

Minutes of the 50th meeting of the SEZ Board of Approval held on 24th January 2012 to consider proposals for setting up Special Economic Zones and other miscellaneous proposals

The fiftieth (50th) meeting of the SEZ Board of Approval (BoA) was held on 24.01.2012 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 584 formal approvals have been granted for setting up of SEZs out of which 381 have been 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. 50.1: Proposals for setting up of SEZs.

(i) **Proposal of M/s. Tata Consultancy Services Limited, for setting up of a sector specific Special Economic Zone for IT&ITES/BPO/KPO at Indore, Madhya Pradesh, over an area of 40.469 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 31.12.2011. Accordingly, the Board decided to grant **formal approval** to the proposal of M/s. Tata Consultancy Services Limited, for setting up of a sector specific Special Economic Zone for IT&ITES/BPO/KPO at Indore, Madhya Pradesh, over an area of 40.469 hectares.

(ii) **Proposal of M/s. Cochin Port Trust, for setting up of Free Trade Warehousing Zone (FTWZ) at Southern end of Willingdon Island, Survey No. 2578/4, 1166, Thoppumpady Ramesaram village, Cochin, Kerala over an area of 40.85 hectares.**

The Board noted that the Developer was in possession of the land. The Government of Kerala had also recommended the proposal for formal approval vide their letter dated 28.11.2011. Accordingly, the Board decided to grant **formal approval** to the proposal of M/s. Cochin Port Trust, for setting up of Free Trade Warehousing Zone (FTWZ) at Southern end of Willingdon Island, Survey No. 2578/4, 1166, Thoppumpady Ramesaram village, Cochin, Kerala, over an area of 40.85 hectares.

(iii) **Proposal of M/s. Kakinada SEZ Private Limited, for setting up of a Multi Product SEZ at Ponnada, Mulapeta, Ramanakkapeta villages in Kakinada, East Godavari District, Andhra Pradesh, over an area of 1013.6 hectares.**

The Board noted that the Developer was in possession of the land. The Government of Andhra Pradesh had also recommended the proposal for formal approval vide their letter dated 25.11.2011. Accordingly, the Board decided to grant **formal approval** to the proposal of M/s. Kakinada SEZ Private Limited, for setting up of a Multi Product SEZ at Ponnada, Mulapeta, Ramanakkapeta villages in Kakinada, East Godavari District, Andhra Pradesh, over an area of 1013.6 hectares.

(iv) Proposal of M/s. PRP Granites Exports, for setting up of a sector specific Special Economic Zone for Granite at Kalkurichi, Chandran Kulam and Mallankinari Villages, Kariyapati Taluk, Virudhnagar District, Tamil Nadu, over an area of 104.373 hectares.

The Board noted that the Developer was in possession of the land. The Government of Tamil Nadu had also recommended the proposal for formal approval vide their letter dated 02.12.2011. Accordingly, the Board decided to grant **formal approval** to the proposal of M/s. PRP Granites Exports, for setting up of a sector specific Special Economic Zone for Granite at Kalkurichi, Chandran Kulam and Mallankinari Villages, Kariyapati Taluk, Virudhnagar District, Tamil Nadu, over an area of 104.373 hectares.

(v) 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 recommendation of the Government of Maharashtra has not been received. Therefore, the Board decided to **defer** consideration of the proposal till the receipt of State Government's recommendation.

Item No.50.2: 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. Air Liquide India Holding Private Limited for co-developer in the sector specific SEZ for Solar at village Mahroomkurd and Chawardhal District, being developed by M/s. Lanco Solar Private Limited

After deliberations, the Board **approved** the request of M/s. Air Liquide India Holding Private Limited for becoming a co-developer in the above mentioned SEZ, for setting up of construction and development of industrial & specialty gas production and related infrastructure over an area of 1750 sqm, in accordance with the co-developer agreement entered into with the developer.

(ii) Request of M/s. SGS India Private Limited for co-developer in the sector specific SEZ for Food Processing at Tuticorin District, Tamil Nadu, being developed by M/s. CCCL Pearl City Food Port SEZ Limited

After deliberations, the Board **approved** the request of M/s. SGS India Private Limited for becoming a co-developer in the above mentioned SEZ, for setting up a food testing lab facility and offer food testing and certification services over an area of 5000 sq ft.,

as infrastructure facility in the **non-processing area** (as against the request for setting up such facility in the processing area), in accordance with the co-developer agreement entered into with the developer. Further, separate books of accounts will be maintained for DTA transactions carried out at the said facility by the co-developer.

(iii) Request of M/s. Basix Academy for Building Lifelong Employability (B-ABLE) for co-developer in the sector specific SEZ for Food Processing at Tuticorin District, Tamil Nadu, being developed by M/s. CCCL Pearl City Food Port SEZ Limited

After deliberations, the Board **approved** the request of M/s. Basix Academy for Building Lifelong Employability (B-ABLE) for becoming a co-developer in the above mentioned SEZ, for setting up a skill development Center, over an area of 2000 sq ft., as infrastructure facility in the **non-processing area** (as against the request for setting up such facility in the processing area), in accordance with the co-developer agreement entered into with the developer. Further, separate books of accounts will be maintained for DTA transactions carried out at the said facility by the co-developer.

(vi) Request of M/s. Villavarayar & Sons for co-developer in the sector specific SEZ for Food Processing at Tuticorin District, Tamil Nadu, being developed by M/s. CCCL Pearl City Food Port SEZ Limited

After deliberations, the Board **approved** the request of M/s. Villavarayar & Sons for becoming a co-developer in the above mentioned SEZ, for setting up of 100 tons electronic weigh bridge, installation & operation, over an area of 1 acre, in accordance with the co-developer agreement entered into with the developer.

(v) 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

The representative of CBDT pointed out that the lease agreement had been signed well before the co-developer agreement. A report in this regard was sought from the DC CSEZ. The proposal was, therefore, **deferred**.

(vi) Request of M/s. Cyber Parks, Kozhikode for co-developer in the sector specific SEZ for IT/ITES at Kozhikode District, Kerala, being developed by Kerala State Information Technology Infrastructure Limited

After deliberations, the Board **approved** the request of M/s. Cyber Parks, Kozhikode for becoming a co-developer in the above mentioned SEZ, for development of IT infrastructure, over an area of 4.3 acres, in accordance with the co-developer agreement entered into with the developer.

(vii) 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 stated that four container terminals are already in operation at the SEZ and there was no justification for another additional terminal. This was not accepted by the Board which 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 Board also noted that in the last BoA meeting held on 28th Nov. 2011, the representative of the Department of Revenue had objected to the proposal on the basis that the land proposed to be leased to the co-developer is under reclamation and sought deferment of the proposal till the land is added to the SEZ. The DC submitted that after inspection of the proposed site it had been confirmed that the land under question is a part of approved SEZ. The Board however directed DC, Mundra to submit a report indicating the location of the existing CTSs i.e. located in the Processing Area or in the Non-Processing Area of the SEZ. The matter was accordingly **deferred**.

(viii) Request of M/s. Flagship Developers Private Limited for co-developer in the sector specific SEZ for IT/ITES at village Hinjewadi, Taluka Mulshi, District Pune, Maharashtra being developed by M/s. Neopro Technologies Private Limited (Formerly Flagship Infrastructure Private Limited)

The Board noted that the developer company viz M/s Flagship Infrastructure Private Limited (FIPL) has demerged into the following companies as per Hon'ble High Court Bombay's order dated 14.10.2011 in Company Scheme Petition Nos. 504, 505 and 506 of 2011:-

- (i) M/s Flagship Infrastructure Private Limited (FIPL)
- (ii) M/s Neopro Technologies Private Limited (NTPL)
- (iii) M/s Flagship Developers Private Limited (FDPL)

In the new scheme of things M/s Neopro Technologies Private Limited shall become the developer of the SEZ in place of M/s Flagship Infrastructure Private Limited and M/s Flagship Developers Private Limited shall come in as a co-developer. Accordingly, the Board, after deliberation, **approved** the request of M/s Flagship Developers Private Limited for becoming a co-developer in the aforesaid SEZ for development of 1.5 million sqft of IT space along with related development over an area of 5 Ha, in accordance with the Co-developer agreement.

(ix) 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

(x) 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)

The representative of CBDT pointed out that they were not in receipt of the lease agreement proposed to be entered into by the Developer and co-developer, which is necessary for examining the financials of the proposal. The proposal was, therefore, deferred and the respective DCs were directed to provide copy of the lease agreement to DoC. The Board further directed that all 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.

Item No. 50.3: Requests for Authorized operations.

(i) Request of M/s. Mundra LNG Limited, 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)

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

S. No.	Authorized operations	No. of units	Area per unit (in sqm) as per FSI/FAR norms as applicable	Total area (in sqm)
(1)	(2)	(3)	(4)	(5)
1.	LNG Receiving Terminal:			
	a) Jetty Platform	----	NA	1200
	b) Breasting and Mooring Dolphins	----	NA	1100
	c) Approach Trestle (including roadways & piping)	----	NA	14580
2.	LNG Storage Tanks	----	NA	12748
3.	Re-gasification facilities	----	NA	19000

(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)

Since the request of M/s. Adani International Container Terminal Private Limited to become a co-developer has been deferred, therefore the request of M/s. Adani International Container Terminal Private Limited (AICTPL), for authorized operations as a co-developer was also **deferred**.

Item No.50.4: Requests for third extension of validity of formal approvals

(i) Request of Karnataka Industrial Areas Development Board (KIADB) for third extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Pharmaceuticals at Hassan, Karnataka, beyond 25th October 2011

The Board after deliberations extended the validity of the formal approval up to 25th October 2012.

(ii) Request of M/s. G.P. 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 village Behrampur, District Gurgaon, Haryana, beyond 13th November 2011

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

(iii) Request of M/s. OSE Infrastructure Limited for third extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Plot No. C-01, Sector 67, Noida, Uttar Pradesh beyond 5th November 2011

The Board after deliberations extended the validity of the formal approval up to 5th November 2012.

(iv) Request of M/s. Ascendant Estates Private Limited for third extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Bondsia, Tehsil, Sohna, District Gurgaon, Haryana, beyond 5th November 2011

The Board noted that the Development Commissioner has not recommended grant of further extension to the project as the developer has not taken any concrete steps towards implementation of the project after notification. The Board, after deliberations, rejected the request for further extension beyond 5th November, 2011.

(v) Request of M/s. Ganesh Housing Corporation Limited for third extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at village Chharodi and Tragad, Taluka Dascroi and City, District Ahmedabad, Gujarat, beyond 19th December 2011

The Board after deliberations extended the validity of the formal approval up to 19th December 2012.

Item No.50.5: Delayed requests for extension of validity of formal approvals

(i) 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 IT/ITES at Sahastra Dhara Road, Dehradun, Uttarakhand beyond 24th October 2010.

The Board noted that the Development Commissioner has not recommended grant of further extension to the project as the developer has not taken any concrete steps towards implementation of the project after notification. The Board, after deliberations, rejected the request for further extension beyond 24th October, 2010.

(ii) 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 IT/ITES at Sohna Road, Gurgaon, Haryana beyond 5th November 2010.

The Board noted that the Development Commissioner has not recommended grant of further extension to the project as the developer has not taken any concrete steps towards

implementation of the project after notification. The Board, after deliberations, rejected the request for further extension beyond 5th November, 2010.

Item No. 50.6: Request for grant of second extension of in-principle approval.

(i) Request of M/s. Redi Port Limited for extension of the validity period of in-principle approval, granted for setting up of a FTWZ at Post Redi, District Sindhudurg, Maharashtra, beyond 30th December, 2011

The Board, after deliberations, extended the validity of the in-principle approval up to 30th December, 2012

(ii) Request of M/s. Mumbai Futuristic Economic Zone Private Limited (Formerly Quippo Infrastructure Equipment Limited) for extension of the validity period of in-principle approval, granted for setting up of a sector specific SEZ for Engineering at Alibag, Raigad, Maharashtra, beyond 15th November, 2011

The Board, after deliberations, extended the validity of the in-principle approval up to 15th November, 2012

Item No. 50.7: Requests for grant of third extension of in-principle approval.

(i) Request of M/s. Taneja Aerospace and Aviation Limited for extension of the validity period of in-principle approval, granted for setting up of a sector specific SEZ for Airport/Aviation including MRO at Denkarukottai Taluk, Hosur, Tamil Nadu, beyond 20th November, 2011

The Board after deliberations extended the validity of the in-principle approval up to 20th November, 2012. The Board, however, directed that the developer must apply for formal approval within the extended validity, as the validity of the in-principle approval would not be extended any further.

The Board also directed that no further extension of in-principle approvals for SEZs shall be allowed beyond the third extension.

Item No. 50.8: Request for extension of in-principle approval beyond fifth year.

(i) Request of M/s. Bengal SREI Infrastructure Development Limited for extension of the validity of in-principle approval, granted for setting up of sector specific SEZ for Auto Components at Kharagpur, West Bengal, over an area of 200 Ha, beyond 21st June, 2011.

The Board taking note of the recommendation of the Government of West Bengal extended the validity of the in-principle for a period of one year from the expiry of the validity of the last extension (i.e. up to 21st June, 2012). The Board, however, directed that the developer must apply for formal approval within the extended validity, as the validity of the in-principle approval would not be extended any further.

Item No. 50.9: Requests for increase/decrease in area

(i) Request of M/s. Karle Infra Project Private Limited for increase as well as decrease in area of the sector specific SEZ for IT/ITES/BPO SEZ at Nagavara village, Bangalore North Taluk, Karnataka

After deliberation, the Board decided to **approve** the request of M/s. Karle Infra Project Private Limited for addition as well as de-notification of an equal area of 6.187 hectares, resulting in no change in the area of the SEZ. 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/Rules in respect of the area to be de-notified.

(ii) Request of M/s. Primal Projects Limited for addition of land in the sector specific SEZ for IT/ITES at Ballandur village, VarthurHobli, Bangalore East taluka, Bangalore Urban District, Karnataka

After deliberation, the Board decided to **approve** the request of M/s. Primal Projects Limited for addition of land measuring 2.023 hectares in the SEZ thereby making the total area of the SEZ as 14.696 hectares. The approval is subject to the contiguity of the SEZ being maintained.

Item No. 50.10: Request of M/s. Uppal Developers Private Limited for re-consideration of the decision of the BoA rejecting its request for grant of third extension of formal approval for setting up of a Multi Services SEZ at Gurgaon, Haryana, beyond 2nd April 2011

On the applicant's request, the Board granted a personal hearing to the developer. However, no representative of the developer was present. The Board, after deliberations, did not find any merit in the request of the applicant to reconsider its earlier decision, taken in its meeting held on 31st May, 2011, to deny further extension of formal approval to the developer. Accordingly, the request was **rejected**.

Item No. 50.11: Request for de-notification

(i) Request of M/s. Larsen & Toubro Limited for de-notification of the sector specific SEZ for IT/ITES at village Malumichampatti, Coimbatore South Taluk, District Coimbatore, Tamil Nadu, notified over an area of 11.0388 hectares

After deliberations, the Board decided to **approve** the request of M/s. Larsen & Toubro Limited for de-notification of the sector specific SEZ for IT/ITES at village Malumichampatti, Coimbatore South Taluk, District Coimbatore, Tamil Nadu, notified over an area of 11.0388 hectares, subject to DC's certificate that the developer has refunded all the tax/duty benefits availed under SEZ Act/Rules.

Item No. 50.12: Request for withdrawal of formal approval

(i) Withdrawal of formal approval granted to M/s. Videocon Realty & Infrastructure Limited for setting up of sector specific SEZ for IT/ITES at Dabgram, Jalpaiguri, West Bengal

The Board decided to approve the request of M/s. Videocon Realty & Infrastructure Limited for withdrawal of formal approval granted to them for setting up of sector specific SEZ for IT/ITES at Dabgram, Jalpaiguri, West Bengal, over an area of 10 hectares, subject to DC's certificate that the developer has not availed of any tax/duty benefits under the SEZ Act/Rules or have the same been refunded, as the case may be.

Item No. 50.13: Requests for withdrawal of co-developer status

(i) Request of M/s. DLF Assets Private Limited for withdrawal of co-developer status granted for developing setting up of sector specific SEZ for IT/ITES at Pune, Maharashtra being developed by M/s. DLF Ackruti Info Parks (Pune) Limited

(ii) Request of M/s. DLF Utilities Limited for withdrawal of co-developer status granted for developing setting up of sector specific SEZ for IT/ITES at Pune, Maharashtra being developed by M/s. DLF Ackruti Info Parks (Pune) Limited

The Board was informed that the 100% equity of the former developer viz **M/s. DLF Ackruti Info Parks (Pune) Limited** has been transferred to M/s. BRE/Mauritius Investments II with the approval of BoA. Representative of CBDT pointed out that since the co-developer status was accorded through a legal document, therefore, withdrawal of the status may also be through a legal document. The Board after deliberations approved the above two proposals subject to

- i) DC to furnish all documents relating to the transfer of developer's equity transactions to CBDT.
- ii) DC to certify that the co-developer has not availed of any tax/duty benefits under the SEZ Act/Rules or have the same been refunded, as the case may be.

Item No. 50.14: Requests for change of sector/broad-banding the sector

(i) Request of M/s. Opto Infrastructure Limited for change of sector of the notified sector specific SEZ at Hassan District, Karnataka from 'Electronic Hardware including IT/ITES' to 'Manufacturing of Equipments, Devices, Accessories including Consumables for Medical and other applications'

The Board observed that the proposed definition of the new sector does not lend itself to be amenable to be categorized under a specific sector as envisaged under the SEZ Act. BoA observed that the sector needs to be more specifically defined so as to ensure that it conforms to the provisions of the sector specific SEZ. Accordingly, the developer subsequently requested for defining the sector as 'Manufacturing of Equipments, Devices, Accessories and Consumables for Medical applications', thereby complying with the directions of the BoA. Accordingly, the approval is granted for changing the sector of the SEZ to "Manufacturing of Equipments, Devices, Accessories and Consumables for Medical applications'.

(ii) Request of M/s. Mahindra World City (Jaipur) Limited for change of sector of the notified sector specific SEZ at Kalwara village, Tehsil Sanganer, District Jaipur, Rajasthan from "Light Engineering including automotive/ automotive components" to "Engineering including automotive/ automotive components"

The Board observed that the proposed definition of the new sector does not lend itself to be amenable to be categorized under a specific sector as envisaged under the SEZ Act. BoA observed that the sector needs to be more specifically defined so as to ensure that it conforms to the provisions of the sector specific SEZ. Accordingly, the developer subsequently requested for defining the sector as “Engineering and related industries”, thereby complying with the directions of the BoA. It is noted that similar sector specific SEZs have been approved by BoA earlier. Accordingly, the approval is granted for changing the sector of the SEZ to “Engineering and related industries”.

(iii) Request of Kinfra Industrial Infrastructure Development Corporation for change of sector of the notified sector specific SEZ at Trivandrum, Kerala from “IT (Animation and Gaming)” to “IT/ITES”

After deliberations, the Board decided to approve the request of Kinfra Industrial Infrastructure Development Corporation for changing the sector of the SEZ from ‘IT (Animation and Gaming)’ to ‘IT/ITES’.

Item No. 50.15: Requests for extension of LoP of units beyond 3rd and 4th year

(i) Request of M/s. Embedded IT Solutions (India) Private Limited, a unit in the sector specific SEZ for Semiconductors at Raviryala village, MaheswaramMandal, Ranga Reddy District, Andhra Pradesh being developed by M/s. FAB City SPV (India) Private Limited, SEZ, for extension of Letter of Permission (LOP) beyond 22nd December, 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 22nd December, 2012*)

(ii) Request of M/s. Kumar Organic Products Limited, a unit in KIADB (Pharma) SEZ, Hassan, Karnataka for extension of Letter of Permission (LOP) beyond 31st December 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 31st December, 2012*)

Item No. 50.16: Request for extension of LoP of units beyond 5th year

(i) Request of M/s. Pidilite Industrial Limited (PIL), a unit in M/s. Dahej SEZ Limited, Gujarat for extension of LoP beyond 15th August 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 15th August, 2013*)

(ii) Request of M/s. Wipro Limited, a unit in ELCOT SEZ, Vilankurichi village, Coimbatore, Tamil Nadu for extension of LoP beyond 3rd December 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 3rd December, 2012*)

(iii) Request of M/s. Oil and Natural Gas Corporation Limited C2-C3 Project – Dahej, a unit in M/s. Dahej SEZ Limited, Gujarat for extension of LoP beyond 5th 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 5th March, 2013*)

Item No. 50.17: 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.

The Board, after deliberations and taking into consideration the observations of the representative of Ministry of Environment & Forests, **deferred** the request, as details regarding the entire chain of import/export activity planned and DTA implication, if any, were not provided and MoEF approval had also not been obtained. DC may clarify.

Item No. 50.18:Requests of M/s Zitan Trading Corporation and M/s. Rocky Red Sandal Musical Instruments Exports for reconsideration of the decision of the BoA rejecting their requests for setting up of a units in VSEZ for manufacture and export of value added product out of red sanders wood allotted/ procured from legal sources.

The Board, after deliberations, did not find any merit in the request to reconsider its earlier decision, taken in its meeting held on 31st May, 2011, to deny approval to the requests of M/s Zitan Trading Corporation and M/s. Rocky Red Sandal Musical Instruments Exports for setting up units in VSEZ. Accordingly, the requests were **rejected**.

Item No. 50.19: Request of Ms. SIMS Recycling Solutions India, a unit in NSEZ SEZ for broad-banding of Letter of Approval

Representative of the M/o Environment and Forests informed the Board that M/s SIMS Recycling Solutions have given an undertaking that they would extract metal from e-waste and would not carry out any DTA transactions. However, it was informed by DC (I/c), NSEZ that the said undertaking has not complied with the existing conditions of the LoP. The, Board, after deliberations directed the representative of the M/o E&F to provide all relevant documents/undertakings submitted by the unit, to NSEZ for further examination. Accordingly, the request was **deferred**.

Item No. 50.20: Request of Ms. Elegant Collection, a unit in SEEPZ SEZ for merger of Letter of Approvals

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

Item No. 50.21: Request for transfer of unit from one SEZ to another

(i) Request of M/s. Atos India Private Limited a unit in MWC-IT SEZ at Kancheepuram District, Tamil Nadu for shifting its location to Indian Green Grid Group Limited - SEZ

The Board noted that the proposal involved the allowance of deduction u/s 10AA of the Income Tax Act upon the shifting of a unit from one location to another. Cases of a similar nature had been deferred for decision on file by DoC in consultation with CBDT. BoA accordingly deferred the request of M/s. Atos India Private Limited a unit in MWC-IT SEZ at Kancheepuram District, Tamil Nadu for shifting its location to Indian Green Grid Group Limited – SEZ to be decided on file by DoC after considering all the relevant facts and issues.

Item No. 50.22: Request of M/s. Alps Overseas Private Limited, a Unit in Falta SEZ for renewal of its LoP

After deliberations, the Board extended the validity of LoP of the unit up to 31st March, 2012, subject to the policy regarding plastic re-processing units being finalized by DoC. This approval was also contingent upon the unit withdrawing all litigation and clearing its outstanding dues towards the SEZ.

Item No. 50.23: Requests for change of name/transfer of equity

(i) Request of M/s. Canton Buildwell Private Limited for changing its name to M/s. ASF Insignia SEZ Private Limited

The Board was informed that there was a change in the equity of the company after notification of the SEZ. On 15th January, 2009, BoA had taken note of this change in equity on account of FDI by M/s. JP Morgan India Property Mauritius Company II (JPM). Thereafter, there is no change in the controlling stake and shareholders even though there is slight change in the shareholding pattern. The Board, after deliberations granted approval for changing the name of the M/s. Canton Buildwell Private Limited to M/s. ASF Insignia SEZ Private Limited.

The Board also directed DC, NSEZ to furnish the financial details of the transfer of equity for which approval was granted in the BoA meeting held on 15th January, 2009 to the Member (IT), CBDT, immediately.

(ii) Request of M/s. Indian Green Grid Group Limited for changing its name to M/s. IG3 Infra Limited

The Board was informed that M/s. Indian Green Grid Group Limited has simply changed its name to M/s. IG3 Infra Limited and there is no change in the shareholding of the company. The Board, after deliberations, granted approval to the request of M/s. Indian Green Grid Group Limited for changing its name to M/s. IG3 Infra Limited in the following SEZs where it is developer:-

S. No.	Sector/Location	Dated of notification	Area (in hectares)
1.	IT/ITES SEZ at Kancheepuram District, Tamil Nadu	11.08.2006	10.53
2.	Textile SEZ at Uthukuli village, Erode District, Tamil Nadu	9.6.2008	103.6457

(iii) Request for transfer of the remaining 49% equity of M/s. Arun Excello Infrastructure Private Limited to M/s L&T Urban Infrastructure Limited (L&T UIL)

The Board noted that in the BoA meeting held on 15.12.2009, approval was granted for divestment of 51% equity of the original developer to M/s L&T UIL and now M/s. ArunExcello (the original developer) has decided to exit this joint venture by selling the remaining 49% equity held by the company in the developer entity. The Board, after deliberation, approved the request of M/s. Arun Excello Infrastructure Private Limited for transferring the remaining 49% equity held by it to M/s L&T Urban Infrastructure Limited (L&T UIL).

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 also clarified that in such cases the assessing officer under the Income Tax Act, 1961, shall have the right to assess the taxability of the amount arising out of the transfer of equity. The approval is subject to the following conditions: -

- (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.

(iv) 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 representative of CBDT requested that the financial details of the new arrangements between the newly formed companies be made available for examination. Therefore, the proposal was **deferred** with the directions to DC, SEEPZ to furnish the necessary details to CBDT.

(v) Request of M/s Rassai Properties & Industries Limited for transfer of 50% equity to the entire equity shareholding to M/s. Excelestar Ventures 1 LLC

The Board, after deliberation, granted approval for transfer of 50% shares of M/s Rassai Properties & Industries Limited, the developer of the sector specific SEZ for Multi Services at Parigi and Serikokum villages, Parigi Mandal, C.Kodigepalli village, Madakasara Mandal, Anantapur District, Andhra Pradesh to M/s. Excelestar Ventures 1 LLC, 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 complete financial details relating to the transfer of equity shall be furnished immediately to the Member (IT) CBDT, Department of Revenue. It was also clarified that in such cases the assessing officer under the Income Tax Act, 1961, shall have the right to assess the taxability of the amount arising out of the transfer of equity.

(vi) 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 a Xchanging Group Company) as part of internal re-organization within the Xchanging Group. The representative of CBDT requested that the financial details of the new arrangement between the group companies be made available for examination. Therefore, the proposal was **deferred** with the directions to DC, CSEZ to furnish the necessary details to CBDT.

Item No. 50.24: 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 granted personal hearing 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 has been issued SCN. The Board, after deliberations, directed DGEP to look into the SCN, its nature and magnitude and to revert back to the BoA.

Decisions on the Supplementary Agenda

Item No. 50.25: Requests for Authorized Operations

(i) Request of M/s. Artha Infratech Private Limited for authorized operations in the sector specific SEZ for Electronic Hardware and Software including IT/ITES at Greater Noida, Uttar Pradesh

(ii) Request of M/s. Canton Buildwell Private Limited for authorized operations in the sector specific SEZ for IT/ITES at Gurgaon, Haryana

(iii) Request of M/s. G.P. Realtors Private Limited for authorized operations in sector specific SEZ for IT/ITES at village Behrampur, District Gurgaon, Haryana

The representative of CBEC requested for time to look into the matter to offer their comments. The Chairman directed them to furnish their comments by 5th February, 2012, thereafter the matter would be examined on file by DoC.

Item No. 50.26: Clarification regarding receipt of INR for supply of IT products in DTA by New Nokia SEZ unit for Trading & warehousing services for mobile phones, parts & accessories

The representative of CBEC requested for time to examine the matter to offer their comments. Chairman allowed them three weeks time i.e. upto 15th February, 2012. Thereafter, the matter would be examined on file by DoC.

Annexure - 1

List of Participants for the Meeting of the Board of Approval for Special Economic Zones held on 24th January, 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 Vivek Ranjan, Additional Director, Department of Revenue, Ministry of Finance
5. Shri Pradip Mehrotra, CIT (ITA), CBDT, Department of Revenue, Ministry of Finance, New Delhi
6. Ms. H.K. Prasad, Additional Director (Export Promotion), DGEP, Department of Revenue, Ministry of Finance.
7. Dr. L. B. Singhal, Joint DGFT, Director General of Foreign Trade
8. Shri Daya Shankar, Deputy DGFT, Director General of Foreign Trade
9. Ms. Sharda Jain, Joint Secretary and Legislative Counsel, Ministry of Law & Justice, New Delhi
10. Shri Rakesh Sharma, Principal Secretary Industries, Government of Uttarakhand
11. Shri Shiwendra Singh, Secretary, APADA, Government of Jharkhand
12. Shri A.K. Gupta Chief General Manager, RIICO, Government of Rajasthan, Jaipur, Rajasthan
13. Shri B.K. Shiva Kumar, Department of Industries & Commerce, Government of Karnataka, Bangalore
14. Shri U.K.S. Chauhan, Resident Commissioner, Government of Kerala, New Delhi
15. Shri S.D. Sharma, Additional Resident Commissioner, Government of Uttarakhand
16. Shri O.P. Kapoor, Joint DG, EPCES
17. Dr. Saroj, Director, Ministry of Environment and Forests, Pariyavaran Bhavan, CGO Complex, New Delhi – 3.
18. Ms. Suchitra Sinha, Joint Director (Industry), Government of Jharkhand
19. Shri R.S. Rawal, L.O. (Industries) cum General Manager, TFAH, Haryana Bhawan, New Delhi c/o Director of Industries & Commerce, Haryana
20. Shri R.K. Sinha, Deputy Director, Office of Development Commissioner (MSME), Ministry of MSME.
21. Dr. Mangal Sain, General Manager (Industries), Noida, Uttar Pradesh
22. Shri A.K. Agarwal, Additional Industrial Adviser, Department of Chemical & Petrochemical, Ministry of Chemicals and Fertilizer, New Delhi
23. Shri U.C. Pandey, Department of Industries, Government of Chhatisgarh, Raipur
24. Smt. Nandini Awade, Assistant, R.C. O/o Resident Commissioner, Government of Maharashtra
25. Shri T.A. Khan, (RO), TCPO, Ministry of Urban Development, E-Block, Vikas Baan, New Delhi
26. Shri R.D. Meena, Research Assistant, TCPO, Ministry of Urban Development
27. Shri B. Bhattacharya, SIO, DGEP, Department of Revenue
28. Shri A.K. Dham, Liaison Officer, IDCO, New Delhi

LIST OF DEVELOPMENT COMMISSIONERS

29. Shri M.S. Rao, Development Commissioner, VSEZ, Visakhapatnam and i/c CSEZ
30. Shri Sanjeev Nandwani, Development Commissioner, Falta, Kolkata
31. Shri Vijay N. Shewale, Development Commissioner, Surat SEZ, Surat
32. Shri S. Kishore, Development Commissioner, AP SEZ
33. Shri Pravir Kumar, Development Commissioner, KASEZ & Dahej SEZ
34. Smt. Lata Shukla, Development Commissioner, Mundra SEZ
35. Shri K.L. Sharma, Development Commissioner, Sterling SEZ, Gujarat
36. Shri Ved Prakash, Development Commissioner, Mihan SEZ
37. Shri Anil Bamba, Development Commissioner, Sricity SEZ
38. Shri CPS Bakshi, Development Commissioner, Noida SEZ, Uttar Pradesh
39. Sh. S.N.Patil, Joint Development Commissioner, Dahej SEZ
40. Shri A.K. Rathore, Joint Development Commissioner, ISEZ, Indore, Madhya Pradesh.

LIST OF PARTICIPANTS OF DEPARTMENT OF COMMERCE

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