

No. K-43022/133/2021-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)

UdyogBhawan, New Delhi
Dated the 15th January, 2022

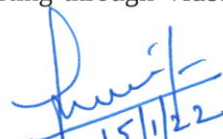
OFFICE MEMORANDUM

Subject: 108th Meeting of the Board of Approval (BoA) for Special Economic Zones (SEZs) scheduled to be held on 27th January, 2022 at 4.00 P.M - Agenda regarding.

The undersigned is directed to enclose herewith the Agenda for the 108th meeting of the BoA for SEZs scheduled to be held on **27th January, 2022 at 4:00 P.M.** for information and necessary action. The agenda has also been hosted on the website: www.sezindia.gov.in.

2. The addressees are requested to kindly make it convenient to attend the meeting through Video Conferencing. A weblink for the same shall be shared by this Department shortly.

Enclos: As above



(Sumit Kumar Sachan)

Under Secretary to the Government of India

Tel: 2306 2496

Email: sumit.sachan@nic.in

To

1. Central Board of Excise and Customs, Member (Customs), Department of Revenue, North Block, New Delhi. (Fax: 23092628).
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), UdyogBhawan, 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 Bhavan, 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.
14. Joint Secretary, Ministry of Environment and Forests, Pariyavaran Bhavan, CGO Complex, New Delhi - 110003 (Fax: 24363577)

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, Atladra Padra Road, Vadodara - 390012
35. Development Commissioner, Andhra Pradesh Special Economic Zone, Udyog Bhawan, 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, Mihaan 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, Vikas Saudha, 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).

48. Government of Kerala, Principal Secretary (Industries), Government Secretariat, Trivandrum – 695001 (Fax: 0471-2333017).
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, Bhubaneswar – 751001 (Fax: 0671-536819/2406299).
55. Government of Madhya Pradesh, Chief Secretary, (Commerce and Industry), VallabhBhavan, Bhopal (Fax: 0755-2559974)
56. Government of Uttarakhand, Principal Secretary, (Industries), No. 4, Subhash Road, Secretariat, Dehradun, Uttarakhand
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).
- 61. Hindi Section, Department of Commerce, Udyog Bhawan, New Delhi with the request to kindly provide hindi translation of agenda at the earliest for uploading w.r.t. hindi version of sezindia website.**

Copy to: PPS to CS / PPS to SS (SK) / PPS to JS (VB)/ PPS to Dir (SNS).

**Agenda for the 108th meeting of the Board of Approval to be held on
27th January, 2022 at 4.00 P.M. through Video Conferencing**

108.1 Ratification of the minutes of the 107th meeting of the Board of Approval held on 25.11.2021.

108.2 Request for extension of LoA of the Developers (two proposals)

In terms of **Rule 6(2) of the SEZ Rules, 2006**, the letter of approval of a developer shall be valid for a period of three years within which time at least one unit has commenced production and the SEZ become operational from date of commencement of such production. The Board may on an application by the developer as the case may be, for reasons to be recorded in writing expand the validity period.

108.2(i) Request of M/s. GAR Corporation Pvt. Limited for further extension of the validity period of formal approval, granted for setting up of IT/ITES SEZ at Sy. No. 21-24 (P), Kokapet Village, Gandipet Mandal, Ranga Reddy District, Telangana beyond 18.01.2022.

Name of the developer : M/s. GAR Corporation Pvt. Ltd.

Sector : IT/ITES

Date of LoA : 19.01.2017

Date of notification of SEZ : 27.03.2017

Extension : The developer has been granted two extensions and the last extension is valid upto 18.01.2022. The developer has requested for further extension upto 18.1.2023.

Present progress:

a. Details of Business plan:

Sl. No.	Type of Cost	Proposed investment (Rs. In crores)
1.	Land cost	0.76
2.	Construction cost	850.0 proposed till end of the project
	Total	850.76

Note: Expenditure made so far for the development of site is Rs. 152.4069 cr (for payment of various fees like building application, land conversion, Earth Work, Environmental Clearance, Project Consultants, Construction Expenses, DTA procurement, Advance to suppliers, Advance to Contractors and Finance Expenses and Cost).

b. Incremental Investment made so far and incremental investment since last extension:

Sl. No.	Type of cost	Total investment made upto 18.10.2020 (Rs. In crore)	Incremental investment since last extension from 19.10.2020 to 18.10.2021 (Rs. In crore)	Total investment made till date
1.	Land cost	0.76	NIL	0.76
2.	Material procurement from DTA & Services	6.32	65.73	72.05
3.	Construction expenses G+5 floors	47.03	28.70	75.73
4.	Expenditure made for site development for various fees as indicated in above note.	3.24	0.63	3.87
	Total	57.35	95.06	152.41

c. Details of physical progress till date:

S. No.	Activity	% completion	% completion during last one year	Deadline for completion of balance work
1.	Excavation is completed	--	100	Nil
2.	Compound wall is completed	--	100	Nil
3.	Completion of the project	--	15.56	2024

Details reasons for delay:

- a) Non-availability of workmen (Skilled and Unskilled) due to Covid-19,
- b) Non-availability of Cement and Steel in the market due to lockdown since February, 2020 and Second time lockdown in the month of May, 2021 due to Covid-19 and lost some people by 2021 also and
- c) Construction activity is going on slowly due to shortage of skilled workmen.

As informed by DC, a LoA was issued to M/s Capgemini Technology Services India Limited on 07.09.2021 for setting up a unit in M/s GAR Corporation Private Limited SEZ and they may not commence its operations within the validity period of LoA of the developer i.e. 18.01.2022. Therefore, the developer has sought further extension of LoA for a further period of one year from 19.01.2022.

Recommendation by DC, VSEZ:

DC, VSEZ has recommended the request of extension of LoA for a period upto 18.01.2023.

108.2(ii) Request of M/s Phoenix Tech Zone Pvt. Limited for further extension of the validity period of formal approval granted for setting up of IT/ITES SEZ at Sy. No. 118 (P), 120 (P), 121 (P), 122 (P) & 138 (P), Nanakramguda Village, Serilingampally Mandal, Ranga Reddy District, Telangana beyond 06.12.2021.

Name of the developer : M/s. Phoenix Tech Zone Pvt Ltd.

Sector : IT/ITES

Date of LoA : 07.12.2016

Date of notification of SEZ : 22.02.2017

Extension : The validity of formal approval expired on 06.12.2021. The developer has requested for further extension beyond 06.12.2021.

Present progress:

a. Details of business plan:

Sl. No.	Type of Cost	Proposed investment (Rs. In crores)
1.	Project cost	1030.00

b. Incremental investment made so far and incremental investment since last extension:

S. No.	Type of cost	Total investment made so far (in Rs. Crores) upto 31.08.2021	Incremental investment since last extension (in Rs. Crores)
1.	Development Cost	220.20	115.91

c. Details of physical progress till date:

S. No.	Activity		% completion	% completion during last year	Deadline for completion of balance work
1.	Project development	Tower-1	65	45	31.03.2022
		Tower – 2	10	0	31.12.2022

Detailed reasons for delay: The project has a rocky terrain and considering that the project is abutting various residential and operational IT/ITES campuses, the preliminary work and excavation are completed by ensuring that the surrounding residential projects and the IT/ITES campuses were not disturbed. Accordingly, the initial works took up additional time. Further, the project also delayed due to Covid-19 first and second pandemic. However, since the 12 months, there has been substantial progress in the project, they have completed 30 floors in the Tower-1.

Further, they have made significant investments in the project and have received all the approvals required for construction and the development of the project is in active progress.

As per form C-1 i.e. application for extension of validity of formal approval granted under Rule 6(2)(a), the developer has applied for an extension for a period upto 31.12.2022. Further, the Specified Officer has also recommended the request of the developer for extension upto 31.12.2022.

Recommendation by DC:

DC, VSEZ has recommended the request of extension of LOA of the developer for a period upto 06.12.2022 i.e. one year beyond the expiry of validity of LoA.

The request is placed before BoA for its consideration.

108.3 Request for extension of LoA of the unit (three proposals)

- As per Rule 18(1) of the SEZ Rules, the Approval Committee may approve or reject a proposal for setting up of Unit in a Special Economic Zone.
- Cases for consideration of extension of Letter of Approval i.r.o units in SEZs are governed by Rule 19(4) of SEZ Rules.
- Rule 19(4) states that LoA shall be valid for one year. First Proviso grants power to DCs for extending the LoA for a period not exceeding 2 years. Second Proviso grants further power to DCs for extending the LoA for one more year subject to the condition that two-thirds of activities including construction, relating to the setting up of the Unit is complete and a Chartered Engineer's certificate to this effect is submitted by the entrepreneur.
- Extensions beyond 3rd year (in cases where two-third activities are not complete) and onwards are granted by BoA.
- BoA can extend the validity for a period of one year at a time.
- There is no time limit up to which the Board can extend the validity.

108.3(i) Request of M/s Varsha Corporation Limited, an unit located at Arshiya FTWZ, Panvel, Raigad, Maharashtra for extension of the Letter of Approval (LOA) upto 30.12.2015.

- LOA issued on (Date) : 31.12.2014
- Nature of business of the unit : Trading of HDPE, LLDE, Polypropylene, PVC Resin, worn clothes and other articles of clothes, warehousing & service activities
- Location : Warehouse no. 09, Mezzanine-2, Arshiya FTWZ, Sai Village, Taluka –Panvel, District – Raigad, Maharashtra.

- No. of Extensions : No extension granted by DC, SEEPZ SEZ
- LoA valid upto : The LoA was valid upto 30.12.2015. No extension has been granted by DC, SEEPZ SEZ.

Present Progress:

a. Details of Business Plan:

Sr No	Type of Cost	Proposed Investment (Rs in Crores)
1	Working capital	1.00 crores
2	Machinery	2.50 crores (Indigenous)
	Total	3.50 crores

b. Incremental Investment made so far and incremental investment since last extension:

Sr No	Type of Cost	Total Investment made so far (Rs in Crores)	Incremental Investment since last extension (Rs in Crores)
1	Working capital	0.25 crores	N.A
2	Machinery	--	N.A
	Total	0.25 crores	N.A

Detailed Reasons for Delay:

Delay in implementation since 2016 was due to the unit facing multiple difficulties like health issue of managing person, less business opportunities etc. and not able to generate much business. During this period they have made few exports, however those exports were executed as unit of Arshiya Supply Chain Management Pvt. Ltd. and Bll of Entry was filed as “Arshiya Supply Chain Management Pvt. Ltd. on behalf of Varsha Corporation Ltd., as M/s. Varsha Corpn. was new to SEZ and their management person was struggling with health.

As per Rule 19 (4) of the SEZ Rules 2006, the Letter of Approval is valid for a year within which the Unit shall commence production and intimate the date of commencement of activity/production. Further, on the request of the Unit, the Development Commissioner may grant further extension on the valid reasons recorded for a period not exceeding 2 years. Also, as per the proviso of the said Rule the Development Commissioner may grant further extension of one year subject to 2/3rd of the activity including construction relating to the setting up of Unit is complete and the Chartered Engineer's Certificate is submitted by the Entrepreneur.

In the subject case, as mentioned by the DC, it is noticed that the LOA was granted on 31.12.2014 with a validity for a year upto 30.12.2015. Since the Unit had intimated that they had commenced their operation w.e.f. 26.11.2015, Specified Officer was asked to confirm the DCP vide letter dated 13.01.2016. The DCP was not available as per NSDL records and the unit submitted clarifications with invoices which were forwarded to the Specified Officer by the DC office vide letters dated 26.04.2016, 04.10.2016 and 16.03.2018. The Specified Officer had vide

letter dated 29.05.2020 informed that as per Inbound Bill of Entry no. 7955 dated 26.11.2015, it was filed by unit Arshiya Supply Chain Management on behalf of M/s Varsha Corporation Ltd. for import of worn and used clothing which were further exported by unit Arshiya Supply Chain Management on behalf of M/s Varsha Corporation Ltd. Vide Shipping Bills no.004051 dated 08.12.2015 and 0004083 dated 09.12.2015. SO had also clarified that unit has submitted CA certified APR wherein the transaction have been shown in the FY 2015-16 and the unit has been active in Arshiya FTWZ as a client of the unit viz. M/s Arshiya Supply Chain Management rather than an independent unit.

It has further been mentioned that the unit had on 22.06.2021 conveyed that they had commenced their business, hence once again a clarification was sought from the Specified Officer on 05.07.2021. The SO vide their letter dated 06.08.2021 has reiterated that M/s Arshiya Supply Chain Management had filed the B/E on behalf of M/s Varsha Corpn. and also exported. Further vide letter dated 10.08.2021 conveyed that the unit has not commenced their production or services or trading activity.

Recommendation by DC, SEEPZ SEZ:

On examination of the Specified Officer and the clarification provided by Specified Officer that though they have made inbound entry and export of goods by M/s. Arshiya Supply Chain on behalf of Varsha Corpn., Unit has not commenced their production, Hence, the proposal of M/s. Varsha Corporation Limited for extension in the validity of the LoA dated 31.12.2014 in terms of the proviso of Rule 19(4) of the SEZ Rules 2006 is placed before the Board of Approval.

108.3 (ii) Request of M/s HLE Engineers Pvt Ltd, a unit at Plot no. Z/96/B, Village Luvara, Taluka Vagra, District Bharuch, Dahej SEZ, Gujarat for extension of validity of Letter of Approval upto 14.10.2022.

- LOA issued on (Date) : 15.10.2015
- Nature of business of the unit : Manufacturing of chemicals under Chapter 29 & 38
- No. of Extensions : One by DC, Dahej SEZ
- LoA valid upto : 14.10.2018
- Request : For further extension upto 14.10.2022.

Present Progress :-

a. Details of Business Plan:

Sr.No	Type of Cost	Proposed Investment(INR in Cr)
1	Land, Plant & Machinery etc	95.4861
2	Pre-Operative Expenses, Contingencies etc.	15.0951
Total		110.5812

b. Incremental Investment made so far and incremental investment since last extension:

Sr No	Type of cost	Total Investment made so far (INR in Cr)	Incremental investment since last extension
1	Land	6.1556	NIL
Total		6.1556	NIL

c. Details of the physical progress till date:

Sr. no.	Activity	% Completion	% Completion during last one year	Deadline for completion of balance work
1	Shrub Cutting	50%	NIL	28.02.2022
2	Leveling	10%	NIL	30.04.2022
3	Land filling	10%	NIL	30.04.2022

DC, Dahej has informed that their office vide letters dated 06.08.2020, 09.08.2021, 13.10.2021 & 05.11.2021 sought clarification and reason for delay of non submission of extension application from unit. M/s HLE Engineers Pvt Ltd. vide letter dated 10.12.2021 has informed that they were allotted plot Z/111/B and the plot Z/96/B was originally allotted to M/s. Neogen Chemicals Ltd. and later allotted to them in exchange by DSL on 12.04.2018. The plot allotments and subsequent developments are mentioned below in chronological order in tabular format for ease of understanding.

S.No.	Date	Actions
1	12/01/2015	Plot No. 111/B, SEZ- II allotted by DSL.
2	22/1/2016	M/s. HLE Engineers Pvt Ltd team visited the plot and found that it is very low lying (prone to flooding) and with no approach road to the allotted plot. They applied for an alternate plot with approach road and land level with adjacent plots.
3	29/2/2016	They applied for Environment Clearance (EC) before Ministry of Environment, Forest & Climate Change (MoEF).
4	26/5/ 2016	Reminder to DSL for alternate plot.
5	18/6/2016	DSL intimated in writing that no alternate plots are available.
6	15/7/2016	They got TOR approval from MoEF, New Delhi.
7	27/9/2016	Reminder for alternate plot to DSL.
8	5/11/2016	DSL allotted them plot No.Z/109.

9	12/4/ 2018	Plot No.Z/96/B is allotted by swapping plot No.Z/109.
10	19/4/ 2018	They paid swapping charges for plot.
11	28/4/ 2018	They applied before DC–SEZ for change of name in LOA.
12	19/6/2018	Based on NCLT order UAC approved Yashashvi Rasyan de-merger and change in name to HLE Engineers P.Ltd.
13	6/8/2018	Entered into Agreement with DSL & registered the plot Z/96/B in their name.
14	7/9/2018	Possession receipt issued by DSL in their favor.
15	28/11/ 2019	They applied before GIDC for (1) assurance letter for water and (2) treated effluent discharge line.
16	10/12/2019	Water supply assurance letter approved by GIDC. Intimated to them that no common effluent treatment plant in SEZ.
17	29/1/2020	They applied before DSL&DC-SEZ for land leveling and soil filling.
18	02/3/2020	They applied for Environment Clearance (EC) before Ministry of Environment, Forest & Climate Change (MoEF).
19	23/3/2020	Lockdown declared by Government of India and restrictions imposed by State Government as per pandemic act. All institutions including Central & State Governments except essential services shut down. Movement of man and material came to a standstill with stringent restrictions on number of employees allowed at site. Also movement of migrant labour to their native states meant that our proposed contractors informed that they could not start any construction activities at site.
20	18/4/ 2020	Received Terms Of Reference (TOR) from MoEF, New Delhi.
21	3/6/2020	Major accident occurred in their sister concern and all work came to a stand-still.
22	19/11/2021 & 24/11/2021	They have applied for and received membership of TSDF (BEIL) and Co-processing (RSPL) for disposal of wastes and Letter of Assurance of water supply from GIDC.
23		They informed that though the plot was allotted to them in April 2018, the erstwhile owner of the plot was living with his family and cattle on the plot and eviction was a herculean and time consuming task.

DC has informed that in view of the above sequence of events, they have not been able to start construction activities at site apart from circumstances that went beyond their control. However, they are totally committed to starting activities at the site and evident from the progress they have made on obtaining the Environmental Clearance and land filling / leveling activities.

Their project report clearly indicates the potential for foreign exchange earnings by their proposed investment in the site. Their group earns precious foreign exchange for the country and is supported by the export performance of their sister concern Yashashvi Rasayan Pvt. Ltd. located at plot Z/96/E in Dahej SEZ. Details are as per table below:

Sr. No.	Financial year	Export (MT)	Export in Crores (INR)
1	2017-18	201.60	16.36
2	2018-19	1363.20	120.33
3	2019-20	1965.60	160.40
4	2020-21	420.00	34.54 (till June 3rd)

They also informed that that they are a part of the Patel Group of companies and the turnover of their other group companies in the last three financial years show the overall financial soundness of the group. In the group, HLE Glascoat is a world leader in supplying crucial glass lined equipment to chemical industry and has recently taken over Thaletec GmbH, Germany. HLE Glascoat is also a leader in supplying high end, high performance equipment like filters, dryers, etc. to chemical industry.

Sr. No.	Financial year	Group Sales (₹ Crores)
1	2017-18	403.48
2	2018-19	550.17
3	2019-20	655.60

Due to the above circumstances they could not renew their LoA since 2018 as per the guidelines laid down in the SEZ Act and Rules and request to condone this oversight. They have stated that due to Covid-19 outbreak and lockdown declared by Government of India and restrictions imposed by State Government as per pandemic act, all institutions including Central & State Governments except essential services shut down. Movement of Man and Material came to a standstill with stringent restrictions on number of employees allowed at site. Also movement of migrant labour to their native states meant that their proposed contractors informed that they could not start any activities at site.

They also informed that Major accident occurred in their sister concern M/s. Yashashvi Rasayan Pvt Ltd located at neighboring plot Z/96/E impacting group cash flows and management attention being focused on restarting activities at the impacted site. Many of their senior employees were entangled in legal proceedings NGT related to the incident and many others were hospitalized due to injuries. As a culmination, all work came to a stand-still.

Recommendation of DC:-

DC, Dahej SEZ has recommended the case to the Board of Approval for extension of validity of LOA dated 15.10.2015 (extended upto 14.10.2018) for a period of one year.

108.3(iii) Request of M/s Rusan Pharma Ltd. in Indore SEZ for extension of Letter of Approval (LoA) beyond 01.12.2021 for one year up to 01.12.2022.

- LoA issued on : 02.12.2016
- Nature of business of the Unit : Manufacturing of API, Bulk Drugs
- No. of Extensions : (02) by DC Indore SEZ beyond original validity and (02) by BoA (SEZs)
- LoA valid upto : 01.12.2021
- Request : Further extension for one year, up to 01.12.2022

a. Details of Business plan:

S. No.	Type of Cost	Proposed Investment (Rs. in crores)
1.	Land	3.19
2.	Site Development – Road works, Boundary walls, Façade and Landscaping etc.	5.01
3.	Civil Construction Work – Main Production Blocks, Miscellaneous Building (including structure, partition walls and floor finishing) utility, security office, security cabin, ETP/STP and Pump house + UG/OG Tanks, Fuel Yard, HT Yard, Solvent Tank Farm	25.88
4.	Plant & Machinery (including of Electrical Installation, Utilities and process equipment & QC lab etc.)	61.20
5.	Other Pre-Operative Expense	6.08
Total		101.36

(b) Incremental Investment made so far and incremental investment since last extension –

As per the Certificate issued by the Chartered Accountant, M/s Gupta Saharia & Co., Mumbai, is as under:

(Rs. In Crores)

S.No.	Type of Cost	Total investment made so far	Incremental Investment since last extension up to 01.12.2021
1.	Land	3.19	0.00
2.	Site Expenses	0.14	0.14
3.	Lease Rent	0.39	0.11
4.	Legal & Professional	0.52	0.00

	fee		
5.	Building & Construction	7.09	6.34
6.	Plant & Machinery (Production process)	1.14	1.14
7.	Utility Equipment Cost	0.57	0.57
8.	Computer & Printers, IT server	0.04	0.02
9.	Salary	0.70	0.59
10.	Other Office expenses	0.89	0.72
11.	Electricity deposit & installation	0.24	0.20
12.	Fire & Safety	0.06	0.06
13.	Other Expenses - Vehicle	0.19	0.00
Total		15.16 crores	9.89 crores

(c) Details of physical progress till date :-

S.No.	Activity	% completion	% completion during last one year	Deadline for completion of balance work
1.	Acquisition of Land	100%	100%	--
2.	Civil Work – Land excavation, cutting filling and leveling of plot done and internal roads have been excavated. The civil foundations of all the buildings like Utility Block, Security Office and R&D block is complete whereas Production Block footings is heading towards completion as (65-70%) footings done. Slab casting is also done for Security building and R&D Block.	25%	25%	18 months
3.	Water & Temporary electrical connections	100%	--	--

4.	Major Orders completed for – DG, Transformer, VCB, Boiler, Fire pump, Chiller, Solvent tanks, Reactors, Underground water tanks & non-FLP lightings	--	Orders placed. Deliveries on site scheduled from Nov. 2021 onwards	18 months (in delivery, commissioning and installation)
5.	Major Orders in queue – Pumps, Solvent Recovery System, Electrification work, NFLP lightings, Cables, Utility pumps, ETP/STP, Water Systems/Fire Systems, Valves, Panels, GLRs, Lab equipments	--	In process	12 months (in ordering, delivery, commissioning and installation)

(d) Detailed reasons for delay –

- i. The Company has submitted that they were allotted plot No. M-21 in SEZ Phase II for which payment was made to the MPIDC Ltd., Regional Office, Indore, the Developer on 05.07.2017, while the lease deed was registered in December 2017. While registering the lease deed, the concerned Sub-Registrar Office was erroneously imposing Rs. 77,15,112/- as stamp duty on the allotted plot and owing to this legal issue the Company represented before the State Govt., and the matter was finally heard and decided by the Commissioner, Indore Division in favour of the Company on 11.09.2019. Accordingly, the registered lease deed could only be handed over to the Company in the month of November, 2019.
- ii. As the company has planned implementation of a Bulk Drug and Active Pharmaceutical Ingredient (API) manufacturing unit in Indore SEZ, it is required to obtain Environment Clearance from the State Environment Impact Assessment Authority (SEIAA) before starting the project implementation activities. As per the norms of MP Pollution Control Board (MPPCB), no Bulk Drug and Active Pharmaceutical Ingredient (API) manufacturing unit can start its project implementation at its site in the Industrial area before taking Environment Clearance from the Competent Authority i.e. the SEIAA-M.P., Ministry of Environment, Forest and Climate Change (MoEF&CC). The unit received the Environment Clearance on 21.08.2020.
- iii. The Company has already invested Rs. 15.16 crores in the project from their internal accruals and for the rest of the fund requirements it applied to their bank for funding. According to the Company, the process was almost in final stage but due to increased demand in Pharma sector the Company decided to increase its capacity and as a result the project cost has also increased from the earlier proposed Rs. 58.94 crores to Rs. 101.36 crores. Due to this, the process of

allocation of funds from Bank got delayed by six months and finally in the month of September 2021, the bank has disbursed the funds to the Company.

- iv. Due to the Covid-19 pandemic, initially the project implementation was delayed by 6-7 months last year. Thereafter, the company started project implementation in September - October 2020 and then again due to second wave the project was further delayed by another 5-6 months. Therefore, on account of delay in environment clearance, delay in lease deed registration and Covid-19 pandemic situation, the project implementation activities of the company got delayed.

The last extension up to 01.12.2021 was granted by BoA in its 101st meeting held on 27.11.2020 wherein the requisite Chartered Engineer certificate was not submitted by the unit as no physical activity had started at that time. The physical work has already started on site from October 2020 and out of the revised proposed investment of Rs. 101.36 crores, as per the Chartered Accountant certificate enclosed, an investment of Rs. 15.16 crores has been made by the Company in the proposed project. As per the Chartered Engineer's Certificate submitted, the physical activity completed in terms of percentage is 25% and the deadline expected for completion of balance work has been reported as 18 months.

Recommendation by DC, Indore SEZ:

As per the project profile, M/s Rusan Pharma Ltd. is an established entity in the Pharma sector. The company was incorporated in the year 1994 and is having one manufacturing facility of formulations in Kandla SEZ and one at Dehradun besides one API facility at Ankleshwar. The company is also having one formulation and one API facility in Europe.

DC Indore SEZ has therefore recommended the request of extension of LoA for a further period of one year up to 01.12.2022 in view of the following:-

- i. The unit has been allocated land in the SEZ by the Developer and the lease deed has also been registered.
- ii. Since the unit has made an investment of Rs. 15.16 crores in the project and has also obtained the Environment Clearance from the State Environment Impact Assessment Authority (SEIAA-M.P.), Ministry of Environment, Forest & Climate Change (MoEF&CC) and Consent to Establish from M.P. Pollution Control Board apart from other approvals, they appear to be serious to implement the proposed project.

108.4 Requests for co-developer (five proposals)

108.4(i) Request for Co-Developer status to M/s. Esskay Design and Structures Private Limited in ELCOT IT/ITES SEZ, Navalpattu Village, Tiruchirappalli Taluk and District, Tamil Nadu.

M/s. Electronic Corporation of Tamil Nadu Limited SEZ was notified on 12.02.2008 and spreads over an area 49.89 hectares.

M/s. Esskay Design and Structures Private Limited has submitted a proposal for becoming co-developer in the aforesaid SEZ **to provide support in developing, operating and maintaining an area of 3 acres (1.21406 Ha)** at Plot no. 22 at ELCOT-SEZ Trichy. Esskay is primarily into Steel Detailing and Building information modelling company and aims at giving optimal engineering solutions which gives cost effective design solutions using Information Technology platforms. The Net Worth of the co-developer is Rs.7.12 cr as on 31.03.2021.

The Co-developer agreement dated 24.12.2021 entered into with the developer has been submitted. As per the said agreement, the proposed activity to be undertaken includes providing 24 hours uninterrupted power supply, central air conditioning and other facilities as may be required. They have proposed an investment of Rs.20.20 crores as co-developer in the SEZ and projected employment of around 180 to 570. The developer of the SEZ has executed a lease deed for 3 acres of land on 99 years basis with the proposed co-developer and registered in the month of December, 2021.

Recommendation by DC, MEPZ:

DC, MEPZ SEZ has recommended the proposal.

108.4(ii) Request of M/s Sarguja Rail Corridor Pvt. Ltd. for approval for co-developer status to operate, maintain and develop infrastructure facilities in Adani Ports and SEZ, Mundra, Gujarat.

DC, APSEZ has informed that as per their business restructuring plan, M/s Adani Ports and Special Economic Zone Ltd. (APSEZL) has decided to consolidate all the rail business activities of the group under one group entity i.e. Sarguja Rail Corridor Pvt. Ltd.

As a part of this business restructuring plan, APSEZL has proposed **transfer of rail infrastructure including all assets pertaining to Mundra rail operations, developer by APSEZL as a part of its authorized operations in APSEZ, Mundra, to Sarguja Rail Corridor Pvt. Ltd.** as a going concern on slump sale basis. APSEZL has stated that this business restructuring shall facilitate focused operation and to create a center of excellence to bring best practices, operational efficiency, technological integration and common skill set, etc.

DC has further informed that considering that Sarguja Rail Corridor Pvt. Ltd. is not a co-developer in APSEZ, Mundra, therefore in order to execute above referred business restructuring, developer has requested for grant of co-developer approval to Sarguja Rail Corridor Pvt. Ltd. to operate, maintain and further develop rail infrastructure facilities and services in APSEZ in terms of Rule 3A of the SEZ Rules, 2006 and shall cover an area of 1325 Ha.

Sarguja Rail Corridor Pvt. Ltd. has submitted application seeking approval for co-developer status along with the copy of co-developer agreement dated 12th August, 2021 and draft lease deed. The proposed investment includes Rs.250 cr of new investment and Rs.188.65 cr of transfer of net assets. Further, the net worth of Sarguja as on 31.03.2021 is Rs.326.84 cr.

Another approval sought by APSEZL to transfer rail infrastructure including all assets pertaining to APSEZ Mundra Rail operations to Sarguja as a going concern on slump sale basis as co-developer shall be considered in the UAC as per DoC's Instruction no. 109 dated 18.10.2021. APSEZL has submitted the board resolution dated 03.03.2021, wherein their board has given consent to such transfer of the rail infrastructure facilities from APSEZL to Sarguja Rail Corridor Pvt. Ltd. APSEZL has filed an application with NCLT for approval of a Composite Scheme of Arrangement for de-merger of rail business and subsequent transfer of rail assets and liabilities to Sarguja.

Recommendation by DC, APSEZ:

The railway line in the APSEZ, Mundra terminates in the DTA and primarily caters to the Port's requirement of evacuation of the cargo. However, since the infrastructure in a SEZ can only be developed, operated or maintained by either a developer or co-developer, the present proposal of granting co-developer status to M/s. Sarguja Rail Corridor Pvt. Ltd. is recommended for consideration of the Board of Approval in terms of Rule 3A of SEZ Rules, 2006.

This is being recommended subject to the strict condition that no duty benefits of any kind will be given to M/s. Sarguja Rail Corridor Pvt. Ltd. for procurement of any material or services.

The proposal is placed before BoA for consideration.

108.4(iii) Request of M/s Crownstone Constructions Private Limited for co-developer status in Aequs SEZ Pvt Ltd-SEZ, located at No. 55, Aequs Towers, Whitefield Main Road, Mahadevpura Post, Koppal, Bangalore, Karnataka for construction and development of infrastructure activities.

The above mentioned SEZ was notified on 21.02.2020 over an area of 52.08 hectares as a Sector Specific SEZ for Light Engineering Goods and Services and is yet to be operationalized.

M/s Crownstone Constructions Private Limited has submitted an application for becoming Co-Developer in the aforesaid SEZ **for construction of units, development plan, road, external infrastructure for SEZ, water supply, security system, drainage system, sewage system, solid waste management, power supply, medical and food facility. The proposed number of units are 48 which shall cover total area of 5,76,000 sq.mtrs. of the processing area.** M/s Aequs SEZ, the Developer shall provide mobilization advance for efficient cash flow and mobilization.

The Co-Developer agreement dated 30.12.2021 entered with the Developer has been provided. The net worth of the proposed co-developer is Rs.10.04 lakhs. The proposed amount of investment by the Co-Developer in the SEZ is Rs. 5.82 crores.

Recommendation by DC:

DC, CSEZ has recommended the proposal.

108.4(iv) Request of M/s. Rathinam Business Parks Private Limited for Co-developer status in M/s. Span Ventures Pvt. Ltd. an IT/ITES SEZ at Eachanari, Coimbatore.

The above mentioned SEZ was notified on 10.07.2007.

M/s. Rathinam Business Parks Private Limited, has submitted a proposal for becoming a co-developer in the aforesaid SEZ **for developing, operating and maintaining the IT infrastructure of 0.81 hectares (2.00 acres)** out of 2.93 Ha of already notified SEZ land and providing other infrastructure facilities at the SEZ.

As informed by the DC, M/s Rathinam Group is engaged into development and management of educational institutions, IT Parks and development of other infrastructure (Housing, Development and Entertainment) with more than 15 years of experience in these fields. The company has proposed to invest Rs.45.50 cr for the proposed development of 70,000 sq. ft. of IT/ITES building and shall provide direct and indirect employment opportunity to more than 5000 persons during construction phase and post completion will provide employment opportunities for more than 7000 persons. The new company has promoter net worth of 50 cr.

The letter of intent dated 09.03.2020 entered into with the developer has been provided.

Recommendation by DC:

DC, MEPZ has recommended the proposal for approval of co-developer status over an area of 0.81 Ha (2 acres) in the said SEZ for consideration by the BoA.

108.4(v) Request of M/s. Junomoneta International (IFSC) Private Limited, for approval as Co-Developer in Multi Services SEZ at Ratanpur, District Gandhinagar, Gujarat, developed by M/s. GIFT SEZ Limited.

M/s. GIFT SEZ Limited, Gandhinagar, was granted an LoA on 07.01.2008 for setting-up sector specific SEZ for multi-services at Villages Ratanpur and Phiropur, District Gandhinagar, Gujarat, and notified on 18.08.2011 over an area of 105.4386 hectares.

M/s. Junomoneta International (IFSC) Private Limited, GIFT-SEZ, Gandhinagar vide their application dated 31.12.2021 have sought an approval as a Co-Developer in GIFT-multi-services-SEZ, Gandhinagar, Gujarat, **for construction, development, maintenance and operation of building having built-up area of 3,00,000 square feet** within GIFT-SEZ processing area and shall comprise land admeasuring 3399 sq. mtrs. The applicant proposes that the facility would be allotted as per the guideline of authority and allotted to the approved units as per the IFSC guidelines/SEZ approval.

The allotment cost shall be Rs.40.50 cr and the construction/furniture/furnishing/IT infrastructure shall cost approx Rs.334.5 cr. The net worth of the co-developer is Rs.5,84,76,770. The draft co-developer agreement with the developer has been provided and the same will be finalized and entered into once approval from respective authority is received.

DC has stated that the GIFT-multi-services SEZ, Gandhinagar is functional with over 300 plus broad sector services units approved including the financial services units of Banks, Insurance companies, Stock market entities, related units aviation products/services leasing companies, other ancillary services units, and upcoming areas of business (like Bullion) exchanges, maritime services units, which requires additional built-up area/premises for such approved entities.

Recommendation by DC :

In view of the increase in economic activity and other developments at GIFT-SEZ, Gandhinagar, DC, Dahej SEZ recommends the proposal of M/s. Junomoneta International (IFSC) Private Limited, Gandhinagar, as a Co-Developer, for construction of new building with built-up area of 3,00,000 square feet in the above notified SEZ.

108.5 Cancellation of co-developer status (two proposals)

108.5(i) Proposal of M/s. Three C Facility Management Pvt. Ltd. for cancellation of Co-developer approval dated 16.06.2010 granted by DOC in respect of IT/ITES SEZ of M/s. Oxygen Business Park Pvt. Ltd. at Plot No. 7, Sector-144, Noida (Uttar Pradesh).

M/s. Three C Facility Management Pvt. Ltd. was granted LOA on 16.06.2010 as a Co-developer for operation and maintenance of equipment, services and common areas of the SEZ in the IT/ITES SEZ of M/s. Oxygen Business Park Pvt. Ltd. at Plot No, 7, Sector-144, Noida (U.P.). The Co-developer executed Bond-Cum-Legal Undertaking which was accepted by the Competent Authority.

M/s. Three C Facility Management Pvt. Ltd. vide their letter dated 05.02.2015 & subsequent letters dated 08.06.2018 & 26.12.2018 submitted request for cancellation of LOA dated 16.06.2010 issued to them. The Co-developer has undertaken that they have not taken any direct and / or indirect tax benefit under SEZ scheme.

DC, NSEZ has informed that as regards Affidavits submitted by the Co-developer to the effect that they are not registered with Service Tax Deptt. & VAT/GST Deptt., NSEZ had sent letters dated 13.07.2018 to concerned departments i.e. Commissioner, CGST, Noida and Dy. Commissioner, Commercial Tax, Noida, with the request to forward its No Dues / reply, if any, in respect of M/s. Three C Facility Management Pvt. Ltd., within 15 days failing which it will be presumed that nothing is outstanding against the company and necessary action for cancellation of co-developer approval will be initiated without any further reference. However, no communication/reply has been received from the Commissioner, CGST. Noida and Dy. Commissioner, Commercial Tax, Noida. Hence, it is presumed that nothing is outstanding on account of Service Tax Deptt. & VAT/ GST against the company. Besides, Labour Section, NSEZ vide letter dated 25.07.2018 has informed that as per records, M/s. Three C Facility Management Pvt. Ltd. had not registered itself under Labour Act in this office hence no labour dues are pending against the company. Further, the co-developer undertakes that in case such liability arises in future, the entire amount will be borne by the company.

As mentioned by DC, as per Half yearly reports & Quarterly reports, M/s. Three C Facility Management Pvt. Ltd. (Co-developer) had procured duty paid goods for authorized operation in SEZ. Specified Officer of SEZ has already issued 'No Dues Certificate' vide letter dated 14.12.2018 indicating that there are no dues pending against M/s. Three C Facility Management Pvt. Ltd.

Recommendation by DC, NSEZ:

The proposal of M/s. Three C Facility Management Pvt. Ltd. for cancellation of LOA dated 16.06.2010 issued to them as a co-developer of the IT/ITES SEZ of M/s. Oxygen Business Park Pvt. Ltd. (formerly Aachvis Softech Pvt. Ltd.) at Plot No. 7. Sector-144, Noida (UP.), is recommended herewith for consideration of BOA.

108.5(ii) Request for cancellation of Co- Developer status of M/s Syngene International Limited in Mangalore Special Economic Zone .

M/s. Syngene International Limited was granted co-developer status in Mangalore SEZ vide LoA dated 17.03.2015 for development of 16.2 Ha area. Later, an additional area of 2.57 Ha was also granted on 01.10.2018 for setting up of Green Field Campus consisting of common infrastructure. The authorised operations of the Co-Developer included the following:-

- (i) Development and maintenance of infrastructure including the Building
- (ii) Effluent Treatment Plant
- (iii) WTP Plant, Fire Fighting equipment and Water Hydrant
- (iv) Cooling Tower
- (v) Solvent Recovery area, water storage and distribution, Power Generation
- (iv) Nitrogen Generation, chilled water system, chilled brine system
- (v) Multi Effective Evaporator Plant
- (vi) Compound Wall, landscaping, security, canteen, creche, gymnasium etc.

They also have a unit for which LoA was accorded on 28.08.2019 and which commenced operations on 02.03.2020. The LoA of the unit is valid upto 01.03.2025.

(A) Reasons for cancellation of Co-Developer status :

M/s Syngene International Ltd. Has vide their letter dated 08.11.2021 submitted an application for cancellation of their co-developer status for the following reasons:-

- i. In the initial stage, M/s. Syngene International Limited had plans to set up different types of manufacturing units inside their premises and they thought that the same will be maintained under one Co-Developer, working as a facility management Company.
- ii. However, their business plans were later changed and they had set up only one manufacturing plant with high capacity, which can cater all the Pharma products. Syngene's Unit being the first manufacturing plant in India, are looking for more business in SEZ unit, than being a Co-Developer.

- iii. Accordingly, their management had also taken a decision to go with only one SEZ unit in Mangalore SEZ. The management is of the opinion that there is no scope for maintaining the dual status i.e., existing as a Co-Developer and also holding an LoA for the Unit.
- iv. Maintaining dual status is difficult in terms of documentation, as well as in terms of compliance.
- v. The Co-Developer also ensured that, after the exit of Co-Developer status, all their investments will be transferred to M/s. Syngene unit, enabling their books of accounts maintained properly and there shall not be any ambiguity on Co-Developer and SEZ Unit status.

(B) Assets and liabilities of Co- Developer to be transferred to their SEZ Unit.

Details of Plant & Machinery for transfer from Co-Developer to the Syngene SEZ Unit.			
Particulars	Value In Rupees	Exemption Claimed	
Building	194,50,92,268	GST /Service Tax	35,26,17,294
Capital Goods Imported	11,16,80,971	Customs Duty	3,09,74,717
Capital Goods Indigenously Procured	98,65,11,112	GST / Service Tax	17,87,67,639
Total	304,32,84,351	Duty & Taxes	56,23,59,650

The above mentioned assets (i.e. Building, capital Goods Imported, Capital Goods Indigenously procured) are in Co- Developer Books and M/s. Syngene had assured that they will transfer all the assets and liabilities to their SEZ Unit. They also assured that, further if any liability arise on Co- Developer, their SEZ Unit will own the responsibility, as the SEZ Unit will be holding these assets and liabilities of the Co-Developer. The Co-Developer also ensured that in future,if any undertaking is needed, the same shall be provided from the Syngene SEZ Unit.

(C) Present infrastructure facilities for running Syngene's SEZ unit

M/s. Syngene International Limited have 16.2 Hectares of built in facilities for manufacturing Active pharmaceutical Ingredients (API), Advanced Intermediate (AI) and 2.57 Hectares exclusive for Effluent Treatment Plant to treat the effluent. Presently, 400 Employees are working in the organisation, including on roll and off roll. M/s. Syngene International Ltd., is also certified for GMP (Good Manufacturing Practice) which proved their uniqueness in business.

(D) NOC from the Developer of Mangalore SEZ

M/s. Syngene International Limited had obtained NOC from the Developer, Mangalore SEZ Ltd., for the cancellation of Co-Developer status vide letter dated 03.11.2021.

(E) Comments from the Specified Officer of Mangalore SEZ

The Specified Officer, MSEZ informed that no custom duty liability arises in this case, as all the goods and services procured availing exemptions will remain within the SEZ and will be utilized by the Syngene Unit.

Since the co-developer is covered under the definition of developer, the suspension of LoA of co-developer shall also be governed by Section 10 of the SEZ Act. There is no specific provision for cancellation of LoA, however, on the recommendation of the Development Commissioner for such cancellation on the ground of co-developer not fulfilling the necessary requirements / obligations in terms of SEZ Act/Rules or on the request by the co-developer, such cancellation has been considered by the BoA in the earlier cases.

Recommendation by DC: -

DC, CSEZ has recommended the proposal for cancellation of Co-Developer status.

108.6 Miscellaneous Cases (one proposal)

108.6 (i) Request of M/s. Rain CII Carbon (Vizag) Limited (RCCVL) for permission for doing Job Work, wherein Foreign Buyers will supply Raw Petroleum Coke (RPC) and Calcined Petroleum Coke (CPC) as Raw Materials and take back the finished product, CPC.

A proposal dated 22.10.2021 has been received from M/s Rain CII Carbon (Vizag) Limited (RCCVL) informing that they have set-up a New Calciner Plant (APSEZ Unit) in the Andhra Pradesh Special Economic Zone (APSEZ), Visakhapatnam with a capacity of 740,000 Tons per annum to manufacture Calcined Petroleum Coke (CPC), which is in operations only on a limited basis due to non-availability of raw materials, i.e., Raw Petroleum Coke (RPC) and CPC. As this APSEZ Unit was set-up after the judgment rendered by the Apex Court imposing quantitative restriction, they were not allocated any volume to import RPC and CPC by the DGFT. They had received all the regulatory approvals including Consent for Operation (CFO/CTO) on 06.03.2020 from Andhra Pradesh Pollution Control Board for operation of the APSEZ Unit.

RCCVL submits that apart from the APSEZ Unit, they also operate another CPC manufacturing unit located in the Domestic Tariff Area. Both the DTA Unit and APSEZ Unit are fitted with state-of-the-art Flue Gas Desulphurisation (FGD) systems having more than 98% SO₂ scrubbing efficiency, making them one of the cleanest calcination plants, as also confirmed in a research study conducted in September 2021 by National Environmental Engineering Research Institute (“NEERI”) a Government of India Research Institute which confirms that both the DTA and APSEZ Units use sustainable manufacturing process that reduce the environmental emissions, apart from conserving energy.

The APSEZ Unit also has a co-generation plant and is equipped to produce 15 MW of electrical energy using waste-heat evolved during the process. In the current times of

unprecedented increase in global coal prices and shortages of electricity, the operation of the APSEZ Unit will also contribute towards alleviation of power shortages to some extent, by generating clean electricity in the cogeneration facility.

As the APSEZ Unit was set-up in the Special Economic Zone and the Unit is fully ready for operations with an unique capability to reduce emissions, they would like to use the facilities for carrying-out 'Job Work' for Foreign Buyers, wherein RPC and CPC shall be 'Free of Cost Supply by the Foreign Buyer' and the 'Title and Ownership' for these raw materials will remain with the Foreign Buyer, considering that the APSEZ Unit will only be providing 'Supply of Services' at a mutually negotiated tolling fee. The Finished Product (CPC) would be exported back to the same Foreign Buyer after processing by their APSEZ Unit. The raw materials (RPC & CPC) received from the Foreign Buyer for Job Work will not be sold / transferred in the domestic market and the entire finished product will be exported back to the Foreign Buyer and not sold in the domestic market, as the ownership of these materials will remain with the said Foreign Buyer. This would enable to utilize their APSEZ Unit and will also result in export of services and earning of foreign currency.

Accordingly, RCCVL had requested DoC to permit the APSEZ Unit to carry out 'Job Work' for Foreign Buyers, a 'Supply of Services' activity, wherein Raw Petroleum Coke (ITC HS Code 27131190) and Calcined Petroleum Coke (ITC HS Code 27131290) will be supplied as raw materials on a 'Free of Cost basis by the Foreign Buyers' and upon processing the Finished Product, Calcined Petroleum Coke (ITC HS Code 27131290) will be exported back to the same Foreign Buyer.

Earlier M/s. Rain CII Carbon vide representation dated 21.01.2021 had requested for permission to Toll/Contract Manufacture wherein foreign buyer will supply RPC & CPC as raw materials for processing/calcining under Clause 4.19 of FTP 2015-20 and Rule 27 of the SEZ Rules, 2006 and take back finished product i.e., blended CPC. The representation was endorsed by DC, APSEZ vide their letter dated 03.02.2021.

The items proposed for import are neither 'restricted' nor 'prohibited', however, there exists a quantitative restriction imposed by DGFT on the basis of judgment of the Apex Court based on environmental implications. Accordingly, it was decided to first seek the opinion from DGFT and MoEF&CC vide OM dated 25.02.2021 followed by subsequent reminders. In the matter, MoEF&CC had vide their OM dated 02.06.2021 observed as follows:

- i. The Hon'ble Supreme Court vide order dated 09.10.2018 placed an import limit of 1.4 Million MT of RPC and 0.5 Million MT of CPC per annum with an intent to limit the environmental impact of Pet Coke processing in India.
- ii. The said import of Pet Coke is subject to the OM dated 10.09.2018 of MoEF&CC which specifies the guidelines for regulation and monitoring of imported Pet Coke in

India. These limits are applicable to all the units operating within the country which also includes the SEZ units.

- iii. Rain CII Carbon has made several efforts by approaching various Courts, however their applications were dismissed.
- iv. It appears that the unit is trying to bypass the limit on RPC imports by having a foreign buyer will hold the title of RPC instead of Rain CII Carbon. Further, the Foreign Buyer is not a registered industrial unit in India and Pet Coke processing by such an entity cannot be effectively monitored.
- v. The Toll/Contract Manufacturing by a Foreign Buyer has the effect of processing more than 1.4 Million MT of RPC in India which is also in violation of the order dated 09.10.2018. That SEZ is physically a part of Indian Territory and any environmental impact due to its operations will impact the Indian Territory.

MoEF&CC concluded that it may not be appropriate to allow allocation of RPC to the SEZ unit as it will violate the orders passed by the Hon'ble Supreme Court.

Further, DGEP while conveying their opinion vide OM dated 28.06.2021 held that Toll/Contract Manufacturing shall involve import of RPC/CPC and export of resultant products. The tax treatment of these events of import and export may be different, keeping in view the Government policies. The SEZ unit can import free of cost raw material for carrying out processes on them, on charging a fees from foreign supplier and resultant export to him. There is no prohibition in carrying out such process. Further, the impact of Hon'ble Supreme Court order w.r.t. environment issues can be best judged by the MoEF&CC. Similarly, the impact of Notification on policy condition for the said raw materials can be best explained by DGFT. It was concluded that the request of the unit is not tenable before BoA.

In light of the submissions made by the unit in their representation dated 22.10.2021 , the MoEF&CC was requested to provide their comments on the Consent for Operation issued by the Andhra Pradesh Pollution Control Board for operation of the APSEZ unit vide DoC OM dated 11.11.2021 . A reminder was also sent to DGFT along with the fresh representation vide OM dated 11.11.2021 . Further, DGFT has vide their letter dated 03.09.2021 addressed to the unit referred to comments of this Division on request of unit to undertake job work for part processing of RPC supplied by the DTA unit, and advised them to approach the Specified Officer to seek permission to undertake sub-contracting/job-work as per the conditions laid down in Rule 43 of the SEZ Rules, 2006.

Meanwhile, MoEF&CC had vide their OM dated 10.12.2021 furnished their comments as follows:-

- (a) The unit has received CFO/CTO from APPCB dated 06.03.2020 which has a validity till 31.12.2025. The CFO is issued only after PCB is satisfied with compliance of the industry with respect to all the relevant conditions applicable in the Consent to establish/Environmental

Clearance conditions, as applicable. Possession of valid Consent to operate suggests that the industry is equipped with all necessary measures and system to meet the regulatory compliance conditions.

(b) The condition regarding subjected to orders of the Hon'ble Supreme Court /Other Courts/Tribunals orders and direction of MoEF&CC /CPCB with regard to usage of petcoke is generally imposed for compliance to any modification arising out of judiciary or otherwise policy level decisions, as default. This facilitates the applicant not to make fresh application or SPCBs to grant new consent for changes arising due to such decisions and gets applicable mutatis-mutandis.

(c) The provision of MoEF&CC OM dated 10.09.2018 is to be complied with.

It is pertinent to note here that the unit had approached the Hon'ble High Court of Andhra Pradesh with the prayer to direct the 2nd respondent (BoA) to consider and dispose of the petitioner's application dated 21.01.2021 for carrying out job work for foreign buyers/companies as a supply of services activity in accordance with the SEZ Act, 2005 and the SEZ Rules, 2006. The W.P. no.29182/2021 filed by M/s Rain CII Carbon (Vizag) Ltd. on 01.12.2021 has been disposed by the Hon'ble Court vide order dated 10.12.2021 **directing the 2nd respondent i.e. the BoA to consider and decide the petitioner's application dated 21.01.2021, in accordance with law, at the earliest, preferably, within a period of four weeks from the date of judgment.**

It is pertinent to note here that Rain CII Carbon (Vizag) Ltd. has also moved the Hon'ble Supreme Court by filing an Interlocutory Application no.115613 of 2021 in Writ Petition (Civil) No. 13029 of 1985 filed by M.C. Mehta Vs UoI & Others seeking to issue the following clarification of the order dated 09.10.2018 :-

"That the import limits for RPC and CPC (i.e. 1.4 MMT and 0.5 MMT per annum respectively) as per SC October order applies when there is domestic usage of the finished product i.e. CPC only. In effect, the import limit for raw materials i.e. RPC and CPC as mentioned in the SC October order does not apply when the finished product i.e. CPC is re-exported without any domestic consumption in India."

The IA came up for hearing on 30.11.2021 wherein the Commission for Air Quality Management was directed to submit a report within four weeks from the date of order i.e. 30.11.2021, regarding the impact on environment if these IAs are allowed. **The IA was listed on 10.01.2022, however an update on its status is awaited.** This department had vide OM dated 22.12.2021 requested DGFT to defend the interest of Union of India i.e. Respondent No. 1 in the Interlocutory Application and also furnish their comments on the request of the unit. A DO was also sent on 05.01.2022 to DGFT to expedite their response.

Now vide email dated 07.01.2022 , DGFT has informed that the matter has been examined and is an environmental issue, hence they have no specific comments to offer in the matter. It is for the SEZ/DoC to take appropriate action keeping in consideration of the inputs of the MoEF&CC vide OM dated 10.12.2021 read with OM dated 02.06.2021.

BoA is the 2nd responded in the impugned case. Accordingly, as per the order of the Hon'ble High Court of Andhra Pradesh dated 10.12.2021, BoA has to consider and decide the petitioner's application dated 21.01.2021, in accordance with law, at the earliest, preferably, within a period of four weeks from the date of judgment .

Since BoA meets as per a specified calendar - once in two months on the last Thursday, DC, APSEZ has been requested to communicate the factual position to the Hon'ble Court and that the case shall be placed before the BoA in its ensuing meeting dated 27.01.2022.

Meanwhile, DoC has also requested MoEF&CC to clarify whether APPCB's CFO/CTO would imply that the quantity restrictions imposed by Hon'ble SC can be waived for the SEZ unit which is very much within the territory of India as far as the pollution norms are concerned. It has also been decided to request the representatives from stakeholder department/ministries to be present during the meeting of the BoA while deliberating on this agenda item.

The matter is placed before the BoA for further consideration.
