

## **Minutes of the 52<sup>nd</sup> meeting of the SEZ Board of Approval held on 30<sup>th</sup> March 2012 to consider proposals for setting up Special Economic Zones and other miscellaneous proposals**

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The fifty second (52<sup>nd</sup>) meeting of the SEZ Board of Approval (BoA) was held on 30.03.2012 under the chairmanship of Dr. Rahul Khullar, Secretary, Department of Commerce, at 10.00 A.M. in Room No. 47, Udyog Bhawan, New Delhi, to consider proposals for setting up of Special Economic Zones (SEZ) and other miscellaneous requests in respect of notified/approved SEZs. A list of participants is annexed (**Annexure -1**).

2. Addressing the Board of Approval members, the Chairman informed that so far 587 formal approvals have been granted for setting up of SEZs out of which presently 380 stand notified. He further informed that as on 31.12.2011, over Rs. 2,49,630.82 crores have been invested in the SEZs and direct employment of the order of 8,15,308 persons has been generated in the SEZs. During the financial year 2010-11, total exports to the tune of Rs. 3,15,867.85 crores have been made from the SEZs, registering a growth of about 43.11% over the exports for the year 2009-10. Exports in the current financial year (i.e. up to 31.12.2011) have been to the tune of Rs. 2,60,972.89 crores.

### **Item No. 52.1: Proposals for setting up of SEZs.**

**(i) Proposal of M/s. Agroweb Online Private Limited, for setting up of a sector specific Special Economic Zone for IT/ITES at Village Kanadia, Tehsil & District Indore, Madhya Pradesh, over an area of 14.544 hectares.**

The Board noted that the Developer was in possession of the land. The Government of Madhya Pradesh had also recommended the proposal for formal approval vide their letter dated 10.03.12. Accordingly, the Board decided to grant **formal approval** to the proposal of M/s. Agroweb Online Private Limited, for setting up of a sector specific Special Economic Zone for IT/ITES, at Village Kanadia, Tehsil & District Indore, Madhya Pradesh, over an area of 14.544 hectares.

**(ii) Proposal of M/s. Wipro Limited, for setting up of a sector specific Special Economic Zone for IT/ITES at Sarjapura, Anekal Taluk, Bangalore Urban District, Karnataka, over an area of 14.523 hectares.**

The Board noted that the Developer was in possession of the land. The Government of Karnataka had also recommended the proposal for formal approval vide their letter dated 21.03.12. Accordingly, the Board decided to grant **formal approval** to the proposal of M/s. Wipro Limited, for setting up of a sector specific Special Economic Zone for IT/ITES, at Sarjapura, Anekal Taluk, Bangalore Urban District, Karnataka, over an area of 14.523 hectares.

**(iii) Proposal of Electronics Technology Parks – Kerala, for setting up of a sector specific Special Economic Zone for IT/ITES at Pallippuram & Veiloor Villages, Taluk & District Thiruvananthapuram, Kerala, over an area of 39.3719 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 21.03.12. Accordingly, the Board decided to grant **formal approval** to the proposal of Electronics Technology Parka - Kerala, for setting up of a sector specific Special Economic Zone for IT/ITES, at Pallippuram & Veiloor Villages, Taluk & District Thiruvananthapuram, Kerala, over an area of 39.3719 hectares.

**(iv) Proposal of Electronics Technology Parks – Kerala, for setting up of a sector specific Special Economic Zone for IT/ITES at Andoorkonam Village, Taluk & District Thiruvananthapuram, Kerala, over an area of 17.7120 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 21.03.12. Accordingly, the Board decided to grant **formal approval** to the proposal of Electronics Technology Parka - Kerala, for setting up of a sector specific Special Economic Zone for IT/ITES, at Andoorkonam Village, Taluk & District Thiruvananthapuram, Kerala, over an area of 17.7120 hectares.

**(v) Proposal of M/s. Suvi Information Systems Private Limited, for setting up of a sector specific Special Economic Zone for IT/ITES at Village Kanadiya, Badiyakima & Malikhedi, Indore, Madhya Pradesh, over an area of 10.11 hectares.**

The Board noted that though the proposal has been recommended by the Government of Madhya Pradesh, the land is presently not in the possession of the developer. Since, as a matter of policy the Board has not been granting in-principle approval of the SEZ requiring a minimum land area of 10 Ha, the proposal was **deferred**.

**Item No.52.2: 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 decisions of the proposals are as under:-

**(i) Request of M/s. Earth Iconic Infrastructures Private Limited for co-developer in the sector specific SEZ for IT/ITES at Plot No. TZ-06, Tech Zone, Greater Noida, Uttar Pradesh, being developed by M/s. Ansal IT City & Parks Limited**

The representative of Government of Uttar Pradesh informed that the land had been given on lease to the developer by the Greater NOIDA and that they may be informed of the details of the co-developer agreement proposed. The Board after deliberations decided to **defer** the proposal and directed the developer to submit a copy of the proposed draft lease agreement to the Greater NOIDA, who may provide their comments through the DC.

**(ii) Request of M/s. HCL Technologies Limited for co-developer in the multi product SEZ at Nagpur, Maharashtra being developed by M/s. Maharashtra Airport Development Company Limited**

After deliberations, the Board **approved** the request of M/s. HCL Technologies Limited for becoming a co-developer in the above mentioned SEZ, for development of infrastructure facilities, over an area of 140 acres in the processing area, in accordance with

the co-developer agreement entered into with the developer, subject to the fact that this approval does not include approval of any authorized operations stated in the co-developer agreement, for which purpose the developer may seek approval of the Board.

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

The Department of Revenue objected to the nature of lease agreement being entered into which provided for onetime payment of lease rental. The Board, therefore, after deliberations **deferred** the proposal.

**Item No.52.3: Requests for extension of validity of formal approvals beyond 5<sup>th</sup> & 6<sup>th</sup> year**

**(i) Request of M/s. Indiabulls Industrial Infrastructure Limited for further extension of the validity period of formal approval, granted for setting up of multi product SEZ at villages Musalgaon and Gulvanch, Taluka Sinnar, District Nasik, Maharashtra beyond 24<sup>th</sup> June 2012 (beyond 5<sup>th</sup> year)**

The Board after deliberations extended the validity of the formal approval up to 24<sup>th</sup> June, 2013.

**(ii) Request of M/s. Orient Craft Infrastructure Limited for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Textiles at Gurgaon, Haryana, beyond 16<sup>th</sup> August 2012(beyond 6<sup>th</sup> year)**

The Board directed DC NSEZ to seek a report in the matter from the Government of Haryana before taking a final decision in the matter. Accordingly, the proposal was **deferred**.

**(iii) Request of M/s. Gujarat Hira Bourse for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Gems and Jewellery at Ichhapor, Surat, Gujarat beyond 6<sup>th</sup> April 2012 (beyond 6<sup>th</sup> year)**

The Board after deliberations extended the validity of the formal approval up to 6<sup>th</sup> April, 2013.

**Item No. 52.4: Request for grant of second extension of in-principle approval.**

**(i) Request of M/s. Karaikal Port Private Limited for extension of in-principle approval granted for setting up of a Port Based Multi Product SEZ, over an area of 243.506 hectares, at Vanjore village, Thirupattinam Commune, Karaikal District, Pondicherry, beyond 26<sup>th</sup> February, 2012**

The Board after deliberations extended the validity of the in-principal approval up to 26<sup>th</sup> February, 2013.

**Item No. 52.5: Requests for extension of LoP of units beyond 3<sup>rd</sup> to 5<sup>th</sup> year**

**(i) Request of M/s. Ramdev Chemical Industries, a unit in M/s. Dahej SEZ Limited, Gujarat for extension of LoP beyond 31<sup>st</sup> May, 2012 (*beyond 3<sup>rd</sup> year*)**

The Board, after deliberations, extended the LoP of the unit up to 31<sup>st</sup> March, 2013.

**(ii) Requests of M/s. Hangers Plus (I) Private Limited a unit in M/s. Mahindra World City SEZ, Chennai for extension of LoP beyond 31<sup>st</sup> March 2012 (*beyond 5<sup>th</sup> year*)**

The Board, after deliberations, extended the LoP of the unit for period of one year from the date of expiry of the validity of the last extension i.e. up to 31<sup>st</sup> March, 2013.

**Item No. 52.6: Request of M/s. Larsen & Toubro Limited for temporary 2<sup>nd</sup> gate during construction activities in the sector specific SEZ for IT/ITES at Vadodara, Gujarat**

The Board, after deliberations, granted approval for operation of the temporary gate upto 31<sup>st</sup> December, 2012 or till the completion of the construction work, whichever is earlier. The Board also directed that the temporary gate shall cease to be in operation as soon as the construction activity is finished.

**Item No. 52.7: Request of Ms. RBS India Development Centre Private Limited for merger of two SEZ units located in IT/ITES SEZ at Gurgaon, Haryana being developed by M/s. Gurgaon Infospace Limited**

The Board after deliberations remanded the proposal back to UAC for its consideration and decision.

**Item No. 52.8: Request for transfer of unit from one SEZ to another**

**(i) Request of M/s. Inspop.com a unit in the sector specific SEZ for IT/ITES at Gurgaon, Haryana, being developed by M/s. DLF Cyber City Developers Limited for shifting its location to Gurgaon Infospace Limited SEZ at Gurgaon, Haryana**

The Board after deliberations decided to defer the request of the unit.

**Item No. 52.9: Request of M/s. Cosmo Films Ltd, a unit in the sector specific Special Economic Zone for Engineering & Electronics Sector at Shendre, District Aurangabad developed by Maharashtra Industrial Development Corporation for broad-banding of LoP to include the item of manufacture viz. BOPP Films falling under CTH No. 39 20 20.**

DoR stated that while the SEZ falls under Engineering & Electronics sector whereas, the item proposed to be broadbanded fell under plastic sector. The Board, was informed by DC that this was a case of backward integration by the unit. The Board, after deliberations deferred the request of the unit directing the DC to furnish a detailed report on the nature and type of product proposed to be broadbanded in the context of the existing manufacturing unit of the SEZ.

**Item No. 52.10: Request for permission to shift M/s. Prayas Woolens Private Limited from EOU scheme to SEZ scheme in KASEZ, Gandhidham**

The applicant was heard on his request. The Board noted that as per rule 18 (4) (c) of the SEZ Rules no proposal shall be considered for setting up of a unit for 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. Since, the unit is engaged in reprocessing of worn clothing, the Board, in view of the above stated position, rejected the request.

**Item No. 52.11: Appeal before Board of Approval**

**(i) Appeal of M/s. CMC Limited, a unit in the sector specific SEZ for IT/ITES at Rajarhat, Kolkata being developed M/s. DLF IT/ITES SEZ, against rejection of its request for approval of certain services for carrying authorized operations**

The appellant was heard by the Board. Board did not find any merit to review the decision of the UAC. Accordingly, the Board, after deliberations, **rejected** the appeal.

**(ii) Appeal of M/s. Swarnabhoomi Academic Institutions (Division Marg Institute of Technology Swarnabhoomi) against decision of the UAC rejecting its request for permitting, setting up an educational institution as captive operation for the Research & Technology and Consultancy Services, as one of the authorized operation**

The appellant was heard by the Board. Board, after deliberations, decided that the Department of Commerce would first examine the appeal on file before putting it up again before the BoA for a decision. The matter was accordingly deferred.

**(iii) Appeal of M/s. Amrapali Exports, a unit in the SEZ at Sitapura Jaipur, Rajasthan, against rejection of its request for re-import of exported goods, which was sent on consignment basis**

The appellant was heard by the Board. Board, after deliberations, decided to condone the delay on the part of the applicant and allow the appeal and directed DC NSEZ to grant permission for re-import of exported goods, which were sent on consignment basis.

**(iv) Appeal of M/s. UPS Logistic Private Limited, a unit, against rejection of its request for approval of certain Input Services for authorized operations**

The appellant was heard by the Board. Board did not find any merit to review the decision of the UAC. Accordingly, the Board, after deliberations, **rejected** the appeal.

**Decision of the Table Agenda**

**Item No.52.12: Draft Policy on Plastics recycling units in SEZs**

The draft policy on plastic recycling units prepared by DoC, as per the directions of BoA, was circulated to the participants. BoA directed that the

comments on the draft policy be furnished to the DoC within 15 days from the date of this meeting.

The Board was also informed that the validity of the plastic reprocessing units in the SEZ would expire on 31<sup>st</sup> March, 2012. Board, therefore, after deliberations extended the validity of all such units, further for a period of 3 months i.e. up to 30<sup>th</sup> June, 2012 or till the finalization of the policy, whichever is earlier.

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

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**Annexure - 1**

**List of Participants for the Meeting of the Board of Approval for Special Economic Zones held on 30<sup>th</sup> March, 2012 under the Chairmanship of Commerce Secretary, Department of Commerce**

1. Dr. Rahul Khullar, Chairman BOA & Secretary, Department of Commerce.
2. Smt. Ruchira Pant, Director General (DG), Department of Revenue, Ministry of Finance
3. Shri Raman Chopra, Director (ITA), CBDT, Department of Revenue, Ministry of Finance
4. Shri A.K. Pujari, DGFT, Director General of Foreign Trade
5. Shri Vivek Ranjan, Additional Director, Department of Revenue, Ministry of Finance
6. Ms. H.K. Prasad, Additional Director (Export Promotion), DGEP, Department of Revenue, Ministry of Finance.
7. Dr. L. B. Singhal, Joint DGFT, Director General of Foreign Trade
8. Shri S. Singh, Secretary, AIADA
9. Dr. Reeta Vasishtha, Additional Legislative Counsel, Ministry of Law & Justice, New Delhi
10. Smt. Jyoti Kalash, Resident Commissioner, Nagaland House, New Delhi
11. Shri O.P. Kapoor, Joint DG, EPCES
12. Smt. Nimisha, I/c. DGM (Planning), Greater Noida Industrial Development Authority, Uttar Pradesh
13. Shri S.K. Sharma, Director (EP), Office of Development Commissioner (MSME), Ministry of MSME, Nirman Bhawan.
14. Shri Hardyal Schrawat, Joint Director, Industries, Department of Industries, Government of Haryana
15. Shri P.P. Srivastava, Deputy Industrial Adviser, Department of Chemicals and Petrochemicals, New Delhi
16. Shri B.K. Shiva Kumar, Department of Industries & Commerce, Government of Karnataka, Bangalore
17. Shri A.K. Agarwal, Additional Industrial Adviser, Department of Chemical & Petrochemical, Ministry of Chemicals and Fertilizer, New Delhi
18. Shri T.A. Khan, (RO), TCPO, Ministry of Urban Development, E-Block, Vikas Baan, New Delhi
19. Shri R.D. Meena, Research Assistant, TCPO, Ministry of Urban Development

**LIST OF DEVELOPMENT COMMISSIONERS**

20. Shri Sanjeev Nandwani, Development Commissioner, Falta, Kolkata
21. Shri Vijay N. Shewale, Development Commissioner, Surat SEZ, Surat
22. Shri Pravir Kumar, Development Commissioner, KASEZ & Dahej SEZ
23. Shri Mahendra Jain, Development Commissioner, NMSEZ and Indiabulls SEZ
24. Shri S. Kishore, Development Commissioner, APSEZ
25. Shri K.L. Sharma, Development Commissioner, Sterling SEZ, Gujarat
26. Shri Ved Prakash, Development Commissioner, Mihaan SEZ
27. Shri Anil Bamba, Development Commissioner, Sricity SEZ
28. Shri CPS Bakshi, Development Commissioner, Noida SEZ, Uttar Pradesh
29. Shri. S.N. Patil, Joint Development Commissioner, Dahej SEZ
30. Ms. Bhuvaneshwari Ravindran, Joint Development Commissioner, ULCC SEZ, CSEZ

31. Shri B. Pattanaik, Joint Development Commissioner Mundra SEZ and KASEZ
32. Shri A.K. Rathore, Joint Development Commissioner, ISEZ, Indore, Madhya Pradesh.

**LIST OF PARTICIPANTS OF DEPARTMENT OF COMMERCE**

33. Shri Anup Wadhawan, Joint Secretary, Department of Commerce.
34. Shri Sanjeet Singh, Director, Department of Commerce
35. Shri Kabiraj Sabar, Under Secretary, Department of Commerce
36. Shri Achint Kumar, Section Officer, Department of Commerce
37. Shri R.K. Dutta, Section Officer, Department of Commerce