

Minutes of the 51st meeting of the SEZ Board of Approval held on 13th March 2012 to consider proposals for setting up Special Economic Zones and other miscellaneous proposals

The fifty first (51st) meeting of the SEZ Board of Approval (BoA) was held on 13.03.2012 under the chairmanship of Dr. Rahul Khullar, Secretary, Department of Commerce, at 10.30 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. 51.1: Proposals for setting up of SEZs.

(i) Proposal of M/s. Infosys Limited, for setting up of a sector specific Special Economic Zone for Information Technology (IT) at Village Tikgarita, Badsha and Badangarda, Near Super Corridor near Indore, Indore, Madhya Pradesh, over an area of 52.643 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 31.01.12. Accordingly, the Board decided to grant **formal approval** to the proposal of M/s. Infosys Limited, for setting up of a sector specific Special Economic Zone for Information Technology (IT), at Village Tikgarita, Badsha and Badangarda, Near Super Corridor near Indore, Indore, Madhya Pradesh, over an area of 52.643 hectares.

(ii) Proposal of M/s. Jubilant Infrastructure Limited, for setting up of a sector specific Special Economic Zone for Biotech (Pharma) at Kallahalli village, Nanjangud Taluk, Mysore District, Karnataka, over an area of 10 hectares.

The Board noted that the Development Commissioner had not examined the proposal. The matter was accordingly deferred.

(iii) Proposal of M/s. Ruchi Realty Holdings Limited, for setting up of a sector specific Special Economic Zone for IT/ITES at village Kaanadia, Tehsil & District Indore, Madhya Pradesh, over an area of 14.25 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 29.02.2012. Accordingly, the Board decided to grant **formal approval** to the proposal of M/s. Ruchi Realty Holdings Limited, for setting up of a sector specific Special Economic Zone for IT/ITES at village Kaanadia, Tehsil & District Indore, Madhya Pradesh, over an area of 14.25 hectares.

(iv) Proposal of M/s. SEZ Bio-Tech Services Private Limited, for setting up of a sector specific Special Economic Zone for Biotechnology at Manjri Budruk, Taluka Haveli, District Pune, Maharashtra, over an area of 11.50675 hectares.

The Board noted that the Developer was in possession of the land. The Government of Maharashtra had also recommended the proposal for formal approval vide their letter dated 07.03.2012. Accordingly, the Board decided to grant **formal approval** to the proposal of M/s. SEZ Bio-Tech Services Private Limited, for setting up of a sector specific Special Economic Zone for Biotechnology at Manjri Budruk, Taluka Haveli, District Pune, Maharashtra, over an area of 11.50675 hectares.

Item No.51.2: Request 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. Chella Software (P) Limited for co-developer in the sector specific SEZ for IT/ITES at Ilandhaikulam village, Madurai, Tamil Nadu being developed by Electronics Corporation of Tamil Nadu Limited (ELCOT)

After deliberations, the Board directed the DC to examine if the applicant also had a unit in the SEZ and make appropriate recommendations. The matter was accordingly deferred.

(ii) Request of M/s. Khed Textile Park Private Limited for co-developer in the multi-product SEZ at Taluka Khed & Shirur, District Pune, Maharashtra being developed by M/s. Khed Economic Infrastructure Private Limited

The Board noted that consequent upon grant of co-developer status, apart from availing benefits under SEZ Act/Rules, M/s Khed Textile Park Private Limited would also possibly be availing subsidy from the M/o Textiles. This, the Board observed, may amount to double dipping. The Board directed to seek a clarification in the matter from the M/o Textiles and decided to defer the proposal.

(iii) Request of M/s. Embassy Services Private Limited 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

After deliberations, the Board **approved** the request of M/s. Embassy Services Private Limited for becoming a co-developer in the above mentioned SEZ, for operation and maintenance of Buildings and other infrastructure facilities, in accordance with the co-developer agreement entered into with the developer.

(iv) Request of M/s. Adani International Container Terminal Private Limited (AICTPL) 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)

DGEP reiterated their earlier objection that since four container terminals are already in operation at the SEZ and there was no justification for another additional terminal. The Board observed that such project proposals cannot be denied merely on the grounds of non economic viability, especially when the investment was being made by the private developer. The DC informed the Board that after inspection of the proposed site it had been confirmed that the land under question is a part of the processing area of the approved SEZ. The Board directed DC, Mundra to submit a report indicating the status of the existing CTS including capacity utilization etc. The matter was accordingly deferred to be decided by DoC on file.

(v) Request of M/s. IL&FS Township and Urban Assets Limited (ITUAL) for co-developer in the sector specific SEZ for 'Multi Services' at villages Phirozpur and Ratanpur, District Gandhinagar, Gujarat being developed by M/s. GIFT SEZ Limited

After deliberations, the Board **approved** the request of M/s. IL&FS Township and Urban Assets Limited (ITUAL) for becoming a co-developer in the above mentioned SEZ, for development of 3 million sqft of built up area, in accordance with the co-developer agreement entered into with the developer.

(vi) Request of M/s. Shakti Bhog Foods Limited for co-developer in the sector specific SEZ for Agro & Food Processing Products at village Bhagan and Kurar Ibrahimpur, Murthal, Sonapat, Haryana, being developed by M/s. Ansal Colours Engineering SEZ Limited

After deliberations, the Board **approved** the request of M/s. Shakti Bhog Foods Limited for becoming a co-developer in the above mentioned SEZ, for development of infrastructure over an area of 101.24 Ha, in accordance with the co-developer agreement entered into with the developer.

(vii) Request of M/s. MindTree Limited for co-developer in the sector specific SEZ for IT/ITES at Chandaka Industrial Estate, Bhubaneswar, Orissa, being developed by Orissa Industrial Infrastructure Development Corporation (OIIDC)

After deliberations, the Board **approved** the request of M/s. MindTree Limited for becoming a co-developer in the above mentioned SEZ, for infrastructure facilities, over an area of 20 acres (8.094 hectares), in accordance with the co-developer agreement entered into with the developer.

Item No. 51.3: Requests for Authorized operations.

(i) Request of M/s. GIFT SEZ Limited for authorized operations in the sector specific SEZ for 'Multi Services' at villages Phirozpur and Ratanpur, District Gandhinagar, Gujarat

After deliberations, the Board approved the following authorized operations in the Processing area/non-processing area:-

In the processing area

S. No.	Name of Authorized Activity	No. of units	Area per Unit as per FSI norms as applicable	Total area
(i)	(2)	(3)	(4)	(5)
1.	Elevated Walkways including structure	--	Length 5000 m average width – 10 m	50000 sqm
2.	Travellators	--	Length 2500 m average width – 5 m	12500 sqm
3.	Bridge	1	1000 sqm.	1000 sqm
4.	Water Fountain	2	--	--
5.	Pumping station	1	--	--
6.	Service Trench	--	Length 5000 m average width – 10 m	50000 sqm

In the non-processing area

S. No.	Name of Authorized Activity	No. of units	Area per Unit (in sqm.) as per FSI norms as applicable	Total area
(i)	(2)	(3)	(4)	(5)
1.	Elevated Walkways including structure	--	Length 5000 m average width – 10 m	50000 sqm
2.	Travellators	--	Length 2500 m average width – 5 m.	12500 sqm
3.	Bridge	1	1250 sqm.	1250 sqm
4.	Water Fountain	2	--	--
5.	Pumping station	1	--	--
6.	Helipad	1	11500 sqm	11500 sqm
7.	Air conditioning systems	1	--	69000 Ton of Refrigeration
8.	Service Trench	--	Length 5000 m average width – 10 m	50000 sqm

(ii) **Request of M/s. Adani International Container Terminal Private Limited (AICTPL), for authorized operations as a co-developer in the Multi Product SEZ at Kutch, Gujarat, being developed by M/s. Mundra Port and Special Economic Zone Limited (MPSEZL)**

In light of the decision on 51.2(iv), the Board decided to defer the request of the developer. The matter would be decided on file by the Department of Commerce.

(iii) **Request of M/s DLF Cyber City Developers Limited for authorized operations in the IT/ITES SEZ at DLF Cyber City District, Gurgaon, Haryana**

After deliberations, the Board decided to approve the request of the developer for construction of Helipad on the roof top of the building no. 14 in the processing area of the SEZ, subject to the condition that the facility shall be used exclusively for SEZ operations.

Item No. 51.4: Request of M/s. Infopark, the Developer of sector specific SEZ for IT/ITES at Kerala, for permission to allot space to Indian Institute of Management, Kozhikode for creating facility for training Executives in the SEZs

After deliberations, the Board decided to approve the request of the developer for leasing an area of 12500 sqft of built up space, in the processing area, to the Indian Institute of Management (IIM) Kozhikode for running an off campus facility. The approval, however, subject to the following conditions:-

- (i) The setting up of the Training facility and its operations shall not be eligible for any duty/tax exemptions:
- (ii) The training facility shall be limited to the employees of the units, co-developer and Developer of SEZs only:
- (iii) The facility shall be shifted to the non- processing area of the Infopark Phase II as and when it becomes ready for occupation.

Item No. 51.5: Requests for increase/decrease in area

(i) Request of M/s. Infosys Limited, a co-developer in the sector specific SEZ for IT/ITES at villages Gaudakashipur and Arisal, Tehsil Jatni, District Khurda, Orissa being developed by Orissa Industrial Infrastructure Development Corporation, for increase in area of their operations

After deliberations, the Board decided to **approve** the request of the co-developer for increasing the area of their operations by 5.069 acres (2.06 hectares), thereby making the total area of their operations as 50.919 acres (20.605 hectares). The approval is subject to the contiguity of the SEZ being maintained.

(ii) Request of M/s. Mahindra World City (Jaipur) Limited for addition of land in the sector specific SEZ for IT/ITES including Software and Hardware Manufacturing at village Kalwara, Tehsil Sanganer, District Jaipur, Rajasthan

After deliberations, the Board **approved** the request of M/s. Mahindra World City (Jaipur) Limited for addition of land measuring 23.6585 hectares to the formally approved SEZ, thereby, making the total area of the SEZ as 56.9130 hectares. The approval is subject to the contiguity of the SEZ being maintained.

(iii) Request of M/s. MAS Fabric Park (India) Private Limited for increase as well as decrease in area of the sector specific SEZ for Textile and Apparel at Chintavaram village, Chillakru Mandal, Nellore District, Andhra Pradesh

After deliberations, the Board decided to **approve** the request of M/s. MAS Fabric Park (India) Private Limited for addition & de-notification of land admeasuring 18.12 hectares and 150.78 hectares respectively, thereby making the total area of the SEZ as 102.41 hectares. The approval is also subject to the contiguity of the SEZ being maintained and the DC's certificate that the developer has refunded all the tax/duty benefits availed under SEZ Act in respect of the area to be de-notified.

Item No.51.6: Requests for extension of validity of formal approvals beyond 3rd to 5th year

(i) Request of M/s. Suncity Haryana SEZ Developers Private Limited for third extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Information Technology (IT) at Jhund Sarai Viran & Bhangrola Pataudi Road, Gurgaon, Haryana, beyond 13th November 2011

The Board after deliberations extended the validity of the formal approval up to 13th November 2012.

(ii) Request of M/s. Velankani Technology Parks Private Limited for third extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Electronic Hardware and Software including ITES at Sriperumbudur, Chennai, Tamil Nadu beyond 22nd May 2012

The Board after deliberations extended the validity of the formal approval up to 22nd May 2013.

(iii) Request of M/s. Cochin Port Trust for extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Port based at Puthuvypeen Ernakulam District, Kerala, beyond 17th April 2012

The Board after deliberations extended the validity of the formal approval up to 17th April 2013.

(iv) Request of M/s. Navi Mumbai SEZ Private Limited for extension of the validity period of formal approval, granted for setting up of multi product at Dronagiri, Navi Mumbai, Maharashtra, beyond 29th July 2012

The Board after deliberations extended the validity of the formal approval up to 29th July 2013.

(v) Request of M/s. Navi Mumbai SEZ Private Limited for extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Kalamboli, Navi Mumbai, Maharashtra, beyond 25th July 2012

The Board after deliberations extended the validity of the formal approval up to 25th July 2013.

(vi) Request of M/s. Navi Mumbai SEZ Private Limited for extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Multi Services at Kalamboli, Navi Mumbai, Maharashtra, beyond 25th July 2012

The Board after deliberations extended the validity of the formal approval up to 25th July 2013.

(vii) Request of M/s. Haaciendaa Infotech & Realtors Private Limited for third extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at No. 51, Sholinganallur village, Old Mahabalipuram Road, Tambaram Taluk, Kancheepuram District, Tamil Nadu, beyond 24th October 2011

The Board after deliberations extended the validity of the formal approval up to 24th October 2012 by condoning the delay. The Board also directed that no further extension may be allowed.

(viii) Request of Orissa Industrial Infrastructure Development Corporation (IDCO) for extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at villages Gaudakashipur and Arisal, Tehsil Jatni, District Khurda, Orissa, beyond 24th October 2010

The Board after deliberations extended the validity of the formal approval up to 24th October 2012 by condoning the delay. The Board also directed that no further extension may be allowed.

(ix) Request of M/s. Vedanta Aluminium Limited for extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Manufacture and Export of Aluminium along with 1215 MW captive power plant, at village Bhurkamunda & Bhagkipalli Tehsil & District Jharsuguda, Orissa beyond 22nd May, 2010.

The Board after deliberations extended the validity of the formal approval up to 22nd May 2013 by condoning the delay.

(x) Request of Nagaland Industrial Development Corporation Limited for extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Agro and Food processing, at Dimapur, Nagaland beyond 11th October 2010

The Board after deliberations extended the validity of the formal approval up to 11th October 2012 by condoning the delay.

(xi) Request of M/s. Hyderabad Metropolitan Development Authority for third extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Kokapet village, Serilingampally Mandal, Ranga Reddy District, Hyderabad, Andhra Pradesh, beyond 22nd October 2011

The Board after deliberations extended the validity of the formal approval up to 22nd October 2012 by condoning the delay.

Item No.51.7: Requests for extension of validity of formal approvals beyond 6th year

(i) Request of M/s. Ansal IT City & Parks Limited for extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Plot No. TZ-06, Tech Zone, Greater Noida, Uttar Pradesh, beyond 6th April 2012

The Board after deliberations extended the validity of the formal approval up to 6th April 2013. The Board also directed that no further extension may be allowed.

Item No. 51.8: Request for grant of second extension of in-principle approval.

(i) Request of M/s. Posco-India Private Limited for extension of in-principle approval granted for setting up of a Multi Product SEZ, over an area of 1620.496 hectares, at Jagatsinghpur District, Orissa, beyond 25th October, 2011

The Board, after deliberations, extended the validity of the in-principle approval up to 25th October 2012.

Item No. 51.9: Requests for de-notification

(i) Request of M/s. Bannari Techno Park Private Limited for de-notification of the sector specific SEZ for IT/ITES at Kalapatty village, Coimbatore, Tamil Nadu, notified over an area of 24.055 hectares

After deliberations, the Board decided to **approve** the request of M/s. Bannari Techno Park Private Limited for de-notification of the sector specific SEZ for IT/ITES at Kalapatty village, Coimbatore, Tamil Nadu, notified over an area of 24.055 hectares, subject to DC's certificate that the developer has refunded all the tax/duty benefits availed under SEZ Act/Rules.

(ii) Request of Maharashtra Industrial Development Corporation (MIDC) for de-notification of the sector specific SEZ for Pharmaceuticals at Lote Parashuram, District Ratnagiri, Maharashtra, notified over an area of 141.6920 hectares

After deliberations, the Board decided to **approve** the request of Maharashtra Industrial Development Corporation (MIDC) for de-notification of the sector specific SEZ for Pharmaceuticals at Lote Parashuram, District Ratnagiri, Maharashtra, notified over an area of 141.6920 hectares, subject to DC's certificate that the developer has refunded all the tax/duty benefits availed under SEZ Act/Rules.

(iii) Request of M/s. Bajaj Holdings & Investment Limited for de-notification of the sector specific SEZ for Engineering at Waluj, Aurangabad, Maharashtra, notified over an area of 100.26 hectares

After deliberations, the Board decided to **approve** the request of M/s. Bajaj Holdings & Investment Limited for de-notification of the sector specific SEZ for Engineering at Waluj, Aurangabad, Maharashtra, notified over an area of 100.26 hectares, subject to DC's certificate that the developer has refunded all the tax/duty benefits availed under SEZ Act/Rules.

Item No. 51.10: Request for withdrawal of formal approval

Withdrawal of formal approval granted to M/s. Vibhu Developers Private Limited for setting up of sector specific SEZ for IT/ITES at village Ghotawade, Taluka Mulshi, District Pune, Maharashtra

The Board decided to **approve** the request of M/s. Vibhu Developers Private Limited for withdrawal of formal approval granted to them for setting up of sector specific SEZ for IT/ITES at village Ghotawade, Taluka Mulshi, District Pune, Maharashtra, over an area of 28.34 hectares, subject to DC's certificate that the developer has not availed of any tax/duty benefits under the SEZ Act/Rules or the same have been refunded, as the case may be.

Item No.50.11: Request for extension of LoP of units beyond 3rd year

Request of M/s. Moser Baer Solar Limited, a unit in the SIPCOT SEZ at Oragadam, Tamil Nadu beyond 27th August 2011

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 27th August, 2012*. The Board also directed that no further extension may be allowed.

Item No. 51.12: Requests for extension of LoP of units beyond 4th year

(i) Request of M/s. Fulcrum Logic India Private Limited, a unit in the sector specific SEZ for IT/ITES at Phase-II, Hinjewadi, Pune being developed by Maharashtra Industrial Development Corporation (MIDC) beyond 27th February 2012

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 27th February, 2013*

(ii) Request of M/s. iGATEpatni Computer Systems Limited, a unit in the sector specific SEZ for IT/ITES at Phase-II, Hinjewadi, Pune being developed by Maharashtra Industrial Development Corporation (MIDC) beyond 4th February 2012

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 4th February, 2013*.

(iii) Request of M/s. Tata Consultancy Services Limited, a unit in MIHAN SEZ, Nagpur, Maharashtra for extension of Letter of Permission (LOP) beyond 23rd April, 2012

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 23rd April, 2013*.

(iv) Request of M/s. XL Energy Limited, a unit in the sector specific SEZ for Semiconductors being developed by M/s. FAB City SPV (India) Private Limited at Raviryala village, Maheswaram Mandal, Ranga Reddy District, Andhra Pradesh, for extension of Letter of Permission (LOP) beyond 27th March 2012

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 27th March, 2013*.

(v) Request of M/s. Wipro Limited, a unit in the sector specific SEZ for IT/ITES at Bhubaneswar, Orissa, being developed by Industrial Developer Corporation of Orissa (IDCO), beyond 5th March, 2012

The Board, after deliberations, extended the LoP of the unit for period of six months from the date of expiry of the validity of the last extension *i.e. up to 5th September 2012*.

Item No. 51.13: Requests for extension of LoP of units beyond 5th year

(i) Request of M/s. Eurocircuits India Limited, a unit in the sector specific SEZ for Electronic developed by Gujarat Industrial Development Corporation (GIDC) at Gandhinagar, Gujarat for extension of LoP beyond 13th March 2012

The Board, after deliberations, extended the LoP of the unit *up to 31st July, 2012.*

(ii) Request of M/s. Shalton Industries Private Limited, a unit in Surat Apparel Park – SEZ, Sachin, Surat, Gujarat, for extension of LoP beyond 8th June 2010

The Board, after deliberations, extended the LoP of the unit *up to 30th June, 2012, by condoning the delay.* The Board also directed that no further extension may be allowed.

(iii) Request of M/s. Godrej & Boyce Manufacturing Company Limited, a unit in M/s. Dahej SEZ Limited, Gujarat for extension of LoP beyond 29th May 2012

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 29th May 2013.* The Board also directed that no further extension may be allowed.

Item No. 51.14: Requests for extension of LoP of units beyond 6th year

Request of M/s. Jash Pharma Private Limited, a unit in the Surat SEZ for extension of LoP beyond 9th February, 2011

The Board, after deliberations, extended the LoP of the unit up to 31st July, 2012, by condoning the delay.

Item No. 51.15: Requests for import of restricted/prohibited item

(i) Request of M/s. Reliance Industries Limited, a unit in M/s. Reliance Special Economic Zone at Jamnagar, Gujarat for procurement of Crude Oil from M/s. Cairn India Limited, a unit in DTA

Board was informed that as per FTP export of crude oil is allowed through STEs i.e IOC. The Board noted that the issue related to the permission required by M/s Cairn India to effect exports for which they have already approached DGFT to seek the necessary export permission of their crude directly without going through IOC. The Board deferred the matter and directed the DC to bring the matter before the BoA as and when necessary.

(ii) Request of M/s Pipavav Defence & Offshore Engineering Company Limited, a unit in the sector specific SEZ for engineering sector in District Amreli, Gujarat being developed by M/s E. Complex Private Limited

The Board granted the request of the unit for procurement of the prohibited/restricted as listed in the Annexures-3 & 4 of the Agenda, subject to the unit seeking approval from all administrative Ministries/Departments concerned including DIPP and M/o Defense and also obtaining all regulatory approvals required before importing such items.

(iii) Request of M/s. Mundra Port and Special Economic Zone Limited for importing, storing and re-exporting vegetable oil on account of cargo owners in the earmarked FTWZ area

The BoA noted that besides the involvement of trading of prohibited/restricted items, the request had come from the SEZ developer whereas such activities are allowed, if at all permitted, only to a SEZ unit. Hence the request cannot be entertained.

(iv) Request of M/s. Abhijeet Ferrotech Limited, a unit of APSEZ at Atchutapuram, Visakhapatnam for grant of permission for import of “Ferro Manganese Slag”, a restricted item

DC, APSEZ informed the Board that there would not be any DTA implication on the proposed import of Ferro Manganese Slag. Further, the unit has obtained clearance from the MoE&F. The Board after deliberations granted approval to the request of M/s. Abhijeet Ferrotech Limited for importing Ferro Manganese Slag. The approval is however subject to the condition that there shall be no DTA transaction. DC shall ensure implementation of MoEF conditions / guidelines.

Item No. 51.16: Request of M/s. DRK Metallurgical Private Limited, a unit in FSEZ for inclusion of processed Special Metal scrap such as Titanium, Nickel, Tungsten, Molybdenum and Cobalt Scrap in LoP

The Board after deliberations granted approval to the request of M/s. DRK Metallurgical Private Limited for broad banding of LoP to include Processed Special Metal Scrap such as Titanium, Nickel, Tungsten, Molybdenum and Cobalt scrap as backward integration. The approval is however subject to the condition that there shall be no DTA transaction in r/o of the restricted/prohibited items and the activity shall not be restricted to mere segregation. All necessary regulatory approvals shall be ensured by the applicant to the satisfaction of the DC.

Item No. 51.17: Validity/Continuance of formal approval granted to M/s. Chervil Infrastructure Private Limited (formerly M/s. Nipiam Infotech Private Limited) for setting up of sector specific SEZ for IT at Gram Nimeta, Taluka Waghodiya, Vadodara, Gujarat

The BoA noted that the validity of the formal approval, which had been given to M/s. Nipiam Infotech Private Limited (NIPL), for setting up of a sector specific SEZ for IT Sector at Gram Nimeta, Taluka Waghodiya, Vadodara, Gujarat, over an area of 220 hectares has expired w.e.f 25.7.2011. The DC apprised the Board that the land on which the SEZ was proposed to be set up is not in possession of the developer. Board was informed that a clear title over land is a pre-requisite for the validity of formal approval. As such the validity of formal approval granted for setting up of the above SEZ automatically stands cancelled. Therefore, taking into account the above facts the Board decided not to consider further extension of the validity of the formal approval granted for setting up of the above SEZ.

Item No. 51.18: Request for Additional Gates

Proposal of DC, KASEZ, for approval of an additional entry/exit gate in the new area for movement of Over Dimensional Cargo (ODC)

The Board, after deliberations, approved the request for setting up an additional entry/exit gate in the KASEZ for movement of Over Dimensional Cargo (ODC).

Item No. 51.19: Requests for setting up of Disaster Recovery Site

(i) Request of M/s. Tata Consultancy Services Limited, a unit in DLF Info City SEZ, Chennai for setting up disaster recovery site in case of a disaster in SEZ location

(ii) Request of M/s. Tata Consultancy Services Limited, a unit in Unitech Infospace SEZ, Kolkata for setting up disaster recovery site in STPI location, Bangalore in case of a disaster at SEZ location

(iii) Request of M/s. Accenture Services Private Limited, a unit in Shriram Properties & Infrastructure Services Private Limited for setting up disaster recovery site in case of a disaster at SEZ location

Board noted that the approval requests involved varying models. Board desired that the Development Commissioner and Joint Secretary (SEZ) may examine the matter so as to come out with an acceptable guideline which enables disposal of these requests and addresses the regulatory concerns as well.

Item No. 51.20: Requests for change of name/transfer of equity

(i) Request of M/s. Mundra Port and Special Economic Zone Limited (MPSEZL) for changing its name to M/s. Adani Ports and Special Economic Zone Limited

The Board was informed that M/s. Mundra Port and Special Economic Zone Limited (MPSEZL) has simply changed its name to M/s. Adani Ports and Special Economic Zone Limited and there is no change in the shareholding of the company. The Board, after deliberations, granted approval to the request of MPSEZL for changing its name to M/s. Adani Ports and Special Economic Zone Limited in the following SEZs where it is developer:-

S. No.	Sector	Status	Area
1.	Multi product	Notified	6472.8684 Ha
2.	Multi product	Formally approved	1840 Ha
3.	FTWZ	Formally approved	168.41 Ha

(ii) Request of M/s. Perot Systems TSI (India) Private Limited for changing its name to M/s. Dell International Services India Private Limited

The Board was informed that M/s. Perot Systems TSI (India) Private Limited, a co-developer, has simply changed its name to M/s. Dell International Services India Private Limited and there is no change in the shareholding of the company.

(iii) Request of M/s. Ascendas Mahindra IT Park Private Limited for changing its name to M/s. Ascendas IT SEZ (Chennai) Private Limited

The Board was informed that M/s. Ascendas Mahindra IT Park Private Limited, the co-developer was incorporated as JV company between Mahindra World City Developers Limited (MWCDL) with M/s Ascendas Land International Private Limited (ALI) in which MWCDL held 26% equity. In the BoA meeting held on 11th February, 2010 approval was granted to MWCDL for divesting its 26% to ALI paving the way for ALI to hold 100% equity in the co-developer entity. Consequently, the co-developer has sought approval for changing the name of the company to “Ascendas IT SEZ (Chennai) Private Limited”. The Board also noted that the request does not involve change in the shareholding pattern of the company. The Board, after deliberations, granted approval to the request of the co-developer for changing its name to M/s. Ascendas IT SEZ (Chennai) Private Limited

(iv) Request of M/s. Ajanta Projects (India) Limited for changing its name to M/s. Inspira Infra (Aurangabad) Limited

The Board was informed that the M/s. Ajanta Projects (India) Limited has simply changed its name to M/s. Inspira Infra (Aurangabad) Limited and there is no change in the shareholding of the company. The Board, after deliberations, granted approval to the request of M/s. Ajanta Projects (India) Limited for changing its name to M/s. Inspira Infra (Aurangabad) Limited in the following SEZs where it is developer:-

S. No.	Sector/Location	Date of notification	Area
1.	Non-Conventional Energy including Solar Energy Equipment (originally Biotechnology) at Shendre, District Aurangabad, Maharashtra	5.08.2008	10 Ha
2.	Pharmaceuticals SEZ at Shendre, District Aurangabad, Maharashtra	22.10.2008	100 Ha

(v) Request of M/s Flagship Infrastructure Private Limited for de-merger of the company resulting into three companies and transfer of approval to one of the de-merged company

The Board noted that the proposal for transfer of formal approval is as per Hon’ble High Court Bombay’s order dated 14.10.2011 in Company Scheme Petition Nos. 504, 505 and 506 of 2011. Therefore, in compliance of the directions of the Hon’ble High Court, the Board granted approval to the request of M/s. Flagship Infrastructure Private Limited for transfer of the formal approval to M/s Neopro Technologies Private Limited subsequent to the de-merger, who shall replace them as developer of the SEZ. The approval is, however, **subject to the following:-**

- (a) Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered developer entity;
- (b) Fulfillment of all eligibility criteria applicable to developers, including security clearances etc., by the altered developer entity and its constituents;
- (c) Applicability of and compliance with all Revenue / Company Affairs /SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.
- (d) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.

The Board further directed that full financial details relating to the transfer of equity shall be furnished immediately to the Member (IT) CBDT, Department of Revenue. It was noted that in such cases the assessing officer under the Income Tax Act, 1961, retains the right to assess the taxability of the amount arising out of the transfer of equity.

(vi) Request of M/s Cambridge Builders Private Limited (CBPL), a co-developer, for transfer of 100% of their shareholding to M/s. Xchanging Technology Services India Private Limited (XTSI)

The Board was informed that the co-developer (A Xchanging Group Company) has now sought approval for transfer of 100% of their shareholding to M/s. Xchanging Technology Services India Private Limited (also Xchanging Group Company) as part of internal re-organization with Xchanging Group. The representative of the CBDT was of the view that the information provided to them as per the decision of the last BoA was inadequate, therefore, balance sheet of the company before and after the transaction is required for better examination of the tax liability arising out of the proposed transaction. The Board, after, deliberations approved the request, subject to the following:-

- (a) Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered co-developer entity;
- (b) Fulfillment of all eligibility criteria applicable to co-developers by the altered developer entity and its constituents;
- (c) Applicability of and compliance with all Revenue / Company Affairs /SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.
- (d) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.

The Board further directed that full financial details relating to the transfer of equity shall be furnished immediately to the Member (IT) CBDT, Department of Revenue. It was noted that in such cases the assessing officer under the Income Tax Act, 1961, retains the right to assess the taxability of the amount arising out of the transfer of equity. Further the balance sheet of the company before and after the transaction shall be provided to CBDT through the DC.

Item No. 51.21: Request for reconsideration of the decision of BoA regarding grant of co-developer status to M/s. SGS India Private Limited and M/s. Basix Academy for Building Lifelong Employability (B-ABLE in the non-processing (as against their request for setting up such facility in the processing area)

The Board noted that the developer had already incurred huge expenditure in developing facilities in the processing area as part of authorized operations and that relocation of the facilities in the non-processing area would result in heavy financial burden on the developer. The BoA directed the DC to examine the nature of DTA and SEZ transactions proposed and to file his report on suitable resolution of the matter. The matter was accordingly deferred.

Item No. 51.22: Appeals before BoA

(i) Appeal of M/s. Sun Aromatics against rejection of its request for setting up a unit, in NSEZ

The appellant was heard by the Board. He said that the appellant firm is a distinct legal entity for the proposed business project in the SEZ and it was unfair to deny right to SEZ unit just because one of the promoters was associated with a company that has been issued SCN in another matter, which, the BoA was informed, was operational. The Board, after deliberations, allowed the appeal and directed DC, NSEZ to re-consider the application of the appellant for setting up of a unit in the NSEZ.

(ii) Appeal of M/s. Indiabulls Realtech Limited against rejection of its request to include “renting of immovable property” services under specified services required for authorized operation

The appellant was heard by the Board. Board noted that the hired premises is located outside the SEZ. The Board, after deliberations, **rejected** the appeal.

(iii) Appeal of M/s. Jeevan Technologies India Private Limited against cancellation of LoP for setting up of a unit in the sector specific SEZ for IT/ITES at Chennai, Tamil Nadu being developed M/s. DLF Info City Developers Limited

The appellant was heard by the Board. The Board, after deliberations, remanded the matter back to UAC for the applicant to be given an opportunity to be heard again and demonstrate fulfilment of all conditions including applicable penalties.

DECISIONS ON SUPPLEMENTARY AGENDA

Item No. 51.23: Proposals for setting up of SEZs

(i) Proposal of M/s. M.P. Audyogik Kendra Vikas Nigam (Indore) Limited, for setting up of a sector specific Special Economic Zone for Gems & Jewellery at Village Rangwasa, District Indore, Madhya Pradesh, over an area of 10.924 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. Accordingly, the Board decided to grant **formal approval** to the proposal of M/s. M.P. Audyogik Kendra Vikas Nigam (Indore) Limited, for setting up of a sector specific Special Economic Zone for

Gems & Jewellery at Village Rangwasa, District Indore, Madhya Pradesh, over an area of 10.924 hectares.

(ii) Proposal of M/s. Impetus Infotech (India) Private Limited, for setting up of a sector specific Special Economic Zone for IT/ITES at Indore, Madhya Pradesh, over an area of 10 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**.

(iii) Proposal of M/s. Tata Consultancy Services Limited, for setting up of a sector specific Special Economic Zone for IT/ITES at Tubarahalli & Siddapura village, Varthur Hobli, Bangaluru East Taluk, Bangaluru, Karnataka, over an area of 11.03 hectares.

The Board noted that the land is presently not in the possession of the developer. The Government of Karnataka has also recommended the proposal was grant of in-principle approval. 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.51.24: Requests for co-developer

(i) Request of M/s. Virtus IT Services Private Limited for co-developer in the sector specific SEZ for IT/ITES at Attipra, Taluk and District Thiruvananthapuram, Kerala, being developed by M/s. Electronics Technology Parks - Kerala

After deliberations, the Board **approved** the request of M/s. Virtus IT Services Private Limited for becoming a co-developer in the above mentioned SEZ, for providing infrastructure facilities and development of IT sector industry, over an area of 50.2 cents, in accordance with the co-developer agreement entered into with the developer.

(ii) Request of M/s. Infosys 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. Infosys Limited for becoming a co-developer in the above mentioned SEZ, for development of infrastructure facilities for IT/ITES, over an area of 57.56 hectares, in accordance with the co-developer agreement entered into with the developer.

Item No. 51.25: Requests for increase/decrease in area

Request of M/s. Infosys Limited for addition of land in the sector specific SEZ for IT/ITES at villages Boorgunte, Sarjapur and Billapur, Taluka Anekal, District Bangalore, Karnataka

After deliberation, the Board decided to **approve** the request of M/s. Infosys Limited for addition of land measuring 78.082 hectares to the already notified area of 24.446 Ha,

thereby, making the total area of the SEZ as 102.528 hectares. The approval is subject to the contiguity of the SEZ being maintained.

Item No. 51.26: Requests for grant of second extension of in-principle approval.

Request of M/s. Trac Technologies India Limited for extension of in-principle approval granted for setting up of a sector specific SEZ for Multi Services, over an area of 1182.19 hectares, at Krishnagiri District, Tamil Nadu, beyond 26th February, 2012.

The Board, after, deliberations, extended the validity of the in-principle for a period of 01 year beyond 26th February, 2012 (i.e. up to 26th February, 2013).

Item No.51.27: Request of M/s. ONGC Petro additions Limited (OPaL) a unit in Dahej SEZ for permission for establishing a Training Academy in the processing area

The Board, after deliberations, rejected the request of the unit for establishing a Training Academy in the processing area. The Board also directed the DC to take necessary action in this regard and to ensure that the unit refunds all the duty benefits availed, if any, in construction the un-approved structures.

Item No.51.28: Request for clarification regarding qualification of sales of Cash Dispenser Machines (CDM) from SEZ units to Domestic Tariff Area (DTA) as deemed exports

The Department of revenue sought deferment of the item stating that they have already sought comments/views of TRU on the issue and since TRU is busy with the budgetary exercise, they are not in a position to offer their comments before the presentation of the general budget. Accordingly, the item was deferred and the DoR was requested to furnish their comments by 20th March, 2012.

Item No.51.29: Request for setting up of an additional entry/exit gate in sector specific SEZ for Engineering Goods at District Amreli, Gujarat, being developed by M/s E-complex Private Limited, for movement of Over Dimensional Cargo (ODC)

The Board, after deliberations, approved the request for setting up an additional entry/exit gate in the above mentioned SEZ for movement of Over Dimensional Cargo (ODC).

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

Annexure - 1

List of Participants for the Meeting of the Board of Approval for Special Economic Zones held on 13th 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 Pradip Mehrotra, CIT (ITA), CBDT, Department of Revenue, Ministry of Finance.
5. Shri Vivek Ranjan, Additional Director, Department of Revenue, Ministry of Finance
6. Ms. H.K. Parsad, Additional Director (Export Promotion), DGEP, Department of Revenue, Ministry of Finance.
7. Dr. L. B. Singhal, Joint DGFT, Director General of Foreign Trade
8. Ms. Sharda Jain, Joint Secretary and Legislative Counsel, Ministry of Law & Justice, New Delhi
9. Shri S. Singh, Secretary, AIADA
10. Shri Dinesh Pahadia, Deputy GM, RIICO, Government of Rajasthan, Jaipur, Rajasthan
11. Shri Manjunath Gonda, Resident Director, Karnataka Udyog Mitra Karnataka Bhavan – 3, Khelgaon Marg, New Delhi
12. Shri U.K.S. Chauhan, Resident Commissioner, Government of Kerala, New Delhi
13. Dr. T. Pradhan, Joint Resident Commissioner, Government of Odisha
14. Shri S.D. Sharma, Additional Resident Commissioner, Government of Uttarakhand
15. Shri O.P. Kapoor, Joint DG, EPCES
16. Shri P.K. Das, Managing Director, MP Trade & Investment Facilitation Corporation, Bhopal, Madhya Pradesh
17. Shri R.K. Sinha, Deputy Director, Office of Development Commissioner (MSME), Ministry of MSME, Nirman Bhawan.
18. Shri R.C. Dahra, Additional Director Industries, Department of Industries, Government of Haryana
19. Shri Subhash Sharma, O.S.D. CSIDC Limited, Government of Chhattisgarh
20. Shri A.K. Agarwal, Additional Industrial Adviser, Department of Chemical & Petrochemical, Ministry of Chemicals and Fertilizer, New Delhi
21. Shri T.A. Khan, (RO), TCPO, Ministry of Urban Development, E-Block, Vikas Baan, New Delhi
22. Shri R.D. Meena, Research Assistant, TCPO, Ministry of Urban Development
23. Shri B. Bhattacharya, SIO, DGEP, Department of Revenue.
24. Shri A.S. Das, Consultant, IDCO, Government of Orissa

LIST OF DEVELOPMENT COMMISSIONERS

25. Shri M.S. Rao, Development Commissioner, VSEZ, Visakhapatnam and i/c CSEZ
26. Shri Sanjeev Nandwani, Development Commissioner, Falta, Kolkata
27. Shri Vijay N. Shewale, Development Commissioner, Surat SEZ, Surat
28. Shri Pravir Kumar, Development Commissioner, KASEZ & Dahej SEZ
29. Shri Mahendra Jain, Development Commissioner, NMSEZ and Indiabulls SEZ

30. Shri S. Kishore, Development Commissioner, APSEZ
31. Shri K.L. Sharma, Development Commissioner, Sterling SEZ, Gujarat
32. Shri Ved Prakash, Development Commissioner, Mihan SEZ
33. Shri Anil Bamba, Development Commissioner, Sricity SEZ
34. Shri CPS Bakshi, Development Commissioner, Noida SEZ, Uttar Pradesh
35. Sh. S.N. Patil, Joint Development Commissioner, Dahej SEZ
36. Shri B. Pattanaik, Joint Development Commissioner Mundra SEZ and KASEZ
37. Shri A.K. Rathore, Joint Development Commissioner, ISEZ, Indore, Madhya Pradesh.
38. Shri P.S. Raman, Deputy Development Commissioner, SEEPZ SEZ

LIST OF PARTICIPANTS OF DEPARTMENT OF COMMERCE

39. Shri Anup Wadhawan, Joint Secretary, Department of Commerce.
40. Shri Sanjeet Singh, Director, Department of Commerce
41. Shri R. K. Pandey, Under Secretary, Department of Commerce
42. Shri Kabiraj Sabar, Under Secretary, Department of Commerce
43. Shri Achint Kumar, Section Officer, Department of Commerce
44. Shri R.K. Dutta, Section Officer, Department of Commerce