

No. K-43014(22)/13/2021-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 20th September, 2021

OFFICE MEMORANDUM

Subject: 106th Meeting of the Board of Approval (BoA) for Special Economic Zones (SEZs) scheduled to be held on 28th September, 2021 at 4.00 P.M –Forwarding of Supplementary Agenda -reg.

In continuation to this Department's O.M.s of even number dated 1st September, 2021 and 15th September, 2021 on the above mentioned subject, the undersigned is directed to enclose herewith the Supplementary Agenda for the 106th meeting of the BoA for SEZs scheduled to be held on 28th September, 2021 at 4:00 P.M. in Room no. 47, Udyog Bhawan, New Delhi under the Chairmanship of the Commerce Secretary for information and necessary action. The supplementary agenda has also been hosted on the website: www.sezindia.nic.in.

2. The local addressees may kindly make it convenient to attend the meeting at the above venue and time. Other participants may attend the meeting through Video Conferencing. A web link for the same will be shared by this Department shortly.


(Sumit Kumar Sachan)

Under Secretary to the Government of India

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To

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2. Central Board of Direct Taxes, Member (IT), Department of Revenue, North Block, New Delhi. (Telefax: 23092107).
3. Joint Secretary, Ministry of Finance, Department of Financial Services, Banking Division, Jeevan Deep Building, New Delhi (Fax: 23344462/23366797).
4. Shri Anil Agarwal, Additional Secretary, Department of Promotion of Industry and Internal Trade (DPIIT), Udyog Bhawan, New Delhi.
5. Joint Secretary, Ministry of Shipping, Transport Bhawan, New Delhi.
6. Joint Secretary (E), Ministry of Petroleum and Natural Gas, Shastri Bhawan, New Delhi
7. Joint Secretary, Ministry of Agriculture, Plant Protection, Krishi Bhawan, New Delhi.
8. Ministry of Science and Technology, Sc 'G' & Head (TDT), Technology Bhawan, Mehrauli Road, New Delhi. (Telefax: 26862512)

9. Joint Secretary, Department of Biotechnology, Ministry of Science and Technology, 7th Floor, Block 2, CGO Complex, Lodhi Road, New Delhi - 110 003.
10. Additional Secretary and Development Commissioner (Micro, Small and Medium Enterprises Scale Industry), Room No. 701, Nirman Bhavan, New Delhi (Fax: 23062315).
11. Secretary, Department of Electronics & Information Technology, Electronics Niketan, 6, CGO Complex, New Delhi. (Fax: 24363101)
12. Joint Secretary (IS-I), Ministry of Home Affairs, North Block, New Delhi (Fax: 23092569)
13. Joint Secretary (C&W), Ministry of Defence, Fax: 23015444, South Block, New Delhi.
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15. Joint Secretary & Legislative Counsel, Legislative Department, M/o Law & Justice, A-Wing, Shastri Bhavan, New Delhi. (Tel: 23387095).
16. Department of Legal Affairs (Shri Hemant Kumar, Assistant Legal Adviser), M/o Law & Justice, New Delhi.
17. Secretary, Department of Chemicals & Petrochemicals, Shastri Bhawan, New Delhi
18. Joint Secretary, Ministry of Overseas Indian Affairs, Akbar Bhawan, Chanakyapuri, New Delhi. (Fax: 24674140)
19. Chief Planner, Department of Urban Affairs, Town Country Planning Organisation, Vikas Bhavan (E-Block), I.P. Estate, New Delhi. (Fax: 23073678/23379197)
20. Director General, Director General of Foreign Trade, Department of Commerce, Udyog Bhavan, New Delhi.
21. Director General, Export Promotion Council for EOUs/SEZs, 8G, 8th Floor, Hansalaya Building, 15, Barakhamba Road, New Delhi - 110 001 (Fax: 223329770)
22. Dr. Rupa Chanda, Professor, Indian Institute of Management, Bangalore, Bennerghata Road, Bangalore, Karnataka
23. Development Commissioner, Noida Special Economic Zone, Noida.
24. Development Commissioner, Kandla Special Economic Zone, Gandhidham.
25. Development Commissioner, Falta Special Economic Zone, Kolkata.
26. Development Commissioner, SEEPZ Special Economic Zone, Mumbai.
27. Development Commissioner, Madras Special Economic Zone, Chennai
28. Development Commissioner, Visakhapatnam Special Economic Zone, Visakhapatnam
29. Development Commissioner, Cochin Special Economic Zone, Cochin.
30. Development Commissioner, Indore Special Economic Zone, Indore.
31. Development Commissioner, Mundra Special Economic Zone, 4th Floor, C Wing, Port Users Building, Mundra (Kutch) Gujarat.
32. Development Commissioner, Dahej Special Economic Zone, Fadia Chambers, Ashram Road, Ahmedabad, Gujarat
33. Development Commissioner, Navi Mumbai Special Economic Zone, SEEPZ Service Center, Central Road, Andheri (East), Mumbai - 400 096
34. Development Commissioner, Sterling Special Economic Zone, Sandesara Estate, AtladraPadra Road, Vadodara - 390012
35. Development Commissioner, Andhra Pradesh Special Economic Zone, UdyogBhawan, 9th Floor, Siripuram, Visakhapatnam - 3
36. Development Commissioner, Reliance Jamnagar Special Economic Zone, Jamnagar, Gujarat
37. Development Commissioner, Surat Special Economic Zone, Surat, Gujarat

38. Development Commissioner, Mihan Special Economic Zone, Nagpur, Maharashtra
39. Development Commissioner, Sricity Special Economic Zone, Andhra Pradesh.
40. Development Commissioner, Mangalore Special Economic Zone, Mangalore.
41. Government of Andhra Pradesh, Principal Secretary and CIP, Industries and Commerce Department, A.P. Secretariat, Hyderabad – 500022. (Fax: 040-23452895).
42. Government of Telangana, Special Chief Secretary, Industries and Commerce Department, Telangana Secretariat Khairatabad, Hyderabad, Telangana.
43. Government of Karnataka, Principal Secretary, Commerce and Industry Department, VikasSaudha, Bangalore – 560001. (Fax: 080-22259870)
44. Government of Maharashtra, Principal Secretary (Industries), Energy and Labour Department, Mumbai – 400 032.
45. Government of Gujarat, Principal Secretary, Industries and Mines Department Sardar Patel Bhawan, Block No. 5, 3rd Floor, Gandhinagar – 382010 (Fax: 079-23250844).
46. Government of West Bengal, Principal Secretary, (Commerce and Industry), IP Branch (4th Floor), SEZ Section, 4, Abanindranath Tagore Sarani (Camac Street) Kolkata – 700 016
47. Government of Tamil Nadu, Principal Secretary (Industries), Fort St. George, Chennai – 600009 (Fax: 044-25370822).
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49. Government of Haryana, Financial Commissioner and Principal Secretary, Department of Industries, Haryana Civil Secretariat, Chandigarh (Fax: 0172-2740526).
50. Government of Rajasthan, Principal Secretary (Industries), Secretariat Campus, Bhagwan Das Road, Jaipur – 302005 (0141-2227788).
51. Government of Uttar Pradesh, Principal Secretary, (Industries), LalBahadurShastriBhawan, Lucknow – 226001 (Fax: 0522-2238255).
52. Government of Punjab, Principal Secretary Department of Industry & Commerce UdyogBhawan), Sector -17, Chandigarh- 160017.
53. Government of Puducherry, Secretary, Department of Industries, Chief Secretariat, Puducherry.
54. Government of Odisha, Principal Secretary (Industries), Odisha Secretariat, Bhubaneshwar – 751001 (Fax: 0671-536819/2406299).
55. Government of Madhya Pradesh, Chief Secretary, (Commerce and Industry), VallabhBhavan, Bhopal (Fax: 0755-2559974)
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57. Government of Jharkhand (Secretary), Department of Industries Nepal House, Doranda, Ranchi – 834002.
58. Union Territory of Daman and Diu and Dadra Nagar Haveli, Secretary (Industries), Department of Industries, Secretariat, Moti Daman – 396220 (Fax: 0260-2230775).
59. Government of Nagaland, Principal Secretary, Department of Industries and Commerce), Kohima, Nagaland.
60. Government of Chattishgarh, Commissioner-cum-Secretary Industries, Directorate of Industries, LIC Building Campus, 2nd Floor, Pandri, Raipur, Chhattisgarh (Fax: 0771-2583651).

Copy to: PPS to CS / Consultant to AS (SK) / PPS to JS (AK) / PPS to Dir (SNS).

Supplementary Agenda for the 106th meeting of the Board of Approval to be held on 28th September, 2021 at 4.00 P.M.

106.11 Request for extension of LoA of the Developer (one proposal)

106.11(i) Request of M/s. Rudradev Township Private Limited for further extension of the validity period of formal approval, granted for setting up of IT/ITES SEZ at Solankurunai Village, Madurai, Tamil Nadu for a period of two years upto 31.07.2023.

Name of the developer : M/s. Rudradev Township Private Limited

Sector : IT/ITES

Date of LoA : 26.07.2007

Date of notification : 22.04.2008

Extension : The validity period of LoA was upto 31.07.2021. The developer has now made a request for extension of LoA for two years i.e. upto 31.07.2023 to complete the project.

a. Details of Business Plan:

S. No.	Type of Cost	Proposed investment (Rs. In crores)
1	Land Cost	10.00
2	Construction cost	325.00
3	Plant & Machinery	295.00
4	Other overheads	20.00
	Total	650.00

b. Incremental investment since last extension:

S. No.	Type of cost	Total investment made so far (Rs. In crores)	Incremental investment since last extension (Rs. In crores)
1	Land cost	12.48	--
2	Material procurement	58.70	0.69
3	Service cost	10.40	0.25
4	Other overheads	0.86	0.10
	Total	82.44	1.04

(c) Details of physical progress till date:

S. No.	Authorised activity	% completion as on date	% completing during last one year	Deadline for completion of balance work
1	Roads	47	2	30.06.2022
2	Build up processing area	40	--	30.09.2022
3	Electrical works	8	3	31.12.2022
4	Tele-communications	--	--	31.12.2022
5	Air conditioning & others	--	-	31.03.2022

The developer has constructed a built up area of 2,50,000 sq. feet towards the SEZ project and 40% on a weighted average basis has been completed as on date. The developer has got the following approvals from the concerned authorities:

1. NoC issued by Electronics Corporation of Tamil Nadu Limited (ELCOT) on 05.07.2007.
2. NoC issued by the Deputy Director, Tamil Nadu Fire and Rescue Services Southern Region, Madurai on 30.04.2007.
3. Building planning Permit issued by the Panchayat President, Solankurini village Panchayat on 18.05.2007.
4. NoC issued by Airport Authority of India on 24.11.2008.

Recommendation by DC, MEPZ:

The developer has informed that they have completed 40% of their construction activities as on date. Hence, the developer has requested for extension of LoA upto 31.07.2023 for completion of the remaining work. In view of the above, the proposal of M/s. Rudradev Township Private Limited for extension of LoA up to 31.07.2023 is recommended for consideration by the BoA.

106.12 Proposal for setting up of SEZ (one proposal)

106.12 (i) Proposal of M/s. DLF Limited for setting up of an IT/ITES SEZ over an area of 20.02 hectares at Villages Kherki Daula and Shikohpur, Tehsil - Manesar, Distt - Gurugram (Haryana).

As per DoC's letter dated 07.01.2019 documents/conditions required for setting up of a Special Economic Zone in terms of the SEZ Act, 2005 and SEZ Rules, 2006, the status thereof are as below:-

S. No.	Conditions /Documents required	Status
A.	Documents required for setting up of SEZ in terms of Rule 3 of SEZ Rules, 2006:	
(i)	Completed Form-A (with enclosures) Total Proposed investment : Rs. 583.14 Crores FDI (in US \$) : Nil Source of FDI : Not Applicable Proposed Exports : Rs. 9781.28 Crores Employment (in Nos.) : 10401 (Direct) 1560 (Indirect)	Yes, provided
(ii)	DC's Inspection Report	Yes, provided
(iii)	State Government's Recommendation	Yes, provided
(iv)	Recommendation for National Security Clearance (NSC) from Ministry of Home Affairs as per Rule 3 of SEZ Rules, 2006.	DC has recommended that the NSC is not required for the proposed IT/ITES SEZ by DLF Ltd. A Self-Declaration(dt. 15.09.2021) by the Developer has been provided
B.	Minimum area requirement in terms of Rule 5 of SEZ Rules,	No minimum land area

	2006.	requirement for IT/ITES SEZ Sector. However, minimum built-up processing area of 50,000 Sqmt. is required for Category 'A' City.
C.	Details to be furnished in terms of Rule 7 of SEZ Rules, 2006:	
(i)	Certificate from the concerned State Government or its authorised agency stating that the Developer has: <ul style="list-style-type: none"> • Legal Possession, and • Irrevocable rights to develop the said area as SEZ and • That the said area is free from all encumbrance. 	Yes, provided
(ii)	Whether the Developer has leasehold right over the identified area. The lease shall be for a period not less than twenty years.	Lease deeds have been provided. The Developer have lease on the proposed lands for a period of Thirty Years.
(iii)	The identified area shall be Contiguous, Vacant and No thoroughfare.	As per Inspection report , the land is Vacant and not contiguous. As regards contiguity of the SEZ, DDC has informed that the Developer vide letter dated 15.09.2021 has stated that they will ensure to maintain the contiguity of SEZ by constructing Foot over Bridge (FOB) before applying for Occupancy Certificate (OC) for the building and also undertake that they will not avail any tax benefits on construction of Footover Bridges / measures taken to establish contiguity of the SEZ, in terms of DOC's Instruction No. 27 dated 18.08.2009.

The Physical Inspection of the proposed SEZ land was conducted by DC, JDC, ADC NSEZ along with Patwari, Villages – Kherki Daula and Shikohpur and representatives of M/s. DLF Ltd. During the site inspection, the following have been observed: -

- i. Bitumen Roads were observed at three places of the proposed SEZ land. The representative of the Developer informed that these bitumen roads belong to DLF but has been given to PWD for being used as a public access road. They further informed that lessor of the proposed SEZ land, M/s. Uni International Pvt. Ltd., M/s. Invecon Pvt. Ltd. & M/s. Vikram Electric Equipment Pvt. Ltd. have only allowed PWD to construct this road in public interest for connectivity with Sector-76 Road, but ownership of the land on which road will be constructed will remain with the lessors. The 66 feet bitumen road separates the SEZ into two parts for which an access may have to be given to maintain contiguity. The representatives of the developer assured to maintain contiguity of proposed SEZ land

as per provisions envisaged under the SEZ Act & Rules. The developer has undertaken that they will not avail any tax benefits on construction of Foot-over Bridges, if any, measures taken to establish contiguity of the above mentioned SEZ, in terms of DoC's Instruction No. 27 dated 18.08.2009.

- ii. High Tension Electricity line crossing over the proposed SEZ land at southern side of proposed SEZ land at Khasra Nos. 1231 & 1232 of Village Shikohpur and also on northern side at Khasra Nos. 63//8 were found. A High-Tension Tower on southern side of proposed SEZ land was also found on the SEZ land.
- iii. A piece of land having Khasra No. 63//14 of Village Kherki Daula, surrounded by the proposed SEZ land, has not been taken as proposed SEZ land. The representative of the developer informed that this piece of land is not presently in their possession and they are in process of getting the lease deed executed for the said land, which will be later applied for addition in the SEZ. However, for the time being, they propose 3.35 Mtrs. wide access to the said land from their adjoining leased land. They will construct boundary wall all around the said land and the proposed access will be constructed so that contiguity of proposed SEZ is maintained.
- iv. A running Tubewell was found at Khasra No. 63/16 of the proposed SEZ land of Kherki Daula.
- v. There were some destroyed concrete structures on the land which the developer informed that it was previously used as store place for heavy construction equipment of DLF Ltd.

The rule position regarding contiguity of the SEZ, in terms of Rule 7(2) of the SEZ Rules, 2006 are as follows:

(2) The identified area shall be contiguous and vacant and it shall have no public thoroughfare.

Provided that the Board may relax any or all of the conditions, except the condition regarding identified area to be a vacant land, specified in this sub-rule on a case to case basis on merits for reasons to be recorded in writing and with such conditions as the Board may decide.

Further, as per DoC's Instruction No. 27 dated 18.08.2009, Condition of contiguity may be relaxed by the Board in respect of SEZs subject to the following conditions:

- i. The developer shall maintain contiguity by dedicated security gates/over bridges/underpass /culverts and also fence side of the road facing the processing area.
- ii. No tax benefits would be available for measures taken to establish contiguity.
- iii. The entire processing area would be located on one side of the National Highway.
- iv. The formal approval from authorities concerned like NHAI and other would be submitted to the Department of Commerce and work for establishing contiguity would be started only after obtaining the requisite approvals.
- v. No LoA for any SEZ unit will be issued till the entire measures to establish contiguity and securitization of the processing area are completed.
- vi. The movement shall be restricted between the two SEZs till contiguity is established and the present systems will continue.

Recommendation of DC:

DC, NSEZ has recommended the proposal for grant of formal approval subject to maintenance of the contiguity as may be decided by the BoA under the SEZ provisions.

106.13 Proposal for increase in area of developer (one proposal)

106.13(i) Request of M/s. J. Matadee Free Trade Zone Private Limited , an FTWZ located at Mannur and Valarpuram Villages, Permbakkam Road, Sriperumbudur Taluk, Kancheepuram District, Tamil Nadu, for an increase in area of 9.333 Ha (beyond 10%) to their existing notified area of 84.775 Ha.

The request of the developer, M/s J. Matadee Free Trade Zone Private Ltd. along with the recommendations of DC, MEPZ was placed before the BoA in its 104th meeting held on 29.05.2021. The Board noted that as per inspection report there is a temple land and a small waterway canal within the already notified area. DC, MEPZ informed the Board that the temple land is outside the SEZ boundary and a culvert has already been constructed over the canal which is already under usage by the developer. As regards reservations on contiguity, DC informed the Board that though the proposed land parcels are in bits and pieces, the contiguity is not compromised.

The Board, after deliberations, noted that besides the issue of temple land and the canal, there are also a few patches of non-notified land enclosed within the current notified land of SEZ. The Board decided to defer the proposal and directed DC, MEPZ to examine the issues comprehensively and furnish a clear inspection report so that the proposal may be considered by the Board.

Now as per DoC's O.M. dated 14.07.2016, the documents required for additional area notification and the status thereof are as below: -

S. No.	Documents/Details Required	Status
i.	Certificate from concerned State Government or its authorized agency stating that the developer has irrevocable rights to the said area as SEZ.	Yes, provided
ii.	Form-C4 along with DC's recommendation	Yes, provided
iii.	Inspection Report in prescribed format	Yes, a fresh inspection report along with letter dated 09.09.2021 has been provided by DC
iv.	Developer's Certificate Countersigned by DC	Yes, provided
v.	Legal Possession Certificate from Revenue Authorities	Yes, provided
vi.	Non-Encumbrance Certificate from Revenue Authorities	
vii.	Land details of the area (with clearly specified survey numbers) to be notified duly certified by revenue authorities	
viii.	Colored Map clearly indicating Survey numbers and duly certified by revenue authorities	Yes, provided
ix.	Copy of Registered Lease/Sale deed	Yes, Sale Deeds provided

The observations of DC, MEPZ are indicated below:

(i) The additional area site was inspected by DC, MEPZ himself on 27.07.2021 along with ADC, MEPZ and Authorised Officer, J. Matadee FTWZ and the representative of the Company. The SEZ was initially notified in two phases. Phase I was notified on 10.03.2008 over an area of 40.625 Ha and Phase II was notified on 21.05.2009 over an area of 44.150 Ha thereby making the total notified area of the FTWZ as 84.775 Ha. The proposed survey wise area for addition (refer map) is as below: -

S. No.	Survey Nos.	Area (in hectares)
1.	Mannur Village 13/2, 13/1A, 13/113, 15/1A, 17/2B, 17/4B, 18/1B, 18/1D, 26/1A, 26/2B1, 27/1A1, 27/1A2, 27/1A3, 27/1A4, 28/2A1, 28/2A2, 431/1A, 437/131, 437/B2, 454/8A, 454/8B & 453/1B2	1.495, 0.605, 0.245, 0.855, 0.175, 0.230, 0.160, 0.045, 0.045, 0.113, 0.620, 0.200, 0.575, 0.010, 0.335, 0.435, 0.130, 0.535, 0.030, 0.055, 0.060 & 0.405
2.	Vallarpuram Village 199/8, 199/11, 208/4, 209/5 & 221/2A1	0.530, 0.540, 0.265, 0.565 & 0.075
	Total Area	9.333

All the above Survey Numbers as mentioned are present in the peripherals of the already Notified area except the Survey Nos. 209/5, 17/4B, 26/2B1 & 453/1B2 which were not included in the Notification in Phase II. It was clarified by the Developer that the access was provided vide 209/7, 17/3 & 26/2A by making a passage. These lands were later purchased and the Developer has proposed for Notification in the current proposal.

(ii) Notwithstanding the earlier Notifications made during 2008 and 2009, certain patches of land were overlooked to make the FTWZ contiguous. It could have been an oversight during that time. The Developer has now proposed for acquiring these patches of land to arrive contiguity of the FTWZ.

(iii) The following issues were observed during the inspection:

- a. Temple Land: Land belongs to the nearby Temple by name 'Arulmigu Kodanda Ramasamy Perumal Tirukoil' in the Survey Nos. 22/23 for an area of 3.66 Acres. It is only a vacant land without any built-up area. There is no way-out for the temple and it is not used by the FTWZ except for a small portion. Developer has informed that they have contacted the Hindu Religious & Charitable Endowments Department (HR & CE), Government of Tamil Nadu for taking the land for usage on lease basis. It is learned that State Industries Promotion Corporation of Tamil Nadu (SIPCOT) would acquire through RR & CE and lease out to the Developer of J. Matadee FTWZ. The Developer has informed that it would take about three months to complete the process for inclusion of the temple land in the FTWZ.
- b. A Canal is passing through the already Notified area in the Survey No.432. The Developer has constructed the culvert over the canal to make the FTWZ contiguous. The Developer has entered into a renewable agreement with the Water Resource Department, Public Works Department of Govt. of Tamil Nadu in 2016 for construction of a small bridge and commute between the Survey Nos. 434A and 434B.
- c. Out of the Survey Nos. 455/3B, 453/1A, 453/1B1 & 453/1B2, only 453/1B2 proposed for Notification is in the name of the Developer of the FTWZ. The other 3 Survey Nos. viz., 455/3B, 453/1A & 453/1B1 are in the name of the private owners. Further, it is seen that

no passage has been given for accessing the above Survey Numbers. The Developer informed that it is already under proposal for purchase of these Survey Numbers with the owners of the property. However, the contiguity of the FTWZ is not affected by partial notification of Survey No.453/1B2.

(iv) Survey No. 209/5 of Vallarpuram Village & Survey No. 17/4B of Mannur Village are few patches of non-notified land enclosed within the current notified land in the Coloured Map. Developer informed that these lands were not purchased earlier, but these lands were given approachable passage viz. Survey Nos. 209/7 & 17/3 respectively. They have relayed the fence line in the year 2019 after purchase of additional lands which are now proposed for notification in Phase III.

(v) It seems that there was an oversight when the FTWZ was notified in 2008 and 2009 that some land portions have not been included in the FTWZ. Some of them are at the periphery of the FTWZ and some are inside the FTWZ. The FTWZ is operational since 2011 and has exported to the tune of about ₹ 2,750 Crore since then while employing 780 persons. The present proposal is an effort on the part of the Developer to get certain land portions included in the FTWZ and the Developer is in the process of getting other land portions also included in due course of time. The contiguity of the FTWZ would be ensured only when all such land portions get included and this proposal of adding 9.33.3 hectares of land to the FTWZ is towards that direction. Therefore, the proposal is recommended for BoA's approval in accordance with the principle of Ease of Doing Business.

The request is placed before the BoA for consideration.

106.14 Miscellaneous Cases (one proposal)

106.14(i) Irregularities and compliance issues in the port based SEZ developed by Cochin Port Trust in Puthuvypeen, Ernakulam.

Puthuvypeen SEZ was granted Letter of Approval (LoA) on 18.04.2006 and was notified on 02.11.2006 over an area of 285.8413 Ha. The following three co-developers were granted permission for infrastructural development in the said SEZ:

Sl. No.	Name of the co-developer	Date of LoA
(i)	M/s Petronet LNG Limited (PLL)	14.02.2007
(ii)	M/s Bharat Petroleum Corporation Ltd (BPCL)	27.02.2009
(iii)	M/s Indian Oil Corporation Ltd. (IOCL)	17.06.2011

Thereafter, M/s Gas Authority of India Limited (GAIL) was granted an LoA on 27.07.2010 to operate as a unit in the SEZ with authorized operation as 'Regasified LNG transmission and distribution' and became operational on 25.08.2013. LOA was further renewed upto 31.03.2019.

In connection to a tourism project in the area, a team of officers of Development Commissioner, Cochin SEZ took a tour of the SEZ on 22.01.2019 and the following lapses were observed:

- i. No secured compound wall – violation of Rule 11(2)
- ii. Non-contiguity – violation of Rule 5(2)(a) and Rule 7(2)
- iii. Co-developer IOCL has not started work yet
- iv. Co-developer BPCL is operating like a unit without any LOA and without fulfilling NFE obligation. Authorized operation is to develop infrastructure facility whereas involved in pumping of crude oil from the Zone to refinery located in DTA.
- v. Unit GAIL did not achieve NFE obligation in 5 years block period 2013-14 to 2017-18. GAIL vide its letter dated 29.03.2019 requested for exit from SEZ scheme w.e.f. 31.03.2019 (last date of validity of LOA).

Insisting for an exit and de-notification, GAIL had filed a Writ Petition before the Hon'ble High Court of Kerala which was disposed of by the Court vide judgment dated 31.05.2019 directing the Board of Approval (BoA) to finalize the application for unit for exit and de-notification. The BoA, in its 91st meeting held on 06.08.2019, directed DC, CSEZ to work out settlement of NFE status and necessary recovery of dues i.r.o. the unit. After subsequent communications and further deliberations with the Development Commissioner and the concerned parties, the matter was placed before the BoA in its 96th meeting held on 26.02.2020. The decisions taken by the Board and the action taken by DC, CSEZ is summarised below:

Decision of BOA		Action taken by DC, CSEZ
(i)	Allow GAIL to exit from SEZ scheme after repaying the duty benefits, if any, availed by them.	Exit order issued on 23.11.2020 after repayment of the duty benefits.
(ii)	DC, CSEZ shall process the request of the developer for de-notification	Instructed developer to take action for de-notification. Efforts are on.
(iii)	Extension of one year shall be granted to developer to bring another unit	IOCL applied for setting up a unit to manufacture and export lubricant. UAC approved the proposal and issued LOA on 18.02.2021. M/s Petronet Ltd has shown interest in setting up a unit for gassing up and Cooling down of LNG vessels to generate Foreign Exchange.
(iv)	Till such time a new unit is brought in, the developer/co-developer shall not be allowed for duty free procurement/import.	Developers/Co-developers were not allowed duty free procurement/import after the issue of direction by BoA till date.
(v)	DC, CSEZ to ensure that the developer constructs a compound wall for maintaining contiguity of the entire area	The work of compound wall will be started after de-notifying the area. Extension of time has been sought.

The BoA, in its 103rd meeting held on 18.03.2021, heard the developer of the SEZ (Chairperson, CPT) in connection to the request of the developer for extension of time for compliance of BoA's directions. The Board took note of the following observations of the DGEP, DoR:

- i. IOCL's co-developer status, vide LOA dated 17.06.2011 should be surrendered under Section 10 of SEZ Act. Subsequent to that the developer can allocate the said built up

area to IOCL as a unit. The LOA issued on 18.02.2021 by UAC to IOCL may accordingly be examined for compliance under SEZ law.

- ii. Suitable action may be initiated against BPCL who was issued LOA to operate as a co-developer, but has been operating as a unit for violating provisions under the SEZ law.

The Board, after deliberations, decided to approve the request of the developer for extension of time for compliance of BoA's directions regarding de-notification and construction of compound wall for a period of six months till 31.08.2021 (Expired). Further, DC, CSEZ was also requested to examine the comments of DoR and submit a report.

In pursuance of the directions of the Board, DC, CSEZ submitted a report on the basis of submissions of co-developers and concluded as follows:-

- i. On exit of BPCL, the Zone will not be able to maintain the contiguity criteria. No compound wall has been constructed till date even after giving two years for the same.
- ii. The co-developer is using the duty foregone infrastructure created by them predominantly to service DTA units.
- iii. The co-developers are not achieving the objectives of SEZ Act such as generating additional economic activity, promoting the export of goods and services, investment from domestic and foreign sources and creating employment opportunities.
- iv. There is no chance of the Zone continuing in its present manner, hence recommended de-notification of Puthuvypeen SEZ.

Accordingly, a meeting was held on 08.09.2021 under the chairmanship of Additional Secretary, SEZ with the stakeholder departments and the developer/co-developer/exited unit wherein it was decided that Ministry of Petroleum and Natural Gas (MP&NG) being the Administrative Ministry, may conduct initial consultation with the stakeholders and seek a clear plan of action/roadmap to resolve the issue of non-contiguity and unauthorized operations of developers, co-developers and units in accordance with the provisions of SEZ Act, 2005 and SEZ Rules, 2006. The outcome of the meeting is summarized below:

1. Bharat Petroleum Corporation Limited (Co-Developer):-

BPCL informed that they have no intention to start a new unit. They intend to convert co-developer status to DTA on a prospective basis and requested exemption from the refund of duties and taxes on exit.

As per the SEZ Rules, the co-developer has to refund the duties and taxes on exit from the SEZ Scheme. On exit of BPCL from the Scheme, the zone cannot maintain its contiguity on the exit of BPCL.

2. Petronet LNG Limited (Co-developer):-

M/s Petronet LNG Limited (PLL) claims that they are operating as per the operational guidelines issued by the DC, CSEZ and Customs. They also informed that even after the exit of GAIL, they could continue in SEZ and provide their infrastructure support and service to DTA since their authorised operation including marketing and distribution of re-gasified LNG as approved by the BoA. They are currently importing duty paid goods and clearing the manufactured item i.e. re-gasified LNG to the DTA.

As per Rule 11(11) of the SEZ Rules, 2006, there should be a separate enclosure for storage/loading/unloading of import/export cargo meant for DTA importers and exporters. However, PLL has utilised the SEZ infrastructure, which was created availing all duty benefits under the SEZ Scheme, to supply the manufactured product to the DTA. Such an activity amounts to dual-use, and in such cases, the co-developer has to pay back the duty/tax benefits availed by them in full without interest.

3. Indian Oil corporation Limited (Co-developer):-

Indian Oil Corporation Limited intend to seek approval from BoA to convert the co-developer status to an SEZ unit. They have submitted the export and import projections of the proposed unit. However, as a standalone, IOCL cannot meet the minimum area criteria for a sector-specific SEZ in the event of BPCL and PLL exiting.

Recommendations of DC, CSEZ : It is observed that the co-developers do not have a plan of action for continued operations within the SEZ framework. Hence, it is suggested that the Puthuvypeen SEZ may be de-notified.

The matter is placed before BoA for consideration.

106.14(ii) Application of M/s. Mindspace Business Parks Pvt. Ltd. for approval of underpass in form of tunnel for establishment of contiguity with power utilities after proposed partial de-notification (2.23 Ha) of the said IT/ITES SEZ.

M/s. Mindspace Business Parks Pvt. Ltd. (Developer) has been notified vide Gazette Notification No. S.O. 1876 (E) dated 02.11.2007 for an area of 19.34 Ha and has been further increased to 19.96 Ha vide Gazette Notification No. S.O. 526 (E) dated 12.02.2016. The SEZ has been demarcated into Processing area of 19.25 Ha and Non Processing Area of 0.71 Ha.

The Developer is a deemed distribution licensee for distributing the power within the SEZ. The zone has 13 integrated buildings with total Built Up area of over 4.5 Lacs sq mt. They have proposed a partial de-notification of the said SEZ to the office of Development Commissioner for an area of 2.23 Hectares. This proposed area for partial de-notification has power utilities in the form of Air cooled Transformers and substation for distributing power to 4 SEZ Buildings.

As per the plan of proposed partial de-notification, these power utilities will become part of the non-SEZ. As the Developer is a Deemed Distribution Licensee, all the infrastructure related to power distribution are required to be in the SEZ area. Moreover, since the SEZ is a live site with more than 50 SEZ units working out from this SEZ, it will not be feasible to shut down the Power

Utilities for shifting as the basic fundamental requirement of the IT/ITES units is 24X7 uninterrupted and stable frequency power supply.

With a view to retain this power utility within the SEZ after proposed partial de-notification, Developer has proposed to establish the contiguity between the balance area of the SEZ and the Power Utility by way of constructing an underpass in the form of tunnel.

Description of the Underpass / Tunnel:

- a. Tunnel will be constructed from basement of bldg. no. 11 to the Power utility 1 and will be horizontally connected to Power Utility No 2. There will be provision of Staircase and Lifts for movement of Authorised person and testing equipment.
- b. The proposed underpass / Tunnel would be 2 mtrs wide and 3.5 Mtrs height (depth). All the underlying cables will be covered under the slab.

Use: - Besides establishing contiguity, the proposed underpass would be used for movement of authorised persons and equipment for servicing and maintenance of the Power utilities. For major breakdown where the transformers are to be shifted for repair or maintenance, the same will be moved with the help of cranes outside the SEZ after taking prior approval of the designated authority.

Since the Transformers are oil based transformers, open air circulation is required for their functioning. Hence these cannot be enclosed with a masonry wall. However, they are well secured with steel enclosures.

Developer has proposed to construct a service corridor on the ground level on one side of the power utility which will be secured with masonry wall of 2.4 mtrs height and will have an emergency exit with access control system. This exit will open to DTA only in critical cases with proper approval from designated authority.

The Developer undertakes to comply with other statutory approvals, wherever required, once the in-principal approval is granted by the BOA, prior to execution of the said work of Tunnel.

Recommendation by DC, SEEPZ SEZ:-

The proposal of the developer M/s. Mindspace Business Parks Pvt. Ltd. for in-principle for construction of underpass in form of tunnel for establishment of contiguity with power utilities after proposed partial de-notification (2.23 Ha) of the said IT/ITES SEZ subject to requisite permissions/NOC from the State Government and other authorities in terms of Instruction no.27 dated 08.08.2009 read with sub-rule (2) of Rule 7 of the SEZ Rules, 2006 is recommended to the Board of Approval for consideration.

106.14(iii) Request for ex-post-facto approval for import of raw material (metal scrap of different grade and specification) for production in the factory of M/s. Cresmac Foundry Pvt Ltd, a unit of Falta SEZ, 24 Pargana (S).

M/s. Cresmac Foundry Pvt. Ltd. was granted LoA on 09.06.1997 for manufacturing and export of Industrial Castings at Falta SEZ. The unit had requested for permission vide their letter dated 12.11.2020 for its already imported Iron and Steel Scrap of different Specification range (Carbon 0.38 -3.5%, Silicon 0.17 – 2.44%, Manganese 0.39-1.18%) under ITC HS Code No.-7204 as raw material of their product i.e. Industrial Castings.

O/o DC, Falta SEZ states that so far as the extension of validity period of LOA of the unit is concerned, the unit was never projected for import of raw material (metal scrap of different grade and specification) while submission of proposal for extension of their LOA; thus the proposal was not forwarded to BOA for extension of Letter of Approval for an existing unit in terms of Rule 18(4)(d) of SEZ Rules, 2006. Accordingly the validity period of LOA was granted by UAC/DC upto 31.12.2024.

In the instance case the unit requested for permission for already imported Raw Material. Earlier since the details of the proposal was not provided, on receipt of the request from DC, FSEZ, DoC vide letter dated 11.06.2021 requested DC to first ensure whether the extension has been approved by the BoA and there is no deviation from Rule 18(4)(d) of the SEZ Rules, 2006. Further, in so far as the request for ex-post facto approval for already imported raw material is concerned, the UAC/DC may consider the same on merits provided that the necessary conditions for import are complied with and the imported material is exclusively used by the unit.

FSEZ has informed that accordingly the said proposal was placed before the 131st UAC Meeting held on 26.07.2021 after deliberations, the Committee decided to approve the request for use of the already imported two containers of metal scrap in their foundry as one time relaxation without imposition of penalty on the condition that the imported material is exclusively to be used by the SEZ unit and such approval will be subject to ex-post facto approval of Ministry of Commerce(MOC)/Board of Approval (BOA).

Hence the proposal is place before BOA for consideration an ex-post-facto approval towards import of raw material (metal scrap of different grade and specification) for production in the factory of M/s.Cresmac Foundry Pvt Ltd, a unit of Falta SEZ.

106.15 Industrial License (one proposal)

106.15(i) Application of M/s Reliance Defence Ltd., a unit in Mihan SEZ at Plot no.12, Dhirubhai Ambani Defence Park, Sector 11, Khapri, Mihan, Nagpur, Maharashtra for Industrial License under IDR Act, 1951.

M/s Reliance Defence Ltd. had applied for IL under IDR Act, 1951 for Design, Development and manufacturing of following items :

- i) Infrared/Image Intensifier/Thermal Imaging based night vision devices & component to include:
 - a) Night Vision Binoculars, Night Vision Monoculars and Night Vision Goggles
 - b) Reflex Sights & Aiming Devices
 - c) Electro-Optics Systems for Armoured Vehicles
 - d) Long Range Electro-Optic Observation Systems
 - e) Image Intensifier Based Night Sights for Weapons
 - f) Thermal Imager Night Sights for Weapons
 - g) Thermal Imager Night Sights for Armoured Vehicles and Aerospace Applications
 - h) Thermal Imaging Fire Control Systems including Head Mirror Assembly, Laser Range Finder (LRF) for Armoured Vehicles
 - i) Electronics, Optical and Mechanical Assemblies for Night Vision Devices &

ii) Navigational & Control Equipment

Since the ibid items require IL under IDR Act, 1951 in terms of DPIIT's Press Note 1(2019 series) dated 01.01.2019, comments have been obtained from all the stakeholder departments :

Sr. No.	Department	Comments/clearance
1	IS-I Division (Security Desk), MHA	Vide OM dated 28.05.2021 , Security Desk, MHA has conveyed security clearance in r/o the subject unit and its Directors namely, S/Shri Sateesh Seth, Rajesh Kumar Dhingra, Jai Ansul Ambani and Partha Pratim Sarma. MoD may recommend appropriate security and auditing procedures for the firm as well as its supply-chain depending upon the threat perception and sensitivity of the products to be manufactured as per the security instruction/architecture prescribed in the Security Manual for Licensed Defence Industries, Issued by MoD. The Ministry of Commerce & Industry should ensure that all security instructions/architecture prescribed in the Security Manual for Licensed Defence Industries, issued by MoD from time to time are strictly adhered to.
2	IS-Division (Arms Section), MHA	Vide OM dated 03.02.2021, Arms Section, MHA offered no comments as the subject items do not fall under the category of small Arms and Ammunitions as per Arms Act, 1959 and Arms Rule, 2016.
3	D/o Defence Production	D/o Defence Production vide OM No. 1(61)/2020/D(DIP) dated NIL has conveyed No Objection subject to standard terms and conditions under IDR Act, 1951. Further, the company may be directed to follow the security guidelines for Category 'A' mentioned in the Security Manual available at DDP's website while undertaking manufacturing of items for defence use.
4	M/o Civil Aviation	Vide OM dated 10.03.2021, M/o Civil Aviation has offered no comments. However, supports the proposal of the unit.
5	DPIIT	Vide OM dated 20.01.2021 , DPIIT has conveyed No Objection to the proposal from FDI and Explosive angle.
6	M/o EF&CC	Vide OM dated 23.02.2021 , M/o EF&CC has submitted the following observations: i) The project doesn't attract the provisions of the EIA Notification, 2006 as manufacturing activities mentioned in the application are not listed in the scheduled of the EIA Notification, 2006. Hence, EC is not applicable for the project. ii) However, a separate application for EC would have to be considered as per EIA Notification, 2006, if required for MIHAN SEZ.
7	Govt. of Maharashtra	Vide letter dated 28.01.2021 , the Directorate of Industries, State Govt. of Maharashtra has stated that with a view to attract more investment in the state, and as a part of ease of doing business initiatives, the State has scrapped Industrial Location Policy which in existence in Mumbai Metropolitan Region from 1974. An Industrial unit can be set up anywhere in the state, subject to compliance of relevant regulations. In r/o of the industrial License application that may be filed in future, concurrence of Government of Maharashtra may please be taken as granted and Industrial License may please be issued without any reference of state.
8	MIHAN SEZ	Vide letter dated 24.12.2020, MIHAN SEZ has submitted their observations

(seems to be in order) and informed that the unit has revised their item description as per ITC (HS) classification.

Relevant provision: As per Section 9 (e) of the SEZ Act, 2005 , the Board has powers and functions of granting, notwithstanding anything contained in the Industries (Development and Regulation) Act, 1951, a license to an industrial undertaking referred to in clause (d) of section 3 of that Act, if such undertaking is established, as a whole or part thereof, or proposed to be established, in a Special Economic Zone.

The proposal was placed before the Board of Approval in its 105th meeting held on 29.07.2021 for consideration. The Board, after deliberations, decided to defer the proposal for clarity on Standing Operating Procedure and safeguards for such a sensitive activity and directed for further examination w.r.t procedure followed by DPIIT for such licensing outside SEZs.

In view of direction of BOA, DC, MIHAN SEZ was requested to provide an information i.r.o. infrastructure, safeguard/security measures and monitoring system available with them as per guidelines of MOD. Simultaneously, DPIIT was requested to provide information on the procedure followed by them to grant Industrial License to non-SEZ units under IDR Act and details regarding monitoring system post grant of Industrial License under Security Manual issued by Department of Defence Production.

In response, MIHAN SEZ has informed that the unit has not yet constructed the building and the area is open land as of now. Therefore, compliance of security manual cannot be confirmed now. It has been further informed that the Developer has hired the services of Maharashtra Security Force, Maharashtra State Board Guards for guarding three gates and SEZ area.

Further, DPIIT has vide their OM dated 06.09.2021 informed that after receipt of application for grant of IL, the applications are circulated to all concerned agencies. After receipt of comments, proposal is taken up for consideration of Licensing Committee and licenses are issued after approval of Hon'ble CIM. In case any complaint is received against any company, action is taken in consultation with concerned agencies.

In light of the above , DC, MIHAN SEZ was again requested to obtain a detailed report from M/s Reliance Defence Limited regarding infrastructure they will create and security measures/compliance they will follow in accordance with security manual of MOD subject to grant of Industrial License under IDR Act 1951 to them. They were also requested to furnish their comments on the mechanism and manpower available with them to monitor and verification of security compliance to be followed by M/s Reliance Defence Ltd.

As per Security Manual for Licensed Defence Industries issued by DoDP, the Indian License Defence Company (ILDC) is required to give an undertaking before commencing production of defence products that it shall comply with the provisions of the Security Manual. Simultaneously, the ILDC shall take steps to create security mechanism and apparatus in its production/manufacturing facilities fully meeting the security standards prescribed in the manual. Implementation of manual is overall responsibility of the CEO/Head of ILDC. It also inter alia provides that –

- MoD will be nodal agency for implementation and review of manual. IB/MHA would be responsible for security audit and enforcement of manual.
- Initially IB would conduct audit of all the ILDCs and based on the experience and feedback MoD would review the manual, if required.
- A panel of officers would be drawn from OFB, DPSUs, SHQ who can be nominated as the member of the security audit team of IB/MHA.

- Action would be taken against the companies for non-adherence to the manual or any other instructions issued by DDP/DIPP under the relevant Rules/Act.

In the present case, M/s Reliance Defence Limited has submitted a checklist along with their commitments on the activities post issue of defence license. They have also submitted an undertaking that they shall comply with provisions of the Security Manual and will submit a detailed infrastructure and internal control system to comply with the provisions of Security Manual.

However, DC, MIHAN has not given any comments on the submission of M/s Reliance Defence Limited.

The case is placed before the BoA for consideration.
