

**Supplementary Agenda for the 46<sup>th</sup> meeting of the Board of Approval to be held on  
31<sup>st</sup> May 2011 at 10.30 A. M. in the Room No. 47, Udyog Bhawan**

**Item No.46.31: Requests for co-developers**

**(i) Request of M/s. Stylus Commercial Services Private Limited (SCSPL) for co-developer in the sector specific SEZ for Electronic Hardware and Software including IT/ITES at Rachenhalli and Nagavara villages, Hobli, Outer Ring Road, District Bangalore, Karnataka, being developed by M/s. Manyata Promoters Private Limited**

Sector specific SEZ for Electronic Hardware and Software including IT/ITES at Rachenhalli and Nagavara villages, Hobli, Outer Ring Road, District Bangalore, Karnataka being developed by M/s. Manyata Promoters Private Limited was notified on 16<sup>th</sup> November 2006 over an area of 26.1937 hectares. M/s. Stylus Commercial Services Private Limited has submitted a proposal for becoming a co-developer in the aforesaid SEZ for undertaking development of about 21,696 sq. ft. of built up space, in the above mentioned SEZ, taken on lease from the developer. The co-developer proposes to develop interiors and Fit-outs in the said area for letting out the space predominantly to Small and Medium Enterprises (SMEs). Co-developer agreement dated 28<sup>th</sup> April 2011 entered into with the developer has also been provided. DC CSEZ has recommended the proposal.

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

**(ii) Request of M/s. Thousand Island Hotels and Resorts Private Limited for becoming a co-developer in the Multi Product SEZ at Kutch, Gujarat, being developed by M/s. Mundra Port and Special Economic Zone Limited (MPSEZL)**

The request of M/s. Thousand Island Hotels and Resorts Private Limited for becoming a co-developer to construct, operate and maintain the following infrastructure facilities in the above mentioned SEZ was considered in the BoA meeting held on 25<sup>th</sup> March 2011:-

- (a) A multi-faceted Hospitality Zone (approx. built up area of 8400 sqm.) providing approx. 100 star class hotel rooms, approx. 50 service apartments, business support centre with meetings lounges & secretarial services and pleasure arenas.
- (b) A hi-fi Entertainment Zone (approx. built up area of 2600 sqm) which includes 3 screen multiplex with adjoining F&B plaza and leisure spots.

The Board decided to **defer** the proposal and directed DC, KASEZ to re-examine the proposal and submit his report for consideration of the Board. A report in the matter has been received from DC KASEZ (**Annexure - 1**) wherein, DC has recommended the proposal. Accordingly, the proposal is once again placed before the BoA for consideration.

**(iii) Request of M/s. Hirise Hospitality Private Limited for becoming a co-developer in the Multi Product SEZ at Kutch, Gujarat, being developed by M/s. Mundra Port and Special Economic Zone Limited (MPSEZL)**

The request of M/s. Hirise Hospitality Private Limited for becoming a co-developer for setting up a Hotel, Service Apartments, Convention centre, Family entertainment facilities like

gymnasium, Billiards/Snooker, Table tennis, swimming pool, a three hole mini golf course in the above mentioned SEZ was considered in the BoA meeting held on 25<sup>th</sup> March 2011. The Board decided to **defer** the proposal and directed DC, KASEZ to re-examine the proposal and submit his report for consideration of the Board. A report in the matter has been received from DC KASEZ (**Annexure - 1**) wherein, DC has recommended the proposal. Accordingly, the proposal is once again placed before the BoA for consideration.

**Item No. 46.32: Request for Authorized Operations**

**(i) Request of Metro Valley Business Park (P) Limited for authorized operations in the IT SEZ at Gurgaon, Haryana**

IT SEZ at Gurgaon, Haryana proposed to be developed by M/s. Metro Valley Business Park (P) Limited, was notified on 6<sup>th</sup> November, 2007 over an area of 10.393 hectares. In the BoA meeting held on 2<sup>nd</sup> January 2008, the developer was granted approval for carrying out certain authorized operations in the processing as well as non-processing area of the SEZ. The developer has now requested for amendment/addition in the authorized operations to be carried out in the processing area, as per details given below:-

S. No.	Name of activity/item	Existing approval	Amendment/Addition
1.	Power Plant	50 MW	25 MW
2.	Basement equal to plinth area	Basement Parking	Storage instead of parking
3.	Kitchenette	--	1000 sqm.
4.	Creche	--	50 sqm.

DC, NSEZ has recommended the request of the developer.

**Item No. 46.33: Request for increase/decrease in area**

**(i) Request of M/s Divi's Laboratories Ltd. for addition of area in the sector specific SEZ for Pharmaceuticals at Chippada village, Bhimili Mandal, Visakhapatnam, Andhra Pradesh**

The above mentioned SEZ stands notified over an area of 105.496 hectares. Subsequently, with the approval of BoA an additional area admeasuring 9.29 hectares was notified on 18<sup>th</sup> June 2010. The SEZ is operational. In order to cater to the company's future expansion being planned within the next few years, the developer has proposed to further increase the area of the SEZ by 17.648 hectares, thereby making the total area of the SEZ as 132.43 hectares. The developer has stated that the land proposed to be added has been acquired from the Forest Department, Government of Andhra Pradesh after complying with all the required procedure. The developer has also submitted the possession certificate issued by Forest Department, Government of Andhra Pradesh. DC VSEZ has recommended the proposal stating that the site was inspected and found to be vacant & contiguous and fulfils the requirement under SEZ Rules.

The request of the developer for increase in area is submitted for consideration of the Board of Approval.

**Item No. 46.34: Request for de-notification**

**(i) Request of M/s. Bengal Shapoorji Infrastructure Development Private Limited for de-notification of the sector specific SEZ for IT/ITES at A-III, New Town, Rajarhat, Kolkata, West Bengal, notified over an area of 20.2345 hectares**

The above mentioned SEZ was notified on 5<sup>th</sup> December, 2007 over an area of 20.2345 hectares. Now, the developer has requested for de-notification of the SEZ citing reduced demand of IT & ITES space in the eastern region as the reason for the same. The developer has, therefore, also withdrawn its request for third extension of the validity of formal approval figuring at Item No. 46.9 (vi) of the Agenda. DC, FALTA has recommended the request of the developer.

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

**Item No. 46.35: Request for M/s. Pune Hi-Tech Infra Engineering Private Limited for withdrawal of in-principle approval granted for setting up of sector specific SEZ for Engineering at villages Wing & Guthalwadi, Tehsil Khandala, District Satara, Maharashtra**

In-principle approval for setting up of a sector specific SEZ for Engineering at village Taje, Taluka Maval, District Pune, Maharashtra, over an area of 109.89 hectares, was granted vide LoA dated 25<sup>th</sup> October 2006. Vide LoA dated 22<sup>nd</sup> January 2008, the developer was granted approval for changing the location to villages Wing & Guthalwadi, Tehsil Khandala, District Satara, Maharashtra. The validity of in-principle approval was extended twice. The second extension was valid up to 24<sup>th</sup> October 2009.

Before the expiry of second extension, the developer had requested for grant of third extension. The request was placed before BoA in the meeting held on 05.11.2009. BoA decided to grant de novo approval from the date of expiry of the last extension (i.e. w.e.f. 25<sup>th</sup> October 2009) subject to the developer filing Form 'A' and also getting the concerned State Government's recommendation (SGR). However, due to non receipt of SGR the in-principle approval could not be extended.

Now, the developer has requested for withdrawal of in-principle approval, which already stands expired w.e.f. 25<sup>th</sup> October 2009, stating that in the background of global slowdown there has been increase in the domestic trade and, therefore, it has been decided by the Board of the company to withdraw from setting up an engineering SEZ and instead, set up an Industrial park that can accommodate industrial units from engineering as well as other related sectors.

The request is placed before the BoA for consideration

**Item No. 46.36: Request for first extension of validity of formal approvals**

(i) Request of M/s. Shirpur Gold Refinery Limited for extension of the validity period of formal approval, granted for setting up of sector specific SEZ for gems and jewellery at Shirpur, District Dhulia, Maharashtra beyond 20<sup>th</sup> June 2010.

**Item No. 46.37: Requests for second extension of validity of formal approvals**

**(i) Request of M/s. Karle Infra Projects Private Limited for second extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Nagavara village, Bangalore North Taluk, Karnataka beyond 18<sup>th</sup> June 2011**

The developer was granted formal approval for setting up the above mentioned SEZ, over an area of 10.011 hectares, vide LoA dated 19<sup>th</sup> June 2007. The SEZ was notified on 12<sup>th</sup> December 2008, over an area of 10.876 hectares. The developer has been granted first extension of the formal approval, the validity of which is up to 18<sup>th</sup> June 2011. The developer has requested for further extension citing the present market conditions and IT/ITES slowdown and delays in obtaining the required clearances and no objection certificates from various local authorities, as the reasons for the same. DC CSEZ has recommended the request of the developer.

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

**(ii) Request of M/s. Velankani Technology Parks Private Limited for second extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Electronic Hardware and Software including ITES at Sreperumbudur, Chennai, Tamil Nadu beyond 22<sup>nd</sup> May 2011**

The developer was granted formal approval for setting up the above mentioned SEZ, over an area of 58.3 hectares, vide LoA dated 23<sup>rd</sup> May 2007. The SEZ was notified on 11<sup>th</sup> December 2007, over an area of 57.46 hectares. The developer has been granted first extension of the formal approval, the validity of which is up to 22<sup>nd</sup> May 2011. The developer has given the details of steps taken to implement the project. The developer needs more time of the project and, therefore, has requested for grant of second extension of the validity of formal approval.

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

**Item No.46.38: Requests for third extension of validity of formal approvals**

**(i) Request of M/s. Bagmane Builders Private Limited for third extension of the validity period of formal approval, granted for setting up of IT/ITES SEZ at KR Puram, Bangalore North, Karnataka beyond 25<sup>th</sup> October 2011**

The developer was granted formal approval for setting up the above mentioned SEZ, over an area of 15.5 hectares, vide LoA dated 26<sup>th</sup> October, 2006. Subsequently, in the BoA meeting held on 16<sup>th</sup> September 2010, the developer was granted approval to reduce the area of the SEZ to 10.42 hectares. The SEZ is yet to be notified. The developer has been granted first extension

of the formal approval, the validity of which is up to 25<sup>th</sup> October 2010. The developer has requested for third extension citing the present market conditions and IT/ITES slowdown and uncertainty on the continuity of fiscal benefits for SEZ developers and SEZ units under the Direct Tax Code regime, as the reasons for the same.

The request of the developer for grant of third extension of the validity of formal approval is placed before the BoA.

**(ii) Request of M/s. Satyam Computer Services Ltd. for third extension of the validity period of formal approval, for setting up of IT/ITES SEZ at Hitec City, Madhapur, Hyderabad, Andhra Pradesh, beyond 19<sup>th</sup> June 2011**

The developer was granted formal approval for setting up the above mentioned SEZ over an area of 10.52 hectares vide LoA dated 20<sup>th</sup> June 2006. The said SEZ was notified on 11<sup>th</sup> September 2006 over an area of 10.5 hectares. The developer has already been granted two extensions. The validity of the last extension is up to 19<sup>th</sup> June 2011. The developer has given the details of steps taken to implement the project and has stated that the due to the unforeseen situation the company got into in January 2009, the operations and construction activities got affected and hence delayed the completion of the construction. It has also been stated that now the company is on recovery path and is getting new customers and new business. The developer needs more time to complete the project and has, therefore, requested for grant of further extension of validity of the formal approval. DC, VSEZ has recommended the request of the developer.

The request of the developer for grant of third extension of the validity of formal approval is placed before the BoA.

**(iii) Request of Maharashtra Industrial Development Corporation for third extension of the validity period of formal approval, granted for setting up of Multi Product SEZ at Nandgaonpeth, District Amravati, Maharashtra, beyond 2<sup>nd</sup> April 2011**

The developer was granted formal approval for setting up the above mentioned SEZ, over an area of 1010 hectares, vide LoA dated 3<sup>rd</sup> April 2006. The SEZ was notified on 31<sup>st</sup> October, 2008 over an area of 1008.36 hectares. The developer has already been granted two extensions. The validity of the last extension was up to 2<sup>nd</sup> April 2011. The developer has given the details of steps taken toward implementation of the project. The developer has stated that for smooth & early development of the SEZ an Authorisation agreement was executed between developer and co-developer. However, as co-developer has failed to full fill the terms & conditions laid down in the authorisation agreement and also has not initiated any effective steps for developing the SEZ. Therefore, the developer has been issued show cause notice to the co-developer for termination of authorisation agreement. After termination of authorisation agreement the developer proposes to develop the SEZ either by appointing new co-developer or by itself. In view of the above position the developer has requested for further extension of the validity of formal approval.

**(iv) Request of Maharashtra Industrial Development Corporation for third extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Pharmaceutical at Krushnoor, District Nanded, Maharashtra, beyond 4<sup>th</sup> April 2011**

The developer was granted formal approval for setting up the above mentioned SEZ, over an area of 150 hectares, vide LoA dated 5<sup>th</sup> April 2006. The SEZ was notified on 11<sup>th</sup> January, 2007 over an area of 150 hectares. The developer has already been granted two extensions. The validity of the last extension is up to 4<sup>th</sup> April 2011. The developer has given the details of steps taken toward implementation of the project. The developer has stated that for smooth & early development of the SEZ an Authorisation agreement was executed between developer and co-developer. However, as co-developer has failed to full fill the terms & conditions laid down in the authorisation agreement and also has not initiated any effective steps for developing the SEZ. Therefore, the developer has been issued show cause notice to the co-developer for termination of authorisation agreement. After termination of authorisation agreement the developer proposes to develop the SEZ either by appointing new co-developer or by itself. In view of the above position the developer has requested for further extension of the validity of formal approval.

**(v) Request of Maharashtra Industrial Development Corporation for third extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Agro Processing Industry at Additional Latur, District Latur, Maharashtra, beyond 4<sup>th</sup> April 2011**

The developer was granted formal approval for setting up the above mentioned SEZ, over an area of 200 hectares, vide LoA dated 5<sup>th</sup> April 2006. The SEZ was notified on 15<sup>th</sup> January, 2007 over an area of 200 hectares. Subsequently, an area of 61 hectares was de-notified from the SEZ on 3<sup>rd</sup> February 2010, thereby making the total area of SEZ as 139 hectares. The developer has already been granted two extensions. The validity of the last extension is up to 4<sup>th</sup> April 2011. The developer has given the details of steps taken toward implementation of the project. The developer has stated that for smooth & early development of the SEZ an Authorisation agreement was executed between developer and co-developer. However, as co-developer has failed to full fill the terms & conditions laid down in the authorisation agreement and also has not initiated any effective steps for developing the SEZ. Therefore, the developer has been issued show cause notice to the co-developer for termination of authorisation agreement. After termination of authorisation agreement the developer proposes to develop the SEZ either by appointing new co-developer or by itself. In view of the above position the developer has requested for further extension of the validity of formal approval.

**Item No. 45.39: Requests for grant of fourth extension of in-principle approval**

S. No.	Name of the Developer	Sector and area	Location of the SEZ	Percentage of land in possession of developer as on expiry of validity of in-principle approval
1.	M/s. Rewas Port Limited	Multi Product, 2850 hectares	Rewas District, Raigarh, Maharashtra	In-principle approval was granted to the proposal vide LoA dated 26 <sup>th</sup> June 2007. The developer has been granted three extensions of one year each. The validity of the last

				extension is up to 25 <sup>th</sup> June 2011. The developer has stated that out of 1033 hectares land required for initial phase 839 hectares of intertidal land has already been transferred by MMB, Government of Maharashtra on lease in June 2010. The remaining government land of 194 hectares is in the advanced stage of transfer and same is expected in next 2-3 months. The developer has stated that once the Government land of 194 hectares is transferred, they will submit the application for formal approval. The developer has, therefore, requested for further extension of the in-principle approval. DC SEEPZ SEZ has recommended the request of the developer.
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**Item No. 46.40: Requests for extension of LoP of units beyond 3<sup>rd</sup> year**

**(i) Request for extension of letters of permissions issued for setting up of units in the sector specific SEZ for IT/ITES at Phase-II, Hinjewadi, Pune being developed by Maharashtra Industrial Development Corporation.**

The above mentioned SEZ was notified on 7th June, 2007 over an area of 233.56 hectares. The following companies were granted LoP for setting up of units in the SEZ:-

S. No.	Name of the Unit	Date of issue of LoP	Validity of LoP
1.	Patni Computer Systems Limited	05.02.2008	05.02.2011
2.	Fulcrum Logic India Pvt. Ltd.	28.02.2008	27.02.2011
3.	Neilsoft Limited	07.02.2008	06.02.2011
4.	Clasoft Limited	05.09.2008	04.09.2011
5.	Omnitech Infosolutions Limited	05.09.2008	04.09.2011

The above units have been granted two years extensions beyond the original validity. Now, the units have requested for third extensions. As per rule 19 (4) of the SEZ rules 2006, the DC may grant further extension of one year, subject to condition that two-third of activities including construction relating to the setting up of unit is complete and a chartered engineer's certificate to this effect is submitted by the entrepreneur. However, DC SEEPZ SEZ has stated that the units are not able to submit the Chartered Engineers asked for as they have not yet started construction activities. Before issue of notification MIDC allotted plots to 35 entrepreneurs for setting up of IT/ITEs units. Later on, the area was notified as SEZs. From time to time MIDC was asked to provide basic infrastructure facility i.e. electricity, water and road etc. for setting up the SEZ units and implementation of approved projects. However, MIDC has not yet taken any steps for providing basic infrastructure. Due to non-availability of the infrastructure, the approved units could not start construction in the allotted premises which delayed implementation of the approved project.

In view of the above position DC SEEPZ has recommended grant of one year's extension to the above units.

The request is placed before the BoA for consideration

**Item No. 46.41: Requests for extension of LoP of units beyond 4<sup>th</sup> year**

**(i) Request of M/s. Wockhardt Limited a unit in the Pharmaceutical SEZ being developed by M/s. Wockhardt Infrastructure Development Limited at MIDC Industrial Area, Shendre, Aurangabad, Maharashtra, for extension of LoP beyond 19.07.2011**

M/s. Wockhardt Limited was granted approval for setting up a unit in the above mentioned SEZ, for manufacture and export of Liquid Injection, Constant Media and Lyophilized Products, vide LoP dated 20.07.2007. Subsequently, on request of the unit, DC had extended LoP of the unit up to 19.07.2011. The unit has requested for further extension of LoP. The unit has stated it has constructed the building and installed all the required machinery for the same at a cost of approx. Rs. 175 crores. The unit has further stated that it is not in the position to commence export by the due date i.e. within the validity period of LoA up to 19.07.2011 as the product and the manufacturing facility needs to be registered in foreign countries before it can export any product. Such registration, which involves the inspection of the plant too by the Food and Drug Administration officials of the importing countries, take 18 to 24 months. The unit has cited the following reasons for the delay:- (i) Adverse effect of world economy downturn (ii) Registration of products and plant in foreign countries and (iii) Statutory approvals and licenses. DC, SEEPZ has recommended grant of one year's extension to the unit i.e. up to 19.7.2012.

The request of the unit for grant of further extension of LoP is placed before the BoA for consideration.

**(ii) Request of M/s. Godrej & Boyce Manufacturing Company Limited, a unit in M/s. Dahej SEZ Limited, Gujarat for extension of LoP beyond 29<sup>th</sup> May 2011**

M/s. Godrej & Boyce Manufacturing Company Limited was granted LoP for setting up a unit, in the above mentioned SEZ, vide LoP dated 30<sup>th</sup> May 2007. Subsequently, on request of the unit, DC had extended LoP of the unit up to 29<sup>th</sup> May 2011 in respect of manufacturing activity. Further, In the BoA meeting held on 25<sup>th</sup> March 2011 the unit was granted extension up to 29<sup>th</sup> May 2011. The unit has requested for further extension of the LoP. DC Dahej has stated that the unit could not start its activity as there were in encroachment issues (Ashram and Temple) in the plot. Further, approach road inside the SEZ to reach unit's plot were completed late due to heavy monsoon. DC has stated that inspite of above difficulties unit has completed boundary wall around their plot isolating Ashram, but could not complete their project. DC has intimated that the developer wanted to develop a port facility in some portion of their plot, which required revised demarcation of their plot for the non-processing area. Further, the unit has not completed two third of activities yet. DC has stated that in view of the justification given by the unit and unit's commitment for implementing the project, the unit may be granted one more extension up to 30.05.2012.

In view of the above position the request of the unit for grant of further extension of LoP for a period of one year is placed before the BoA for consideration.



**(iii) 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 2011**

M/s. Hangers Plus (I) Private Limited was granted LoP for setting up of a unit in the above mentioned SEZ vide LoA dated 28.03.2007. The unit has been granted extension from time to time by the DC MEPZ. The last extension granted to the unit was valid up to 31.03.2011. The unit has requested for further extension of the validity of LoP for a period of one year. The unit has stated that substantial progress has been made in construction work, however, the delay in execution of the project has occurred due to global recession. DC has intimated that the unit has so far made an investment of Rs. 8 crores and his expected to start commercial production by December 2011. In view of the above position DC MEPZ has recommended the request of the unit.

Rule 19(4) of SEZ Rules, 2006 have been amended vide notification dated 10.11.2010. The amendment has enabled BoA to grant further extension of the validity of the LoP of a unit, beyond fourth year (one year, at a time) on the request of the entrepreneur.

The request of the unit for grant of further extension of LoP is placed before the BoA for consideration.

**Item No. 46.42: Request for extension of LoP of units beyond 5<sup>th</sup> year**

**(i) Requests of M/s. International Belting Limited a unit in Falta SEZ, Kolkata for extension of LoP beyond 31<sup>st</sup> March 2011**

M/s. International Belting Limited was granted LoP for setting up of a unit in the above mentioned SEZ, for manufacture and export of PVC/Rubber Conveyor Belting, vide LoA dated 30.03.2006. The unit has been granted extension from time to time by the DC FSEZ. The last extension granted to the unit was valid up to 31.03.2011. The unit has requested for further extension of the validity of LoP for a period of 6 months. The unit has stated that the investment has already been made in construction of factory building for Rs. 4,52,01,951 and for plant and machinery for Rs. 13,47,96,174, however, the project was delayed due to reasons beyond its control. The unit has also stated that it plans to achieve export turnover of about Rs. 15 crores in the financial year 2011-12. In view of the above position DC Falta SEZ has recommended the request of the unit.

Rule 19(4) of SEZ Rules, 2006 have been amended vide notification dated 10.11.2010. The amendment has enabled BoA to grant further extension of the validity of the LoP of a unit, beyond fourth year (one year, at a time) on the request of the entrepreneur.

The request of the unit for grant of further extension of LoP for a period of six months (w.e.f. 1.4.2011 to 30.9. 2011) is placed before the BoA for consideration.

**Item No. 46.43: Request for construction of boundary wall**

**(i) Request of M/s Sunny Vista Realtors Private Limited for 4 Nos. of Entry/Exit Points in the sector specific SEZ for services sector at village Bhokarpada, Taluka Panvel, District Raigad, Maharashtra**

Sector specific SEZ for services sector at village Bhokarpada, Taluka Panvel, District Raigad, Maharashtra by M/s. Sunny Vista Realtors Private Limited was notified on 19<sup>th</sup> February 2009 over an area of 139.83 hectares.

Rules 11 (2) of SEZ Rules 2006 provides that the processing area of the SEZ shall have specified entry and exit points and be fully secured by taking such measures as approved by the Board of Approval. The second proviso of the Rules 11 (2) provides that in case the developer proposes to create two hundred and forty centimetre high wall with top sixty centimetres being barbed wire fencing and single entry and exit point, no separate approval shall be required.

DC SEEPZ SEZ has informed that the developer has been granted approval for 2 Nos. entry/exit points and manner of fencing was granted in terms of Rule 11 (2) vide letter dated 14.05.2009. The developer has now asked for approval of 4 Nos. of entry/exit points. DC has further informed that SEZ was inspected jointly by the Jt. Development Commissioner, SEEPZ SEZ and the Jt. Commissioner of Customs, Nhava Sheva. The Jt. Commissioner of Customs, Nhava Sheva has informed that while sanctioning additional gates, the requirement of additional sanctioned post of customs staff at the gated may be kept in mind and issue decided on legality.

DC has also stated that the approval granted for manner of fencing of height of 3 mtrs. Comprising of minimum 600 mm high uncoursed rubble masonry wall, 1.8 mtrs high chain link and top 600 mm barbed wire fencing may also be placed before the BoA as the SEZ is a service sector SEZ.

Accordingly, the proposal as received from DC SEEPZ SEZ is placed before BoA for consideration.

**Item No. 46.44: Request for transfer of unit from one SEZ to another**

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

Vide LoA dated 24<sup>th</sup> September 2008, ASPL was been granted approval for setting up a unit in the sector specific SEZ for IT/ITES at Silokhera, DLF City, Gurgaon, Haryana being developed by M/s. DLF Cyber City Developers Limited. Due to litigation involving M/s. DLF Cyber City Developers Limited, the unit has now requested for shifting its location to the sector specific SEZ for IT/ITES at Gurgaon, Haryana, being developed by M/s. Gurgaon Infospace Limited. The detailed justification given by the unit for the proposed transfer is at **Annexure - 2**. The request of the unit is placed before the BoA for consideration.

**Item No. 46.45: Request for duty free procurement of Diesel/Fuel required for default authorized operations in respect of Multi Product SEZ at Taluka Shirur and Khed, District Pune, Maharashtra by M/s. Khed Economic Infrastructure Private Limited**

DC SEEPZ has informed that the request of developer for duty free procurement of Diesel/Fuel required for default authorized operations was considered by the Approval Committee in its meeting held on 09.03.2011. During the meeting the representative of the developer informed that the Diesel/Fuel is required for consumption machinery, Earth moving equipments, material handling equipments etc for default authorized operation i.e. creation of roads in the processing area.

The Committee noted that the references quoted by the developer in their application dated 21.02.2011 including the reference to Instruction No. 49 dated 12.03.2010 are pertaining to FTWZ.

The committee discussed the definitions of “manufacture and consumables” Under SEZ Act and Rules in relation with default authorized operations which are as follows:-

1. Manufacture as per Section 2 (r) of SEZ Act, 2005

“Manufacture” means to make, produce, fabricate, assemble, process or bring into existence, by hand or by machine, a new product having a distinctive name, character or use and shall include processes such as refrigeration, cutting, polishing, blending, repair, remaking, re-engineering and includes agriculture, aquaculture, animal husbandry, floriculture, horticulture, pisciculture, poultry, sericulture, viticulture and mining.

2. Consumables as per Section 2 (g) of SEZ Rules, 2006

“Consumables” means any item, (including fuels, high speed diesel oil, light diesel oil and other such petroleum products) which is required for a manufacturing process, which may or may not be substantially or totally consumed during a manufacturing process but does not necessarily form part of the end product.

The committee was of the opinion that considering the creation of roads as manufacture and permitting Diesel for the same would not fall under the definition of manufacture. The definition of consumables relates to items used in the manufacturing process and since creating roads cannot be considered as manufacture, after detailed deliberation, the Committee decided to refer the request of the developer for duty free procurement of Diesel/Fuel to BoA for consideration. Accordingly, the request is placed before the BoA for consideration.

**Item No. 46.46: Request of SEZ units for import of prohibited items**

**(ii) Request of M/s. Southern Online Biotechnologies Limited, a Unit in APIIC SEZ, at Atchutapuram Mandal, Visakhapatnam, Andhra Pradesh for import of used cooking oil**

M/s. Southern Online Biotechnologies Limited has been granted LoP on 14.12.2007 for manufacture of Bio Diesel and its by-products Glycerin, Residue. The unit so far has made an investment of Rs. 93 crores. The unit had commenced production on 9<sup>th</sup> September 2010 and has

made exports to the tune of Rs. 20 lakhs. The unit has stated that it has been importing Crude Palm Oil (CPO) a major Raw Material for manufacture of Biodiesel. The unit has stated that the current prices of the CPO have scaled very high levels and they are not in a position to reach the break-even point and the Biodiesel manufacturing units are suffering a severe setback because of the price fluctuations of CPO in the international market.

In order to compete with the other Biodiesel manufacturing units, the unit had tried other alternatives for manufacture of Biodiesel. In this connection, they have come up with an idea of manufacturing Biodiesel with alternative raw material i.e. used cooking oil. Used cooking oil is cheaper and is otherwise of no use, hence utilizing used cooking oil as raw material helps the unit in manufacturing Biodiesel at a cheaper cost which can compete with other units successfully. The unit has, therefore, requested for approval for importing cooking oil. The unit has also stated that the imported cooking oil will be used exclusively for export of the biodiesel manufactured from it.

As per ITC (HS) Classifications of Export & Import items like used cooking oil is covered under 1518 00 40 which is a prohibited item for Import. The unit has requested for permission to import the prohibited item for manufacture of Biodiesel.

As per an amendment in the SEZ Rules notified on 7<sup>th</sup> September 2010 items prohibited for import can be procured by a Special Economic Zone unit or Developer from a place outside India to the Special Economic Zone with the prior approval of Board of Approval". DC APSEZ has, therefore, recommended the proposal and has informed that Andhra Pradesh Pollution Control Board has given its clearance for utilization of used cooking oil for its processing/manufacturing purpose.

#### **Item No. 46.47: Request for extension of validity of LoP Plastic processing units**

##### **(i) Request for further extension of LoP of M/s. Amarnath Enviroplast Limited, a unit in FSEZ**

Vide LoP dated 07.03.1996 M/s. Amarnath Enviroplast Limited was granted approval for setting up a unit in Falta Special Economic Zone, for manufacture and export of Plastic Granules/Film/Bags. Subsequently, the unit was granted approval by DC Falta for broad banding of the LoP to include lay flat tubing.

The LoP of the unit has expired on 6.3.2011. The unit has requested for renewal of its LoP for a further period of five years. In terms of Rule 18(4)(a) of the SEZ Rules, the proposal for extension of the LoP of the units engaged in recycling of plastic scrap/waste shall be decided by the BoA. DC has, therefore, requested for placing the request before the BoA. A detailed agenda note received from DC FSEZ is at **Annexure – 3**.

The request of the unit for further extension of the LoP for a further period of five years w.e.f. 06.03.2011 is placed before the BoA for consideration.

**Item No. 46.48: Request of M/s. JSL Limited for submission of Bond/Bank Guarantee in respect of liability arising on cancellation of Form-I under the Central Sales Tax, 1956 in respect of liability pertaining to Entry Tax**

Sector specific SEZ for Stainless Steel, by M/s. JSL Limited, at Kalinga Nagar, Orissa, was notified on 28<sup>th</sup> November 2007 over an area of 142.115 hectares. The developer had requested for de-notification SEZ. The request was approved in the BoA meeting held on 16<sup>th</sup> September 2010 subject to DC certifying that the developer has refunded all the tax benefits availed under SEZ Act and Rules. DC FSEZ has intimated that the developers as well as unit have paid the following dues except CST:-

(a) Custom duty	:	Rs. 6.58 crores
(b) Excise duty	:	Rs. 48.65 crores
(c) Service tax	:	Rs. 21.46 crores
(d) Refund of export benefit (DEPB)	:	Rs. 1.51 crores
(e) Entry tax	:	Rs. 23.40 crores
Total	:	Rs. 101.60 crores

DC has also stated that the developer has confirmed that company has availed CST benefit to the extent of Rs. 4.11 crores as developer and Rs. 2.29 crores as unit by way of using I-Forms.

In the BoA meeting held on 25<sup>th</sup> March 2011 the proposal of the developer for submission of Bond/Bank Guarantee to the extent of CST benefit was considered and the decision taken is appended below:-

*“The representative of Department of Revenue indicated that the BoA has agreed to de-notify the SEZ subject to all the benefits being returned by the developer. DC has indicated that all the dues except the CST have been returned by the developer. The BoA noted that the outstanding dues of the developer/units have not been quantified by the concerned authorities. Therefore, the BoA decided that the developer must settle all dues with the concerned agencies prior to de-notification. Any other approach could potentially lead to loss of revenue, hence, the request was **not approved.**”*

DC Falta SEZ has intimated that in due course, the developer has started the process of collecting I-Forms by way of discharging liabilities at the supplier's end. The proposal for de-bonding of their unit was also taken up in the Unit Approval Committee meeting held on 23<sup>rd</sup> May, 2011 at Bhubaneswar. In the meeting, it was informed that developer as well as unit had utilized 158 Nos. of I-Forms availing benefit of Rs. 6.40 crores out of which they have been able to collect 101 Nos. of I-Forms from different suppliers after discharging liabilities at the supplier's end by way of making payment of Rs. 4.40 crores and have deposited 101 I-Forms to the Office of the Development Commissioner, Falta SEZ. The balance 57 nos. I-Forms having liabilities towards CST @2% against “C” Forms works out to Rs. 1.99 crores which is yet to be liquidated. The developer has informed that it will take 4-5 months time to collect the I-Forms as it related to several states.

DC has also informed that the matter was discussed at length in the UAC and it was observed that trial production of the unit has been deferred for the last two months as started by them. It was then proposed that a Bank Guarantee may be taken for Rs. 5 crores against liability of Rs. 2 crores for a period of six months both for de-bonding of the unit and de-notification of the developer and this may be considered subject to approval of the BoA. DC FSEZ, has, therefore, requested to place the matter before the BoA.

The request is, accordingly, placed before the BoA for consideration

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