

Minutes of the 44th meeting of the SEZ Board of Approval held on 14th January 2011 to consider proposals for setting up of Special Economic Zones

The forty fourth (44th) meeting of the SEZ Board of Approval was held on 14.01.2011 under the Chairmanship of Dr. Rahul Khullar, Secretary, Department of Commerce in Room No. 47, Udyog Bhawan, New Delhi to consider proposals for setting up of Special Economic Zones and other miscellaneous requests in respect of notified/approved SEZs. A list of participants is enclosed (**Annexure -1**).

2. Addressing the Board of Approval members, the Chairman informed that so far 580 formal approvals have been granted for setting up of SEZs out of which 374 have been notified. He further informed that over 1,76,148.41 crores have been invested in the Special Economic Zones and direct employment of the order of 6,20,824 persons has been generated in the Special Economic Zones. During the financial year 2009-10, total export of Rs. 2,20,711 crores (approx) has been made from SEZs registering a growth of about 121.40% over the exports for the previous financial year. The export in the first half of financial year 2010-11, has been to the tune of Rs.1,39,841 crore (approx), registering a growth of 55.8% over the exports of corresponding period of the previous financial year.

Item No. 44.1: Proposals for setting up of SEZs

(i) Request for setting up of a sector specific Special Economic Zone for Gems and Jewellery at village Kalwara, Tehsil Sanganer, District Jaipur, Rajasthan by M/s. Mahindra World City (Jaipur) Limited, over an area of 10.1360 hectares

The Board noted that the Developer was in possession of the land. The State Government has also recommended the proposal. Accordingly, the Board decided to grant **formal approval** to the proposal of M/s. Mahindra World City (Jaipur) Limited, for setting up of a sector specific Special Economic Zone for Gems and Jewellery at village Kalwara, Tehsil Sanganer, District Jaipur, Rajasthan, over an area of **10.1360 hectares**.

(ii) Request for setting up of a sector specific Special Economic Zone for IT/ITES at village Kalwara, Tehsil Sanganer, District Jaipur, Rajasthan by M/s. Mahindra World City (Jaipur) Limited, over an area of 33.2545 hectares

The Board noted that the Developer was in possession of the land. The State Government has also recommended the proposal. The Board, therefore, decided to grant **formal approval** to the proposal of M/s. Mahindra World City (Jaipur) Limited, for setting up of a sector specific Special Economic Zone for IT/ITES at village Kalwara, Tehsil Sanganer, District Jaipur, Rajasthan, over an area of **33.2545 hectares**.

Item No. 44.2: Proposal for conversion of in-principle to formal approval

(i) Request for conversion of in-principle approval into formal approval for setting up of a sector specific Special Economic Zone for Aerospace Industry at Devanahalli Taluk, Bangalore Rural District, Karnataka by Karnataka Industrial Areas Development Board (KIADB), over an area of 102 hectares

The Board noted that the Developer was in possession of the land. The State Government has also recommended the proposal. The Board, therefore, decided to grant **formal approval** to the proposal of KIADB for setting up of a sector specific Special

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Economic Zone for Aerospace Industry at Devanahalli Taluk, Bangalore Rural District, Karnataka by Karnataka Industrial Areas Development Board (KIADB), over an area of **102 hectares**.

Item No.44.3: Requests for co-developers

BoA sanctioned approvals to the co-developers subject to the condition that particular terms and conditions of lease 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 Income Tax Act. This is applicable for all the cases for co-developers approved of the BoA in this meeting:-

(i) Request of M/s. Wipro Limited for co-developer in the sector specific SEZ for IT/ITES at Near Village, Tehsil Sanganer, Jaipur, Rajasthan, being developed by M/s. Mahindra World City (Jaipur) Limited

After deliberations, the Board decided to grant **approval** to the request of M/s. Wipro Limited for co-developer for development of IT/ITES infrastructure together with relevant amenities and facilities over an area of 23.46 acres (9.5 Ha.) in the above mentioned SEZ.

(ii) Request of M/s. Acqview Realty Private Limited for co-developer in the sector specific SEZ for Multi Services at Panvel, District Raigarh, Maharashtra, being developed by M/s. Sunny Vista Realtors Private Limited

DC SEEPZ stated that the co-developer agreement provide for sale, lease or transfer by any other format of Service Apartment and/or Star Hotel and/or Iconic Residential Towers. The DC sought deferment of the proposal as the developer is yet to furnish clarification sought by DC in this regard. The Board, therefore, after deliberations, **deferred** the proposal.

(iii) Request of M/s. DLF Utilities Limited for co-developer in the sector specific SEZ for IT/ITES at Rajiv Infotech Park, Plot No. 28, Hinjawadi, Ph. II, Pune, Maharashtra, being developed by M/s. DLF Akruti Info Parks (Pune) Limited

After deliberations, the Board decided to grant **approval** to the request of M/s. DLF Utilities Limited for setting up a co-generation plant to install and commission gas turbine based power generating sets by setting up energy centres to provide electricity at a single source and generate chilled water using vapour absorption machines, in the processing area of said SEZ. The approval is subject to condition that the power plant shall be for captive use only.

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Item No. 44.4: Requests for Authorized Operations

BoA considered the proposals for authorized operations and while sanctioning the approvals, these were subject to the development guidelines approved by EGoM in its meeting dated 24th October 2008, which was noted by the members of the BoA, and State Government Representatives in its meeting held on 8th December 2008. Accordingly, the DCs will ensure that all the authorized operations approved by the BoA, in this meeting, are in line with the guidelines.

(i) Request of M/s. Myron Realtors Private Limited for authorized operations in sector specific SEZ for IT/ITES at village Santhal, Taluka, Sanand, District Ahmedabad, Gujarat

The BoA perused the proposal and after deliberations, the Board decided to **approve** the authorized operations, in the **non-processing area**, as given in the table, subject to the condition that the actual setting up of facilities will be circumscribed by local town planning norms and that the further, construction would be allowed, with prior approval of BoA, in a phased manner linked with activities of the processing area:--

S. No.	Authorised operations	No. of units	Area per unit (in sqm)	Total area (in sqm)	Quantum admissible (in sqm.)	Quantum already permitted (in sqm.)	Quantum approved (in sqm.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Service Apartment	72	66.85	4813.2	11540.88	2246.59	9294.29
		48	60	2880			
		28	60	1680			
			Total	9373.2 sqm.			
2.	School				19234.8 (7156.8+12330)	475.99	18758.81
a.	Class Rooms	56	59.45	3329.2			
b.	Activity Rooms – Type – I	7	116.50	815.5			
c.	Activity Rooms – Type – II	7	115.70	809.9			
d.	Staff Room – Type – I	7	44.38	310.66			
e.	Staff Room – Type – II	7	25.36	177.52			
f.	Toilets Blocks	7	82.36	576.52			
g.	Corridor	7	162.50	1137.50			
			Total	7156.8			
3.	Training Institute						
a.	Class Rooms	96	66.5	6384			
b.	Activity Room – 1	8	85.8	686.4			
c.	Activity Room – 2	8	110	880			
d.	Staff Room Type – 1	8	33.6	268.8			
e.	Staff Room Type – 2	8	26.75	214			
f.	Toilet Blocks	8	134.4	1075.2			
g.	Corridor	8	181.45	1451.6			
h.	Multipurpose Room	1	1370	1370			
			Total	12330 sqm.			

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(ii) Request of M/s. Calica Construction & Impex Private Limited for authorized operations in the sector specific SEZ for IT/ITES at Ahmedabad, Gujarat

It was noted by the Board that the area of the SEZ is only 10.43.10 hectares and also that SEZ is not very far away from the city of Ahmedabad. Board also observed as per policy it has been discouraging setting up of residential apartments/commercial spaces in the smaller SEZs like IT/ITES SEZs, to prevent real estate activity in the garb of SEZ. The Board, therefore, after deliberations, **rejected** the authorized operations requested by the developer in the **non-processing area**, of the SEZ.

(iii) Request of M/s. Shantha Biotechnics Limited for authorized operations in sector specific SEZ for Biotech and related activities at village Muppireddipally, Mandal Toopran, District Medak, Andhra Pradesh

The BoA perused the proposal and after deliberations, the Board decided to **approve** the authorized operations, in the **processing area**, as given in the table:-

S. No.	Authorised operations	Quantum requested	Quantum approved
(1)	(2)	(3)	(5)
1.	Boiler – 6TPH, 10.5 Bar, FO Fired <i>(Hot water and steam generation including insulated piping for distribution)</i>	One set	One set
2.	Laundry Washing and Services	One Lot	One Lot
3.	Air Compressor, Screw Type capacity 300 CFM to provide compressed Air	2 Nos	2 Nos

Item No. 44.5: Request for increase/decrease in area

It was brought to the notice of the Board that the requests regarding increase/decrease in areas of SEZs need not be brought before the Board as long as the minimum area requirement is not changed. After deliberations, the Board while approving the proposals placed before it, directed that in future, requests seeking an increase/decrease up to 10% of the notified area, need not be brought before the Board as long as the changed the area meets the minimum contiguous land requirement. All other cases not falling under the above mentioned category should be brought before the Board for its consideration.

(i) Request of M/s. Sri City Private Limited for decrease in area of the notified multi product SEZ at Satyavedu and Vardayya Palem Mandals, Andhra Pradesh

After deliberations, the Board decided to **approve** the request of M/s. Sri City Private Limited for decrease in area of 379.328 hectares of land from the above mentioned SEZ measuring 1538.123 ha., thereby making the total area of SEZ 1158.795 hectares **subject to contiguity of the SEZ being maintained and also DC's certificate that the developer has**

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refunded all the tax/duty benefits including service tax exemption, which might have been availed under the SEZ Act/Rules, in respect of the land being de-notified.

Item No. 44.6: Requests for de-notification

(i) **Request of M/s. Medicaps IT Park Private Limited for de-notification of the sector specific SEZ for IT/ITES at village Panda, Tehsil – Mahu, District Indore, Madhya Pradesh, notified over an area of 11.936 hectares**

After deliberations, the Board decided to **approve** the request of M/s. Medicaps IT Park Private Limited for de-notification of the sector specific SEZ for IT/ITES at village Panda, Tehsil – Mahu, District Indore, Madhya Pradesh, notified over an area of 11.936 hectares, **subject to DC's certificate that the developer has refunded all the tax/duty benefits availed under SEZ Act/Rules.**

(ii) **Request of M/s. Neogen Properties Private Limited for de-notification of the sector specific SEZ for Apparel at Hindupur, District Anantapur, Andhra Pradesh, notified over an area of 141.65 hectares**

The Board noted that in the BoA meeting held on 8th June 2010, the developer was granted approval for de-notification of 40.80 hectares from the notified area of 141.65 hectares and now it has approached BoA for de-notification of the remaining area of 100.85 hectares. After deliberations, the Board decided to **approve** the request of M/s. Neogen Properties Private Limited for de-notification of the remaining area of 100.85 hectares, **subject to DC's certificate that the developer has refunded all the tax/duty benefits availed under SEZ Act/Rules.**

(iii) **Request of State Industrial Development Corporation of Uttarakhand Limited (SIDCUL) for de-notification of the sector specific SEZ for IT/ITES at Dehradun, Uttarakhand, notified over an area of 14.6 hectares**

After deliberations, the Board decided to **approve** the request of State Industrial Development Corporation of Uttarakhand Limited for de-notification of the sector specific SEZ for IT/ITES at Dehradun, Uttarakhand, notified over an area of 14.6 hectares, **subject to DC's certificate that the developer has refunded all the tax/duty benefits availed under SEZ Act/Rules.**

Item No.44.7: Requests for withdrawal of formal approval

(i) **Withdrawal of formal approval granted to M/s. Modern India Property Developers Limited for setting up of sector specific SEZ for IT/ITES at Khopoli District Raigad, Maharashtra**

The Board decided to **approve** the request of M/s. Modern India Property Developers Limited for setting up of sector specific SEZ for IT/ITES at Khopoli District Raigad, Maharashtra for withdrawal of formal approval, **subject to DC's certificate that the developer has not availed any tax/duty benefits under the SEZ Act/Rules.**

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Item No.44.8: Requests for first extension of validity of formal approvals

After deliberations, the Board decided to grant first extension of validity of formal approval in respect of each of the following 12 (Twelve) developers for a period of one year beyond the expiry of the validity period:

- (i) Request of M/s. J. Matadee Free Trade Zone Private Limited for extension of the validity period of formal approval, granted for setting up of FTWZ at Mannur Valarapuram village, Sriperumbudur Taluk, Kancheepuram District, Tamil Nadu, beyond 22nd May 2010.
- (ii) Request of State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) for extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Engineering Goods at SIPCOT Industrial Complex, Ranipet, Phase – III, Tamil Nadu, beyond 29th July 2010.
- (iii) Request of M/s. Mahindra World City (Jaipur) Limited for extension of the validity period of formal approval, granted for setting up of sector specific SEZ for **Handicraft** at Jaipur, Rajasthan, beyond 22nd April 2011.
- (iv) Request of M/s. Mahindra World City (Jaipur) Limited for extension of the validity period of formal approval, granted for setting up of sector specific SEZ for **Light Engineering including Automotive/Automotive component** at Jaipur, Rajasthan, beyond 22nd April 2011.
- (v) Request of M/s. Genpact Infrastructure (Jaipur) Private Limited for extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Village Jamdoli, Jaipur, Rajasthan, beyond 6th January 2011.
- (vi) Request of M/s. RNB Infrastructure Private Limited for extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Textile at Bikaner, Rajasthan, beyond 17th February 2011.
- (vii) Request of M/s. Tata Consultancy Services Limited for extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Adibatla village, Ibrahimpatnam Mandal, Ranga Reddy District, Andhra Pradesh, beyond 3rd February 2011.
- (viii) Request of Gujarat Industrial Development Corporation (GIDC) for extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Gandhinagar-Sarkhej Highway, Gandhinagar, Gujarat, beyond 6th January 2011.
- (ix) Request of M/s. Writers and Publishers Limited for extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Chindwara, Madhya Pradesh, beyond 18th June 2010.
- (x) Request of Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) for extension of the validity period of formal approval, granted for setting up of sector specific

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SEZ for IT/ITES at Kurukalva village, Renigunta Mandal, Chittoor District, Andhra Pradesh, beyond 11th October 2010.

(xi) Request of Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) for extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Sarpavaram village, Kakinada Mandal East Godavari District, Andhra Pradesh beyond 11th October 2010.

(xii) Request of M/s. Parsvnath SEZ Limited for extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Biotech at Phase III, Biotechnology Park, Karakapatla village, Mulugu Mandal, Medak District, Andhra Pradesh beyond 21st August 2010.

Item No.44.9: Requests for second extension of validity of formal approvals

After deliberations, the Board decided to grant second extension of validity of formal approvals in respect of each of the following 5 (Five) cases for a period one year beyond the expiry of the validity period.

(i) Request of Maharashtra Industrial Development Corporation for second extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Pharmaceutical at Krushnoor, District Nanded, Maharashtra, beyond 4th April 2010

(ii) Request of Maharashtra Industrial Development Corporation for second 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 4th April 2010

(iii) Request of Maharashtra Industrial Development Corporation for second extension of the validity period of formal approval, granted for setting up of Multi Product SEZ at Nandgaonpeth, District Amravati, Maharashtra, beyond 2nd April 2010

(iv) Request of M/s. G.P. Realtors Private Limited for second extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at village Behrampur, District Gurgaon, Haryana, beyond 13th November 2010

(v) Request of M/s. Ascendant Estates Private Limited for second extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Bondsi, Tehsil, Sohna, District Gurgaon, Haryana, beyond 5th November 2010

Item No.44.10: Requests for third extension of validity of formal approvals

After deliberations, the Board decided to grant third extension of validity of formal approval granted to M/s. Bajaj Holdings & Investment Limited for setting up of a sector specific SEZ for Engineering at Waluj, Aurangabad, Maharashtra for a period one year beyond the expiry of the validity period (i.e. beyond 6th April 2011).

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Item No. 44.11: Requests for grant of second extension of in-principle approval.

BOA granted second extension, to the following proposals, for a period of one year from the date of the expiry of the last extension.

- (i) M/s. Aurangabad SEZ Limited for setting up of sector specific SEZ for Gems & Jewellery at Aurangabad, Maharashtra (w.e.f. 7th January 2011)
- (ii) M/s. Nagpur Multi Product SEZ Limited for setting up of Multi Product SEZ at Nagpur, Maharashtra (w.e.f. 9th January 2011)

Item No. 44.12: Request of M/s. Indiabulls Realtech Limited a co-developer in the multi product SEZ at villages Musalgaon and Gulvanch, Taluka Sinnar, District Nasik, Maharashtra being developed by M/s. Indiabulls Industrial Infrastructure Limited, for increase in plant capacity from 1350 MW to 2700 MW

The Board after deliberations **approved** the request of M/s. Indiabulls Realtech Limited for enhancement of the capacity of power plant from 1350 MW to 2700 MW.

Item No. 44.13: Request of M/s. Torrent Energy Limited a co-developer in the multi product SEZ at District Bharuch, Gujarat being developed by M/s. Dahej Special Economic Zone Limited, for increasing the capacity of the power plant from 1500 MW to 1600 MW

The Board noted that M/s. Torrent Energy Limited (TEL), is generating power in the SEZ as a unit and not as a co-developer and that the request of the unit for enhancement of its capacity of power generation can be considered by the UAC as per first proviso to rule 19 (2) of the SEZ Rules. The Board, therefore, after deliberations remanded the matter to the UAC for its consideration.

Item No. 44.14: Requests for change of sector/broad-banding the sector

(i) Request of M/s. Biocon Limited for broad banding of the sector of the SEZ for “Biotechnology” at Anekal Taluk, Bangalore, Karnataka as “Bio-pharmaceuticals” covering biotech and pharmaceutical products

The Board decided that the DC Cochin and Zonal Customs Commissioner may visit the unit and send a factual report for the consideration of BoA. Accordingly, the proposal was deferred for the next meeting.

(ii) Request of M/s. Mahindra World City (Jaipur) Limited for broad banding of the sector of the SEZ for “Handicraft” by including “Textile products, accessories and all handicraft items”

The Board after deliberations decided that the matter may be examined by the Department of Commerce on the file.

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Item No. 44.15: Request of M/s. UMA Exports Pvt. Ltd., a unit in FSEZ, for allowing international trading of pulses from SEZ

After deliberations the Board **approved** the request of the unit for international trading of pulses, subject to the condition that:-

- (i) Pulses will be imported from outside India and no procurement shall be made from DTA till prohibition on export of pulses continue in Foreign Trade Policy (FTP)
- (ii) Mechanism shall be put in place so that DTA procurement of raw-materials by the unit is strictly checked

These conditions shall apply to all similar previous proposals approved by the Board of Approval.

Item No. 44.16: Request of M/s. Adani Wilmar Limited, for setting up Pulses Processing unit in multi product SEZ at Mundra, Kutch, Gujarat, being developed by M/s. Mundra Port and Special Economic Zone Limited (MPSEZL)

After deliberations the Board **approved** the request of M/s. Adani Wilmar Limited for setting up of pulses processing units, subject to the condition that:-

- (iii) Pulses will be imported from outside India and no procurement shall be made from DTA till prohibition on export of pulses continue in Foreign Trade Policy (FTP)
- (iv) Mechanism shall be put in place so that DTA procurement of raw materials by the unit is strictly checked

Item No. 44.17: Request of M/s. Mundra Port SEZ Limited, for warehousing of transshipment & other cargo

The BoA after deliberations decided that the developer may first approach Unit Approval Committee for setting up of the proposed unit and thereafter, if necessary approach BoA for grant of permission for trading of restricted items.

Item No. 44.18: Requests for extension of LoP of units beyond 4th year

(i) Requests of M/s. Mastek Limited a unit in M/s. Mahindra World City SEZ, Chennai for extension of LoP beyond 4th December 2010

(ii) Requests of M/s. Wipro Limited a unit in M/s. Mahindra World City SEZ, Chennai for extension of LoP beyond 28th November 2010

(iii) Requests of M/s. Zydus BSV Pharma Private Limited, a unit in the pharmaceutical SEZ at Ahmedabad, Gujarat being developed by M/s. Zydus Infrastructure Pvt. Ltd, for extension of LoP beyond 31st December 2010

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The Board, after deliberations, granted extension to these units for a period of one year from the date of expiry of the validity of their LoPs.

Item No. 44.19: Requests for extension/renewal of Letter of Approval of M/s. Sameer Industries, KASEZ

The Board noted that the unit engaged in manufacturing of recycled items from imported scrap/old and used machinery items and observed that such units should be discouraged from operating in the SEZ. It was also noted by the Board that the unit has not performed any activity during the last 4-5 years. The Board after deliberations, **rejected** the request of M/s. Sameer Industries for further extension of its LoP.

Item No. 44.20: Requests for construction of boundary wall

(i) Request of M/s GMR Hyderabad Aviation SEZ Limited for construction of chain linked fencing and masonry wall in the sector specific SEZ for aviation at Mamidipalli village, Hyderabad, Andhra Pradesh

The Board considered the request of the Developer who had made a plan for putting up masonry wall as per the existing instructions covering three sides of the SEZ and for the fourth side which will be the front side has proposed a chain link fence keeping in view the need for future expansion. The Board, after due deliberations, decided that while the point regarding future expansion is well appreciated, the Developer may consider putting up a pre-fab wall which can be moved when the SEZ expands in future.

(ii) Request of M/s Bhartiya International SEZ Limited for construction of chain linked fencing of 240 cm height, with top 60 cm being barbed wire fencing, around the processing area, measuring 5 KM in the sector specific SEZ for Leather & Leather products at Tada Mandal, Nellore District, Andhra Pradesh

The Board invited the Developer to make a presentation on the proposal made. The Developer indicated that the SEZ has a natural catchment area which, in turn, drains and irrigates the agricultural lands outside the boundary of the SEZ. In case, a masonry wall is made, the flow of the water for irrigation would be stopped leading to hardships to the farmers who depend on this source of irrigation. The Developer, accordingly, for the portion of that wall which crosses the channel, has proposed sinking piles and erecting wall on the piles so that the water channel is not affected. The Board, after due deliberations, **approved** the request of the developer subject to their following the plan presented before the Board with due monitoring by the DC.

Item No. 44.21: Request of M/s. Larsen & Toubro Limited for temporary 2nd gate during construction activities in the sector specific SEZ for IT/ITES at Vadodara, Gujarat

The Board after deliberations **approved** the request of the developer for one additional temporary entry/exit gate in addition to the already existing one gate for a period up to 31st March 2012 keeping in view the plan of construction by the Developer.

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Item No. 44.22: Request of M/s. Hansen Drives Limited for grant of approval for undertaking repair/reconditioning etc. of defective gear box units manufactured by third party (Indian and overseas) manufacturers

The representative of D/o Revenue pointed out that the unit, in addition to repairing the gear box manufactured by their principals, also have proposed undertaking the repair re-conditioning of gear box units manufactured by other manufacturers. This may not be in line with the existing SEZ provisions. The Board noted that the repair/re-conditioning of such hi-tech equipment in the country has to be taken note of. Accordingly, it was decided that DC MEPZ and the Zonal Customs Authorities will visit the premises of the unit and try and assess the issue and present a report to the Board for its consideration to find a possible solution. The Board, accordingly, deferred consideration of the proposal.

Item No. 44.23: Appeals before BoA

(i) Appeal of M/s. Erba Diagnostics Mannheim GmbH against rejection of the request for setting up a unit, in SEEPZ Special Economic Zone, Mumbai

The representative of the appellant appeared before the BoA and sought deferment till the next meeting of the BoA. Accordingly, the appeal was deferred.

(ii) Appeal of M/s. Polychem Adhesives Private Limited, a unit in Surat SEZ, against rejection of its request for extension of the validity of its LoP

(iii) Appeal of M/s. Marval India, a unit in Surat SEZ, against rejection of its request for extension of the validity of its LoP

The Board noted that despite given adequate time, both the units in Surat SEZ have not taken sufficient steps to inspire any confidence that they will start manufacturing and start commencing exports. Further, the representatives of both the units had also not turned up to defend their appeals. The Board, accordingly, decided to reject both the appeals.

(iv) Appeal of M/s. ATC Tires Private Limited, a unit in SIPCOT SEZ, Tamil Nadu, against the order of DC, MEPZ, rejecting its request for broad banding of LoP

The Board considered the appeal and also provided opportunity to the appellant to present its case. The appellant brought out that initially they were making extra large size tyres which have no demand in the DTA and exporting the same. They have been receiving requests from the overseas markets for complete assembly including tyre, tube, flap and rim. The unit approached DC MEPZ for broadbanding their LOP to include the items other than tyres. DC MEPZ rejected the proposal indicating that assembly of these components did not amount to manufacturing. The Board took the view that manufacturing also included assembly of bought out components which ultimately is converted into a value added product. The Board, after deliberations **approved** the request of M/s. ATC Tires Private Limited for broad-banding their LOP.

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(v) **Appeal of M/s. Hansen Drives Limited, a unit in Synefra Engineering & Construction Limited SEZ, Tamil Nadu, against the order of DC, MEPZ, rejecting its request for broad banding of LoP**

The appellant brought out that the appeal is for re-imburement of Service Tax on the Mandap Keeper's Services who takes care of the dedicated guest house for the SEZ. The Board noted that the Guest House is not located within the SEZ and, hence, the reimbursement of Service Tax cannot be considered in this case. The Board, accordingly, rejected the appeal.

DECISIONS ON SUPPLEMENTARY AGENDA

Item No. 44.24 (a): Refund of service tax paid on taxable services provided in relation to the authorized operations in SEZs.

Item No. 44.24 (b): Exemption of service tax paid on taxable services provided in relation to the authorized operations in SEZs.

The representative of D/o Revenue indicated that the report of TRU on both the issues have been received and are presently under submission in the Ministry of Finance and once it is cleared at appropriate levels, further course of action can be indicated. BOA, accordingly, deferred the proposal for the next meeting of the Board.

Item No.44.25: Request for co-developer

(i) **Request of M/s. Hind Terminals (Mundra) Private Limited for co-developer in the multi product SEZ at Mundra, Kutch, Gujarat, developed by M/s. Mundra Port and Special Economic Zone Limited**

The Board after deliberations deferred the proposal

Item No.44.26: Request for authorized operations

(i) **Request of M/s. Hiranandani Builders for authorized operations in the sector specific SEZ for IT/ITES at Powai, Mumbai, Maharashtra**

DC SEEPZ intimated that they need some more time for scrutiny of the proposal and requested to defer the proposal. Accordingly, the request of the developer was deferred by the BoA.

Item No. 44.27: Contiguity Relaxation

(i) **Request of M/s. Vedanta Aluminium Limited, Jharsuguda, Orissa for relaxation of contiguity setting up of railway line in non-processing area of SEZ**

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The Board considered the report of DC FSEZ who had made three options for the consideration of the Board. Option 1 was to lay a new railway line/realigning the existing line/extending the existing line – which all involved additional extra high cost. Option 2 was to barricade the railway line on both sides and to create contiguity between processing and non-processing area by ROB/level crossing – this was the preferred course of action for the Developer who had agreed that they will use the entire non-processing area falling on the other side of railway line only for developing green belt and also not availing any tax benefits for establishing contiguity as also construction of rail line. Option 3 was to denotify the entire non-processing area. This involved a problem regarding payment of duties on all the plant construction material brought duty free and stored in this part of the SEz. The shifting process is difficult owing to shortage of space in processing zone besides costs involved as the equipment stored there are very heavy.

The representative of Department of Revenue brought out that the Developer has constructed the railway line without any approval and, therefore, has presented the Government with a fait-accompli. The most preferred course of action would be to de-notify the entire non-processing area without the developer claiming any benefit on the construction of railway line. The Board, accordingly, decided to approve de-notifying of the entire non-processing area along with the railway line. This will be done after the storage of construction material, equipment etc. stored in the non-processing area are physically moved to the processing area and till then no duty free benefits will be available for developing infrastructure in that area. The DC and the local Revenue Authorities will work out a suitable mechanism for the same.

(ii) Request of M/s. Navi Mumbai SEZ Private Limited for relaxation of conditions of LoA regarding contiguity and multiple entry/exit gates

On the request of DC SEEPZ, the Board deferred the consideration of the item.

Item No. 44.28: Request of DC VSEZ for clarification on the procedure for Procurement of “Cotton Yarn”, a restricted item, by SEZ units

Item No. 44.34: Restriction on export of cotton yarn – exemption to export from DTA to garments manufacturing units in SEZ.

The Board noted that recently a decision has been taken that there will be no restriction on procurement of cotton yarn from DTA subject to it being converted into fabric for exports. The exporting units are only restricted in exporting the yarn itself. Accordingly, the Board permitted M/s. Brandix India Apparel City Private Limited and other such three units in Falta and one unit in KASEZ was allowed to procure cotton yarn from DTA subject to it not being exported as yarn and converted into fabric/garments for exports.

Item No. 44.29: Request of M/s. Tata Consultancy Services Limited for two additional gates in the sector specific SEZ for IT/ITES at Gandhinagar, Gujarat

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The Board, after deliberations, remanded the request to UAC for consideration and only in case of disagreement, the same should be brought back to the Board for its consideration.

Item No. 44.30: Request of M/s. CCCL Pearl City Food Port SEZ Limited for broad banding of the sector of the SEZ for “food processing” by including allied industries relating to food processing industry

The Board considered the justification furnished by the developer and did not find any merit in the same for reconsideration its earlier decision of rejecting the request of the developer for broad banding the sector of the SEZ.

Item No.44.31: Request for first extension of validity of formal approvals

After deliberations, the Board decided to grant first extension of validity of formal approval in respect of each of the following 1 (One) developer for a period of one year beyond the expiry of the validity period:

(i) Request of M/s. Dr. Reddy’s Laboratories Limited for extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Pharmaceuticals at Lingampally & Melasangam village, Munipally Mandal, Medak District, Andhra Pradesh beyond 3rd February 2011.

Item No.44.32: Requests for second extension of validity of formal approvals

After deliberations, the Board decided to grant second extension of validity of formal approvals in respect of each of the following 4 (Four) cases for a period one year beyond the expiry of the validity period.

(i) Request of M/s. Hetero Infrastructure SEZ Limited for second extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Pharmaceuticals at N. Narasapuram village, Nakkapalli Mandal, Visakhapatnam District, Andhra Pradesh, beyond 25th June 2010

(ii) Request of M/s. Navi Mumbai SEZ Private Limited for second extension of the validity period of formal approval, granted for setting up of multi product at Dronagiri, Navi Mumbai, Maharashtra, beyond 29th July 2011

(iii) Request of M/s. Navi Mumbai SEZ Private Limited for second 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 2011

(iv) Request of M/s. Navi Mumbai SEZ Private Limited for second 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 2011

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Item No.44.33: Requests for transfer/change of equity

(i) Request of M/s. Aachvis Softech Private Limited, developer of the sector specific SEZ IT/ITES at Noida, Uttar Pradesh, for changing the shareholding of the company

(ii) Request of M/s. Aachvis IT SEZ Infra Private Limited a co-developer in the sector specific SEZ IT/ITES at Noida, Uttar Pradesh, being developed by M/s. Aachvis Softech Private Limited, for changing the shareholding of the company

(iii) Request of M/s. Standard IT Web Solutions Private Limited a co-developer in the sector specific SEZ IT/ITES at Noida, Uttar Pradesh being developed by M/s. Aachvis Softech Private Limited, for changing the shareholding of the company

The representative of D/o Revenue said that the current proposal is for sale of SEZs which may not be acceptable. The Board noted that already there are guidelines for transfer of approvals laid down by Board and since such proposals are likely to come up in future as a part of mergers and acquisitions, it is preferable to take a considered view. Accordingly, after deliberations, the Board decided that the matter may be examined by the Department of Commerce on the file.

DECISIONS ON TABLE AGENDA

Item No. 44.35: Request for Authorized Operations

(i) Request of M/s. Ranbaxy Laboratories Limited for authorized operations in sector specific SEZ for Pharmaceuticals at Mohali, Punjab

The BoA perused the proposal and after deliberations, the Board decided to **approve** the authorized operations, in the **non-processing area**, as given in the table:-

Activity	Area Requested (in sqm.)	Total entitlement of the developer	Quantum already permitted	Quantum approved
Commercial – Office Complex	4500	4047.5 sqm.	Nil	4047.5 sqm.
Facilities:			Nil	2000 sqm.
(i) SEZ Developer Office	2000	4047.5 sqm.		
(ii) Canteen/Cafeteria for exclusive use of SEZ	650		Nil	650 sqm.

List of Participants for the Meeting of the Board of Approval for Special Economic Zones held on 14th January, 2011 under the Chairmanship of Commerce Secretary, Department of Commerce

1. Dr. Rahul Khullar, Chairman BOA & Secretary, Department of Commerce.
2. Smt. Praveen Mahajan, Director General (DG), Department of Revenue, Ministry of Finance
3. Shri Raman Chopra, Director (ITA), CBDT, Department of Revenue, Ministry of Finance
4. Shri Vivek Ranjan, Additional Director, Department of Revenue, Ministry of Finance
5. Shri Gurdeep Singh, Additional Director (Export Promotion), DGEP, Department of Revenue, Ministry of Finance.
6. Dr. L. B. Singhal, Joint DGFT, Director General of Foreign Trade
7. Shri Rajeev Ranjan, Principal Secretary, Industries, Government of Tamil Nadu
8. Shri T. Ramachandran, Principal Secretary, Industries, Government of Orissa, Bhubaneswar
9. Shyamal Misra, Director, Department of Industry and Policy Promotion
10. Shir O.P. Kapoor, Deputy Director General. Export Promotion Council of EOUs and SEZs.
11. Shri S. D. Bhasor, US/Coord, Ministry of Defence
12. Shri A. K. Gupta, General Manager, RIICO.
13. Shri Ashok Manami, General Manager, KIADB, Government of Karnataka, Bangalore
14. Shri B. Bhattacharyee, SIO, DGEP, Department of Revenue, Ministry of Finance.
15. Shri A.K. Agarwal, Joint Industrial Adviser, Department of Chemical & Petrochemical, Shastri Bhawan, New Delhi
16. Shri Bhim Singh, Industrial Extension Officer, Government of Haryana, Industries & Commerce Department
17. Shri Anoop Badhna, Additional R.C., Maharashtra
18. Shri Sudeep Roy, TCPO, Ministry of Urban Development

LIST OF DEVELOPMENT COMMISSIONERS

19. Shri M.S. Rao, Development Commissioner, VSEZ, Visakhapatnam, Andhra Pradesh.
20. Smt. Reshma Lakhani, Joint Development Commissioner, SEEPZ, SEZ, Mumbai.
21. Shri Suresh Chandra Panda, Development Commissioner, Noida SEZ, Uttar Pradesh
22. Shri Vijay N. Shewale, Development Commissioner, Surat SEZ, Surat
23. Shri C. J. Mathew, Development Commissioner, CSEZ, Kochi.
24. Smt. Deborah Initheia, Deputy Development Commissioner, MEPZ SEZ
25. Shri S. Kishore, Development Commissioner, AP SEZ
26. Shri K.L. Sharma, Development Commissioner, Kakinada SEZ

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27. Shri S. K. Sharma, Deputy Director office of Development Commissioner (MSME).
28. Shri Upendra Vasishth, Development Commissioner, Reliance SEZ, Jamnagar, Gujarat
29. Smt. Lata Shukla, Development Commissioner, Mundra SEZ
30. Shri S.N. Patil, Joint Development Commissioner, Dahej SEZ
31. Shri A.K. Rathore, Joint Development Commissioner, ISEZ, Indore, Madhya Pradesh.
32. Shri Ved Prakash, Development Commissioner, Miha SEZ

LIST OF PARTICIPANTS OF DEPARTMENT OF COMMERCE

33. Shri D.K. Mittal, Additional Secretary, Department of Commerce.
34. Shri Anil Mukim, Joint Secretary, Department of Commerce.
35. Shri T. Srinidhi, Joint Secretary, Department of Commerce
36. Shri Navin Talwar, Director, Department of Commerce
37. Shri R. K. Pandey, Under Secretary, Department of Commerce
38. Shri G. Muthuraja, Under Secretary, Department of Commerce
39. Shri Achint Kumar, Section Officer, Department of Commerce