructure Limited for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Eramam Village, Kannur District, Kerala, beyond 18th September 2013 (*beyond 5th year*)

The Board after deliberations extended the validity of the formal approval for one year i.e. up to 18th September, 2014.

(vi) Request of M/s. Tata Consultancy Limited for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Kolkata, West Bengal, beyond 13th December 2013 (*beyond 6th year*)

The Board after deliberations extended the validity of the formal approval for one year i.e. up to 13th December, 2014.

(vii) Request of M/s. Inspira Infra (Aurangabad) Ltd. for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Pharmaceutical at MIDC, Five Star Industrial Area, Shendre District, Aurangabad, Maharashtra, beyond 25th July, 2013 (*beyond 5th year*)

The Board after deliberations extended the validity of the formal approval up to six months from 8th November, 2013 i.e till 8th May, 2014.

(viii) Request of M/s. Inspira Infra (Aurangabad) Ltd. for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Non-conventional energy including solar energy equipment at Plot No. C-22, MIDC, Five Star Industrial Area, Shendre District, Aurangabad, Maharashtra, beyond 25th July, 2013 (*beyond 5th year*)

The Board after deliberations extended the validity of the formal approval up to six months from 8th November, 2013 i.e till 8th May, 2014.

(ix) Request of M/s. Parsvnath Infra Ltd. for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Biotechnology at Karakapatla Village, Mulugu Mandal, Medak District, Andhra Pradesh, beyond 14th August 2013 (*beyond 6th year*)

The Board after deliberations extended the validity of the formal approval up to six months from 8th November, 2013 i.e till 8th May, 2014.

(x) Request of M/s. Tata Consultancy Services Ltd. for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at IT Plot (IIF/3), Area-II, New Town, Kolkata, beyond 13th December 2013 (beyond 5th year)

The Board after deliberations extended the validity of the formal approval for one year i.e. up to 13th December, 2014.

(xi) Request of M/s. Navi Mumbai SEZ Private Limited for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES-A at Ulwe, Navi Mumbai, Maharashtra, beyond 24th October 2013 (beyond 6th year)

The Board after deliberations extended the validity of the formal approval for one year i.e. up to 24th October, 2014.

(xii) Request of M/s. Navi Mumbai SEZ Private Limited for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES-B at Ulwe, Navi Mumbai, Maharashtra, beyond 24th October 2013 (beyond 6th year)

The Board after deliberations extended the validity of the formal approval for one year i.e. up to 24th October, 2014

(xiii) Request of M/s. Navi Mumbai SEZ Private Limited for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES-C at Ulwe, Navi Mumbai, Maharashtra, beyond 21st November 2013 (beyond 6th year)

The Board after deliberations extended the validity of the formal approval for one year i.e. up to 21st November, 2014

(xiv) Request of Electronics Corporation of Tamil Nadu (ELCOT) for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Vadapalanji, Madurai, Tamil Nadu, beyond 25th July, 2013 (beyond 6th year)

The Board after deliberations extended the validity of the formal approval up to six months from 8th November, 2013 i.e till 8th May, 2014.

(xv) Request of Electronics Corporation of Tamil Nadu (ELCOT) for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Ilandhaikulam, Madurai, Tamil Nadu, beyond 25th July, 2013 (beyond 6th year)

The Board after deliberations extended the validity of the formal approval up to six months from 8th November, 2013 i.e till 8th May, 2014.

(xvi) Request of Electronics Corporation of Tamil Nadu (ELCOT) for further extension of the validity period of formal approval, granted for setting up of sector

specific SEZ for IT/ITES at Hosur-Viswanathapuram, Tamil Nadu, beyond 25th July, 2013 (beyond 6th year)

The Board after deliberations extended the validity of the formal approval up to six months from 8th November, 2013 i.e till 8th May, 2014.

(xvii) Request of Electronics Corporation of Tamil Nadu (ELCOT) for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Jagirammalayam, Salem, Tamil Nadu, beyond 25th July, 2013 (beyond 6th year)

The Board after deliberations extended the validity of the formal approval up to six months from 8th November, 2013 i.e till 8th May, 2014.

(xviii) Request of Electronics Corporation of Tamil Nadu (ELCOT) for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Gangaikondan village, Tirunelveli, Tamil Nadu, beyond 25th July, 2013 (beyond 6th year)

The Board after deliberations extended the validity of the formal approval up to six months from 8th November, 2013 i.e till 8th May, 2014.

(xix) Request of M/s. Unitech Infracon Ltd. for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Plot No. TZ – 04, Greater Noida, Uttar Pradesh, beyond 22nd May, 2013 (beyond 6th year)

The Board after deliberations extended the validity of the formal approval for six months from 8th November, 2013 i.e till 8th May, 2014.

(xx) Request of M/s. Lodha Dwellers 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 Narivali, Taluka & District Thane, Maharashtra, beyond 2nd May, 2013 (beyond 6th year)

The Board after deliberations extended the validity of the formal approval for one year i.e. up to 2nd May, 2014.

(xxi) Request of M/s. Navi Mumbai SEZ Private Limited for extension of the validity period of formal approval, granted for setting up of multi product at Dronagiri, Navi Mumbai, Maharashtra, beyond 29th July 2013 (beyond 6th year)

The Board after deliberations extended the validity of the formal approval for one year i.e. up to 29th July, 2014.

(xxii) Request of M/s. Navi Mumbai SEZ Private Limited for extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Kalamboli, Navi Mumbai, Maharashtra, beyond 25th July 2013 (beyond 6th year)

The Board after deliberations extended the validity of the formal approval for one year i.e. up to 25th July, 2014.

(xxiii) Request of M/s. Navi Mumbai SEZ Private Limited for extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Multi Services at Kalamboli, Navi Mumbai, Maharashtra, beyond 25th July 2013 (*beyond 6th year*)

The Board after deliberations extended the validity of the formal approval for one year i.e. up to 25th July, 2014.

(xxiv) Request of M/s. Opto Infrastructure Ltd. for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Mysore, Karnataka, beyond 20th August 2013 (*beyond 6th year*)

The Board after deliberations extended the validity of the formal approval up to six months from 8th November, 2013 i.e till 8th May, 2014.

(xxv) 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 6th November 2013 (*beyond 7th year*)

The Board after deliberations extended the validity of the formal approval for six months i.e. up to 6th May, 2014.

(xxvi) Request of M/s. Ascendant Estates 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 Bhondsi, Tehsil Sohna, Gurgaon, Haryana, beyond 5th November, 2012 (*beyond 7th year*)

The Board noted that the progress made by the developer since the last extension is not satisfactory. The Board after deliberations **rejected** the proposal of further extension and directed the DC NSEZ to issue notice for cancellation of LoA.

(xxvii) Request of M/s. Metro Valley Corporation for seeking extension of validity period of its formal approval for setting up of a sector specific SEZ for IT/ITES SEZ at 5th Milestone, Village Gwal Pahari, Gurgaon, Haryana beyond 5th November 2013 (*beyond 7th year*)

The Board noted that the developer was unable to start construction activity during the period since the last extension granted by the BoA on account of a land dispute with Municipal Corporation of Gurgaon. The representative of Gov. of Haryana was also heard by the BoA, who recommended that further extension be permitted to the developer.

The Board after deliberations extended the validity of the formal approval for a period of six months i.e. up to 05th May 2014, subject to the final outcome of the pending land dispute with the Municipal Corporation of Gurgaon.

Item No. 60.6: Request for de-notification

(i) Request from Rajasthan State Industrial Development & Investment Corporation Limited (RIICO), a sector specific SEZ for Handicraft at Boranada,

Jodhpur, Rajasthan, for de-notification of its SEZ notified over an area of 72.37 hectares.

After deliberations, the Board decided to approve the proposal of Rajasthan State Industrial Development & Investment Corporation Limited (RIICO) for de-notification of the sector specific SEZ for Handicraft at Boranada, Jodhpur, Rajasthan, notified over an area of 72.37 hectares. The approval is subject to the DC furnishing a certificate in the prescribed format certifying inter alia that the developer has either not availed or has refunded all the tax/duty benefits availed under SEZ Act/Rules in respect of the area to be de-notified, there are either no units in the SEZ or the same have been debonded, the State Govt has no objection to the de-notification proposal and subject to stipulations communicated vide DoC's letter No. D.12/45/2009-SEZ dated 13.09.2013

The Board after deliberations decided that henceforth all cases of partial or complete de-notification of SEZs will be processed on file by DoC, subject to the conditions that:

- a) DC to furnish a certificate in the prescribed format certifying inter alia that
 - the developer has either not availed or has refunded all the tax/duty benefits availed under SEZ Act/Rules in respect of the area to be de-notified
 - there are either no units in the SEZ or the same have been debonded,
- b) The State Govt has no objection to the de-notification proposal and
- c) Subject to stipulations communicated vide DoC's letter No. D.12/45/2009-SEZ dated 13.09.2013

Item No. 60.7: Requests for extension of LoP beyond 3rd year onwards

(i) Request of M/s Wipro Limited, a unit in ELCOT IT/ITES SEZ at Vilankurichi, Coimbatore, Tamil Nadu for extension of validity period of its LoP beyond 3rd December 2013

The Board after deliberations extended the validity of the LoP for a period of one year i.e. up to 3rd December, 2014.

(ii) Request of M/s ONGC Mangalore Petro Chemicals Limited, a unit in Mangalore SEZ at Mangalore, Karnataka for extension of validity period of its LoP beyond 6th November, 2013

The Board after deliberations extended the validity of the LoP for a period of one year i.e. up to 6th November, 2014.

(iii) Request of M/s Embedded IT Solutions (India) Pvt. Limited, a unit in M/s. FAB City SPV (India) Pvt. Limited, SEZ for Semiconductors at Ranga Reddy District, Andhra Pradesh for extension of validity period of its LoP beyond 30th September, 2013

The Board after deliberations extended the validity of the LoP for a period of one year i.e. up to 30th September, 2014.

(iv) Request of M/s Anjani Udyog Pvt. Limited, a unit in multiproduct SEZ developed by M/s Adani Port & SEZ at Mundra, Gujarat for extension of validity period of its LoP beyond 30th September, 2013

The Board after deliberations extended the validity of the LoP for a period of one year i.e. up to 30th September, 2014.

(v) 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, 2013

The Board after deliberations extended the validity of the LoP for a period of one year i.e. up to 30th September, 2014.

(vi) Request of M/s. Vigor Laboratories, a unit in Indore SEZ at Indore, Madhya Pradesh for extension of validity period of its LoP beyond 21st July, 2013

The Board after deliberations extended the validity of the LoP for a period of one year i.e. up to 21st July, 2014.

(vii) Request of M/s Colour Chips New Media Limited, a unit in APIIC IT SEZ at Madhurvada, Visakhapatnam, Andhra Pradesh for extension of validity period of its LoP beyond 4th March, 2013

The Board after deliberations extended the validity of the LoP for a period of one year i.e. up to 4th March, 2014.

(viii) Request of M/s Amtech Electronics (India) Ltd., a unit in GIDC SEZ at Gandhinagar, Gujarat for extension of validity period of its LoP beyond 6th September 2012

The Board after deliberations extended the validity of the LoP for a period of 6 months from 8th November, 2013 i.e. up to 8th May, 2014.

(ix) Request of M/s XL Energy Limited, a unit in M/s. FAB City SPV (India) Pvt. Limited, SEZ for Semiconductors at Ranga Reddy District, Andhra Pradesh for extension of validity period of its LoP beyond 30th September, 2013

The Board after deliberations extended the validity of the LoP for a period of one year i.e. up to 30th September, 2014.

Item No. 60.8: Miscellaneous cases for LoP extension of units dealing in recycling of plastic

- (i) Request from DC KASEZ for extension of LoPs i.r.o units in the business of plastic recycling in the SEZ.**
- (ii) Request from DC FALTA for extension of LoPs i.r.o units in the business of plastic/ scrap/waste in the SEZ**
- (iii) Request of DC Surat SEZ for renewal of LoP of M/s. Mcloyd Polymers Pvt. Ltd. a unit in Surat SEZ**

BoA was informed of the policy guidelines issued by DoC to regulate units in SEZ carrying on recycling of plastic scrap or waste issued on 17th September, 2013. The various aspects of the policy were considered and deliberated by the BoA members. In the said policy it is inter-alia stipulated that the validity of LoAs of existing units in SEZ are to be renewed by BoA, in terms of Rule 18(4) of the SEZ Rules, and such renewal would be as per the terms of this

policy. Accordingly, following proposals for renewal of validity of LoAs of existing plastic units located in KASEZ [(i) to (xx)], Falta SEZ [(xxi) to (xxvii)] and Surat SEZ [(xxviii)] have been placed before BoA for consideration:

- (i) Kutch Polymers
- (ii) Plast-O-Fine Industries
- (iii) Add Polymers Pvt. Ltd.
- (iv) Oswal Polymers India Ltd.
- (v) Imperial Overseas Pvt. Ltd.
- (vi) Sunrise Internationals
- (vii) Harish Processors Pvt. Ltd.
- (viii) Lucky Star International Pvt. Ltd.
- (ix) Moksh Star International
- (x) Shreeji Polymers
- (xi) Prasar Enterprises
- (xii) Shivam Scrap Recycling Pvt. Ltd.
- (xiii) Blaze International
- (xiv) Ansa Polymers Ltd.
- (xv) C.J. Plastics Pvt. Ltd.
- (xvi) Satguru Polyfab Pvt. Ltd.
- (xvii) Kandla Polyplast (India) Pvt. Ltd.
- (xviii) Polyrec Processors Pvt. Ltd.
- (xix) New Plastomers India Ltd.
- (xx) M/s. Renew Plastics
- (xxi) Precision Polyplast Pvt. Ltd.
- (xxii) Bavaria Poly Private Ltd. (now M/s. Kalpena Industries Ltd.)
- (xxiii) Amarnath Enviroplast Ltd.
- (xxiv) Alps Oberseas Pvt. Ltd.
- (xxv) Plastolene Polymers Pvt. Ltd.
- (xxvi) Sukhi India Pvt. Ltd.
- (xxvii) Nara Exim Pvt. Ltd.
- (xxviii) M/s. McLloyd Polymers Pvt. Ltd.

After deliberations, in view of the provisions of Rule 18(4) of the SEZ Rules, the Board granted in-principle approval for renewal of LoPs of the above 28 units dealing in business of recycling of plastic in SEZs for a period of five years, subject to the conditions

- (i) *All conditions stipulated as per DoC's policy Guidelines of 17th Sept, 2013 are to be made applicable while granting such approval.*
- (ii) *Specifically as per para (x) of the above guidelines the Units in addition to meeting their NFE obligation are required to ensure that the prescribed minimum percentage of the unit's annual turnover is physically exported out of the country. The minimum physical export levels prescribed at the end of specified periods is as follows:*

| <i>Period</i> | <i>Minimum Physical Export Obligation</i> |
|------------------------------------------|-------------------------------------------------------|
| <i>At the end of 2nd year</i> | <i>Not less than 40% of the total annual turnover</i> |
| <i>At the end of 4th year</i> | <i>Not less than 80% of the total annual turnover</i> |
| <i>At the end of 5th year</i> | <i>100% of the total annual turnover</i> |

After the 5th Year, the unit will be required to continue to physically export 100% of their annual turnover.

Any violation of the above prescribed Minimum Physical Export Obligation at the end of 2nd, 4th and 5th years would lead to imposition of penalty and cancellation of the unit's LOP.

- (iii) As per Rule 18(4)(b) of the SEZ Rules, no approval for enhancement of the approved import quantum of plastic waste and scrap beyond the average annual import quantum of the unit since its commencement of operation shall be granted.;*
- (iv) The authorized operations may be restricted to the unit to carry out the business of recycling of plastic.*

The DCs concerned will ensure that the LOPs issued are in strict compliance with the above decisions and LoPs of existing units shall be renewed after carrying out necessary amendments to the existing LoP to ensure that all of the above conditions are duly incorporated. Wherever necessary DCs would seek clarifications from DoC in this regard to ensure uniformity in application of the policy.

Item No. 60.9: Miscellaneous cases for LoP extension of units dealing in recycling of worn and used clothing

Request from DC KASEZ for extension of LoPs i.r.o units in the business of worn and used clothing in the SEZ

BoA was informed of the policy guidelines issued by DoC to regulate units in SEZ dealing in recycling of worn and used clothing issued on 17th September, 2013. The various aspects of the policy were considered and deliberated by the BoA members. In the said policy it is inter-alia stipulated that the validity of LoAs of existing units in SEZ are to be renewed by BoA, in terms of Rule 18(4) of the SEZ Rules, and such renewal would be as per the terms of this policy. Accordingly, following proposals for renewal of validity of LoAs of existing units in the business of worn and used clothing in the SEZ located in KASEZ have been placed before BoA for consideration:

- (i) Raghvani Textiles Pvt. Ltd.
- (ii) Texool Wastesavers
- (iii) Flax Apparels Pvt. Ltd.
- (iv) Canam International Pvt. Ltd.
- (v) Maruti Exports
- (vi) Anita Exports
- (vii) Babu International
- (viii) Star Shine Clothing Pvt. Ltd.
- (ix) Om Siddh Vinayak Impex Pvt. Ltd.
- (x) Jindal Fibres
- (xi) Tulip Exim Pvt. Ltd.
- (xii) U.S. Clothing (India) Pvt. Ltd.
- (xiii) Safari Fine Clothing Pvt. Ltd.
- (xiv) C.J. Plastics Pvt. Ltd.

After deliberations, in view of the provisions of Rule 18(4) of the SEZ Rules, the Board granted in-principle approval for renewal of LoPs of the above 14 units dealing in the business of worn and used clothing in SEZs for a period of five years, subject to the conditions

- (i) *All conditions stipulated as per DoC's policy Guidelines of 17th Sept, 2013 are to be made applicable while granting such approval.*
- (ii) *Specifically as per para (x) of the above guidelines the Units in addition to meeting their NFE obligation are required to ensure that the prescribed minimum percentage of the unit's annual turnover is physically exported out of the country. The minimum physical export levels prescribed at the end of specified periods is as follows:*

| <i>Period</i> | <i>Minimum Physical Export Obligation</i> |
|------------------------------------------|-------------------------------------------------------|
| <i>At the end of 2nd year</i> | <i>Not less than 40% of the total annual turnover</i> |
| <i>At the end of 4th year</i> | <i>Not less than 80% of the total annual turnover</i> |
| <i>At the end of 5th year</i> | <i>100% of the total annual turnover</i> |

After the 5th Year, the unit will be required to continue to physically export 100% of their annual turnover.

Any violation of the above prescribed Minimum Physical Export Obligation at the end of 2nd, 4th and 5th years would lead to imposition of penalty and cancellation of the unit's LOP.

- (iii) *In terms of Rule 18(4)(c) the authorized operations may be restricted to the unit to carry out the business of reprocessing of garments or used clothing or secondary textiles materials and other recyclable textile materials into clipping or rags or industrial wipers or shoddy wool or yarn or blankets or shawls.*

The DCs concerned will ensure that the LOPs issued are in strict compliance with the above decisions and LoPs of existing units shall be renewed after carrying out necessary amendments to the existing LoP to ensure that all of the above conditions are duly incorporated. Wherever necessary DCs would seek clarifications from DoC in this regard to ensure uniformity in application of the policy.

Item No. 60.10: Case for ratification of Miscellaneous cases for LoA extensions

- (i) **Request for grant of fourth extension of the validity period of formal approval to M/s. Maharashtra Industrial Development Corporation (MIDC) for setting up of sector specific SEZ at Kesurde, Taluka Khandala, District Satara, beyond 4th April, 2012**

The Board after deliberations ratified the decision of Deptt of Commerce to extend the validity period of formal approval up to 26th September, 2012.

Item No. 60.11: Miscellaneous cases

- (i) **Request of M/s Platinum Holdings Pvt. Ltd. Developer of sector specific SEZ for Hardware and Software at Navalur, Chennai, Tamil Nadu for change in sector of its SEZ from Hardware and Software to IT/ITES**

The Board after deliberations decided to **approve** the request of the developer for change in sector from Hardware and Software to IT/ITES.

- (ii) **Request of M/s. OPGS Power Gujarat Private Limited, developer of sector specific SEZ for Power at Bhadreshwar, Mundra, Kutch, Gujarat for change in sector of SEZ from 'Power' to 'Engineering'**

The Board noted that the developer had sought a change of sector from Power to Engineering which was recommended by DC, KSEZ. The Board was informed that the power plant will be set up in the non-processing area of the proposed Engineering SEZ. Further that the power plant under construction in the SEZ would be captive in nature for supply of power to the SEZ units. The developer had given an undertaking that no duty benefit will be availed on investments made prior to notification of the SEZ. The Board after deliberations decided to approve the request of the developer for change in sector from Power to Engineering and that the power plant will be strictly captive in nature, will be set-up in the non-processing area and will not get duty benefits for the investments made prior to notification of the SEZ.

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

The Board noted that the unit has applied for fresh LoP for manufacture of following items:-

- (i) Sandalwood handicraft products
- (ii) Sandalwood machine made products
- (iii) Sandalwood chips (upto 50 grams per piece)
- (iv) Sandalwood power/dust
- (v) Sandalwood flakes/scrap/waste

The representative of MoEF expressed his reservations on the said proposal. The Board after deliberations decided to reject the proposal.

(iv) Proposal of M/s. L&T Shipbuilding Ltd., a unit in M/s. L&T Shipbuilding Ltd. SEZ at Kattupalli, Tamil Nadu requesting permission to import restricted items

The Board noted that the unit has sought approval for procurement of restricted items for use in the shipbuilding activities. The Board after deliberations decided that the views of M/o Defence and M/o Home Affairs be obtained by DoC and the matter be processed further on file by DoC after taking into account the comments so received.

(v) Proposal of M/s. Larsen & Toubro Ltd., a unit in M/s. L&T Shipbuilding Ltd. SEZ at Kattupalli, Tamil Nadu requesting permission to import restricted items

The Board noted that the unit has sought approval for procurement of restricted items for use in the shipbuilding activities. The Board after deliberations decided that the views of M/o Defence and M/o Home Affairs be obtained by DoC and the matter be processed further on file by DoC after taking into account the comments so received.

(vi) Proposal of M/s. Tata Advanced Systems Limited, a unit in APIIC Limited SEZ at Adibatla village, Ranga Reddy District, Andhra Pradesh for approval of broad banding of their manufacturing activity to include Defence Products

The Board noted that the unit has sought approval for additional products relating to Defence. The Board after deliberations decided that the views of M/o Defence and M/o Home Affairs be obtained by DoC and the matter be processed further on file by DoC after taking into account the comments so received.

(vii) Request from M/s. Fidelity Business Services India Pvt. Ltd., a unit in sector specific SEZ for IT/ITES developed by M/s. DLF Infocity Developers (Chennai)

- Ltd. for re-location of its SEZ unit to another SEZ developed by M/s. TRIL Infopark Ltd., Chennai**
- (viii) **Request from M/s. Evalueserve SEZ (Gurgaon) Pvt. Ltd., a unit in sector specific SEZ for IT/ITES developed by M/s. Gurgaon Infospace SEZ at sector 21, village Dundahera, Gurgaon, Haryana for transfer of its SEZ unit to another SEZ developed by M/s. Unitech Realty SEZ at Village Tikri, Gurgaon, Haryana**
- (ix) **Request from M/s. Trenchant Trading Systems Pvt. Ltd, a unit in sector specific SEZ for IT/ITES developed by M/s. DLF Infocity Developers (Chennai) Ltd. for re-location of its SEZ unit to another SEZ developed by M/s. IG3 Infra Ltd., Chennai**

The Board after deliberations decided to **approve** the above three proposals for transfer of unit, subject to condition that:

- a) The unit which had availed of tax incentives under the Income Tax Act for a certain period of time would be eligible for such incentives for the balance period only, as allowed under the Income Tax Act, after its relocation.
- b) The assessing officer under the Income Tax Act, shall have the right to assess the taxability arising out of the transfer of the unit.
- c) The unit would be liable to refund the duty incentives availed on such assets which are not shifted to the new location of the unit.

- (x) **Request from M/s. Sterlite Industries (I) Ltd., developer of sector specific SEZ for Copper at Vilage Veerapandiapuram, Tuticorin, Tamil Nadu for approval of its amalgamation with M/s. Sesa Goa Ltd. and for change of name of the SEZ to M/s. Sesa Sterlite Ltd.**

The Board **approved** the request of M/s. Sterlite Industries (I) Ltd. for name change of developer to M/s. Sesa Sterlite Ltd. pursuant to amalgamation of M/s. Sterlite Industries (I) Ltd. with M/s. Sesa Goa Ltd., subject to:-

- (i) Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered developer entity;
- (ii) Fulfillment of all eligibility criteria applicable to developers, including security clearances etc., by the altered developer entity and its constituents;
- (iii) Applicability of and compliance with all Revenue / Company Affairs /SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.
- (iv) Full financial details relating to the transfer of equity shall be furnished immediately to the Member (IT) CBDT, Department of Revenue.
- (v) The assessing officer under the Income Tax Act, 1961, shall have the right to assess the taxability of the amount arising out of the transfer of equity.
- (vi) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.
- (vii) The applicant shall maintain separate books of accounts for its developer function distinct from its SEZ unit.

- (xi) **Request from M/s. Vedanta Aluminium Ltd., developer of sector specific SEZ for Manufacture and Export of Aluminium at Jharsuguda, Orissa for its approval of its amalgamation with M/s. Sesa Goa Ltd. and for change of name of the SEZ to M/s. Vedanta Aluminium SEZ (a unit of Sesa Sterlite Ltd.)**

The Board noted that M/s. Vedanta Aluminium SEZ (a unit of Sesa Sterlite Ltd) has been de-merged with its group Company M/s Sesa Goa Ltd pursuant to the order passed by Hon'ble High Court of Madras and the name of M/s Sesa Goa Ltd has been changed to M/s. Sterlite Industries (I) Ltd. M/s. Vedanta Aluminium Ltd, however, has requested for retaining the name of the SEZ as "Vedanta Aluminium SEZ SEZ" for both their 'Developer' and 'Unit' status.

The Board after deliberations decided to defer the proposal and directed to refer the matter to Department of Legal Affairs for their opinion on the issue of retaining the name of the SEZ as "Vedanta Aluminium SEZ" for both their entities of 'Developer' and 'Unit'.

(xii) Proposal for approved co-developer status along with infrastructure activities i.r.o:

(a) M/s. L&T Tech Park Ltd; and

(b) M/s. L&T Tejomaya Ltd.

consequent upon de-merger of M/s. L&T Tech Park Ltd., Chennai, co-developer of sector specific SEZ for IT/ITES developed by M/s. Infopark SEZ at Ernakulam, Kerala.

The Board noted that both the above co-developers have entered into separate lease agreement with the developer. The Board after deliberations decided to approve the proposal subject to each co-developer entity independently fulfilling the following conditions:

- (i) Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered co-developer entity;
- (ii) Fulfillment of all eligibility criteria applicable to co-developers, including security clearances etc., by the altered co-developer entity and its constituents;
- (iii) Applicability of and compliance with all Revenue / Company Affairs /SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.
- (iv) Full financial details relating to the transfer of equity shall be furnished immediately to the Member (IT) CBDT, Department of Revenue.
- (v) The assessing officer under the Income Tax Act, 1961, shall have the right to assess the taxability of the amount arising out of the transfer of equity.
- (vi) The applicants shall comply with relevant State Government laws, including those relating to lease of land, as applicable.
- (vii) The applicants shall maintain separate books of accounts for its co-developer function distinct from its SEZ unit.

Item No. 60.12 : Applications for grant of Industrial Licence for items to be produced in SEZs

The subject of issue of Industrial License for Defence related items for SEZs and EOUs was earlier being handled by the Department of Industrial Policy and Promotion. However, the subject has now been transferred to Department of Commerce. The matter was examined in the Department of Commerce and it was decided to place all such proposals / requests before BoA for its consideration.

(i) Application of M/s Pipavav Defence and Offshore Engg. Co. Ltd. for issue of industrial license for manufacture and development of C4I systems, electro-optical systems, underwater systems and avionics

The Board noted that the comments of MHA and M/o Defence have been received. However, DoC proposes to seek certain clarifications in this regard. After deliberations the Board decided that DoC may seek the necessary clarifications from MHA and M/o Defence and after examination of the same, decide the matter on file.

(ii) Application of M/s Syrma Technology Pvt. Ltd. for issue of industrial licence for defence products like Radio and Satellite Communication Equipment and Optronics & Optoelectronic System, etc.

The Board noted that comments of all the concerned Departments have been received and no adverse report has been received. After deliberations the Board decided to **approve** the proposal for issue of industrial licence to M/s. Syrma Technology Pvt. Ltd. for manufacture of Radio & Satellite communication equipment and optronics & optoelectronic system only with proposed annual capacity of 500 Nos subject to conditions as prescribed by MoD/MHA. BoA directed that DoC may process the matter further on file.

(iii) Application of M/s Data Patterns, Chennai for issue of industrial licence for design, development and manufacture of Radar, Sonar and Electronic Warfare Systems

The Board noted that comments of all the concerned Departments have been received and no adverse report has been received. After deliberations the Board decided to **approve** the proposal for issue of industrial licence to M/s. Data Patterns, Chennai for Design, Development and manufacture of Radar and Sonar systems only with proposed annual capacity of 45 Nos. and subject to conditions as prescribed by MoD/MHA. BoA directed that DoC may process the matter further on file.

Decisions on Supplementary Agenda

Item No. 60.13: Requests for de-notification

(i) Request from M/s. Parsvnath Infra Ltd. (formerly Parsvnath SEZ Limited), a sector specific SEZ for IT/ITES at Sahastra Dhara Road, Dehradun, Uttarakhand, for de-notification of its SEZ notified over an area of 13.5426 hectares.

The Board noted that Govt of Uttarakhand has given their no objection to the de-notification proposal of the Developer. After deliberations, the Board decided to **approve** the proposal of M/s. Parsvnath Infra Ltd. (formerly Parsvnath SEZ Limited) for de-notification of the sector specific SEZ for IT/ITES at Sahastra Dhara Road, Dehradun, Uttarakhand, notified over an area of 13.5426 hectares. The approval is subject to the DC furnishing a certificate in the prescribed format certifying inter alia that the developer has either not availed or has refunded all the tax/duty benefits availed under SEZ Act/Rules in respect of the area to be de-notified, there are either no units in the SEZ or the same have been debonded, the State Govt has no objection to the de-notification proposal and subject to stipulations communicated vide DoC's letter No. D.12/45/2009-SEZ dated 13.09.2013

(ii) Request from M/s. Mayar Infrastructure Development Pvt. Ltd., developer of a sector specific SEZ for Biotechnology at Village Rakha & Rani-ka-Singola, Tehsil Sohna Dist. Gurgaon, Haryana for de-notification of its SEZ notified over an area of 25.7177 hectares.

The Board noted that Govt of Haryana has given their no objection to the de-notification proposal of the Developer. After deliberations, the Board decided to **approve** the proposal of M/s. Mayar Infrastructure Development Pvt. Ltd. for de-notification of the sector specific SEZ for Biotechnology at Village Rakha & Rani-ka-Singola, Tehsil Sohna Dist. Gurgaon, Haryana, notified over an area of 25.7177 hectares. The approval is subject to the DC furnishing a certificate in the prescribed format certifying inter alia that the developer has either not availed or has refunded all the tax/duty benefits availed under SEZ Act/Rules in respect of the area to be de-notified, there are either no units in the SEZ or the same have been debonded, the State Govt has no objection to the de-notification proposal and subject to stipulations communicated vide DoC's letter No. D.12/45/2009-SEZ dated 13.09.2013

Item No. 60.14: Requests for extension of validity of formal approvals

(i) Request for further extension of LoA from M/s Ganesh Infrastructure Pvt. Ltd., for setting up an IT/ITES SEZ at Village Ognaj, Taluka Dascroi, District Ahmedabad, Gujarat, beyond 19th December 2013 (beyond 7th year)

The Board after deliberations extended the validity of the formal approval for six months i.e. up to 19th June, 2014.

Item No. 60.15: Requests for extension of LoP beyond 3rd year onwards

(i) Request of M/s Sun Pharmaceutical Industries Ltd., a unit in Dahej SEZ, Bharuch, Gujarat for extension of validity period of its LoP beyond 15th December, 2013

The Board after deliberations extended the validity of the LoP for a period of one year i.e. up to 15th December, 2014.

(ii) Request of M/s. Torrent Pharmaceuticals (Dahej), a unit in M/s. Dahej SEZ Limited, Gujarat for extension of LoP beyond 2nd December, 2013 (beyond 5th year)

The Board after deliberations extended the validity of the LoP for a period of one year i.e. up to 2nd December, 2014.

Item No. 60.16: LoP extension of units dealing in recycling of plastics

(i) Request from DC KASEZ for extension of LoPs i.r.o M/s. Renew Plastics in KASEZ in the business of plastic recycling in the SEZ.

Please see the decision taken in item no. 60.8(i) above.

Item No. 60.17: Appeals before BoA

(i) Appeal of M/s. Biomedical Life Sciences Pvt. Ltd., a unit in pharmaceutical SEZ developed by M/s. Zydus Infrastructure Pvt. Ltd. at Ahmedabad, Gujarat against order of DC KASEZ

The Board after hearing the appellant and subsequent deliberations decided to remand the case back to the DC, KASEZ with the direction to give a hearing to the unit and the developer and pass speaking order within 30 days.

The meeting ended with a vote of thanks to the Chair.

Annexure - 1

List of Participants for the Meeting of the Board of Approval for Special Economic Zones held on 8th November, 2013 under the Chairmanship of Commerce Secretary, Department of Commerce

1. Shri S. R. Rao, Chairman, BOA & Commerce Secretary, Department of Commerce.
2. Shri A.K. Pujari, DGFT, Director General of Foreign Trade
3. Shri Ram Tirath, DGEP, Department of Revenue, Ministry of Finance
4. Dr. L. B. Singhal, Additional DGFT, Director General of Foreign Trade
5. Ms. Deepshikha Sharma, Deputy Secretary (ITA 1), CBDT, Department of Revenue, Ministry of Finance
6. Shri Jitendra Kumar, Additional Director, DGEP, Department of Revenue, Ministry of Finance
7. Shri Manoj Kumar Arora, Additional Director, DGEP, CBEC, Department of Revenue.
8. Dr. T. Pradhan, Joint Resident Commissioner, Government of Odisha
9. Mrs. Nandini Awade, Assistant Resident Commissioner, Government of Maharashtra
10. Shri Ashok Sangwan, Director Industries, Government of Haryana
11. Shri E.V. Narsimha Reddy, Executive Director, APIIC, Hyderabad
12. Shri Anand Krishna, Ministry of Environment & Forest, CGO Complex, New Delhi
13. Shri S.K. Chhikara, Under Secretary, Ministry of Home Affairs
14. Shri P.K. Gupta, DGM (LS-I), Ministry of Home Affairs.
15. Shri B. Bhattacharya, SIO, DGEP, Department of Revenue.
16. Shri Gurpreet Singh, Section Officer, Industries Department, Government of Punjab
17. Dr. S.K. Sahoo, Office of Development Commissioner (MSME), Ministry of MSME, Nirman Bhawan.
18. Shri J.Saini, G.M. Department of Industries & Commerce, Government of Punjab
19. Shri A.K. Gupta Chief General Manager, RIICO, Government of Rajasthan, Jaipur, Rajasthan
20. Shri R.D. Meena, Research Assistant, TCPO, Ministry of Urban Development
21. Shri A.K. Dham, Liaison Officer, IDCO, New Delhi
22. Shri Georgekutty Cherian, Assistant Liaison Office, O/o the Resident Commissioner, Government of Kerala

LIST OF DEVELOPMENT COMMISSIONERS

23. Shri Sanjeev Nandwani, Development Commissioner, Falta, Kolkata
24. Shri Mahendra Jain, Development Commissioner, NMSEZ and KASEZ
25. Shri Jayant Misra, Development Commissioner, Noida SEZ, Uttar Pradesh
26. Shri N.P.S. Monga, Development Commissioner, SEEPZ SEZ
27. Dr. Safeena AN, Development Commissioner, Cochin SEZ
28. Shri Vijay N. Shewale, Development Commissioner, Surat SEZ, Surat
29. Shri S. Kishore, Development Commissioner, APSEZ
30. Shri K.L. Sharma, Development Commissioner, Sterling SEZ, Gujarat
31. Smt. Lata Shukla, Development Commissioner, Mundra SEZ
32. Shri Ved Prakash, Development Commissioner, Mihan SEZ
33. Shri Manu Tentiwai, Joint Development Commissioner, NSEZ

34. Dr. S. Swarna, Joint Development Commissioner, MEPZ
35. Shri A.K. Rathore, Joint Development Commissioner, ISEZ, Indore, Madhya Pradesh.

LIST OF PARTICIPANTS OF DEPARTMENT OF COMMERCE

36. Shri Madhusudan Prasad, Additional Secretary, Department of Commerce
37. Shri Rajeev Arora, Joint Secretary, Department of Commerce.
38. Shri Sanjeet Singh, Director and Member Secretary, Department of Commerce
39. Shri S.S. Kumar, Under Secretary, Department of Commerce
40. Shri Kabiraj Sabar, Under Secretary, Department of Commerce
41. Shri Vinod Kumar, Section Officer, Department of Commerce
42. Shri R.K. Dutta, Section Officer, Department of Commerce.