

No. F.2/2/2018-SEZ  
Government of India  
Ministry of Commerce and Industry  
Department of Commerce  
(SEZ Section)

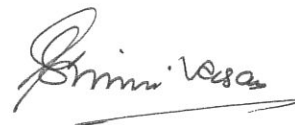
Udyog Bhawan, New Delhi  
Dated the 8<sup>th</sup> June, 2018

**OFFICE MEMORANDUM**

**Subject:** 83<sup>rd</sup> Meeting of the Board of Approval (BoA) for Special Economic Zones (SEZs) scheduled to be held on 19<sup>th</sup> June, 2018 at 11.30 A.M in Room No. 141 - forwarding of Agenda thereof – Reg.

In continuation to this Department's O.M. of even number dated 28<sup>th</sup> May, 2018 on the above mentioned subject, the undersigned is directed to enclose herewith the Agenda for the 83<sup>rd</sup> meeting of the BoA for SEZs scheduled to be held on 19<sup>th</sup> June, 2018 for information and necessary action. Soft copy of the agenda has also been hosted on the website: [www.sezindia.gov.in](http://www.sezindia.gov.in). The addressees located outside Delhi are requested to download the agenda from the above mentioned website.

2. The addressees are requested to make it convenient to attend the meeting.



(G. Srinivasan)

Under Secretary to the Govt of India

Tel: 2306 2496

Email: [srinivasan.g@nic.in](mailto:srinivasan.g@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. Joint Secretary, Department of Industrial Policy and Promotion, 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 Bhavan, Mehrauli Road, New Delhi. (Telefax: 26862512)
9. Joint Secretary, Department of Biotechnology, Ministry of Science and Technology, 7<sup>th</sup> 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. Joint Secretary, (Justice-I), Department of Legal Affairs, M/o Law & Justice, New Delhi (Tel: 2338 3037).
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, 8<sup>th</sup> 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, 4<sup>th</sup> 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, 9<sup>th</sup> 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, 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 (4<sup>th</sup> 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), Lal Bahadur Shastri Bhawan, Lucknow – 226001 (Fax: 0522-2238255).
52. Government of Punjab, Principal Secretary Department of Industry & Commerce Udyog Bhawan), 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), Vallabh Bhavan, 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, 2<sup>nd</sup> Floor, Pandri, Raipur, Chhattisgarh (Fax: 0771-2583651).

**Copy to:** PPS to CS / PPS to OSD (AW)/PPS to AS (BBS) / PA to Dir (TVR).





**Agenda for the 83<sup>rd</sup> meeting of the Board of Approval to be held on 19<sup>th</sup> June 2018  
in Room No.141, Udyog Bhawan, New Delhi.**

**Item No. 83.1: Requests for extension of validity of formal approvals (8 proposals)**

BoA in its meeting held on 14<sup>th</sup> September, 2012, examining similar cases observed as under: -

*"The Board advised the Development Commissioners to recommend the requests for extension of formal approval beyond 5<sup>th</sup> year and onwards only after satisfying that the developer has taken sufficient steps towards operationalisation of the project and further extension is based on justifiable reasons. Board also observed that extensions may not be granted as a matter of routine unless some progress has been made on ground by the developers. The Board, therefore, after deliberations, extended the validity of the formal approval to the requests for extensions beyond fifth years for a period of one year and those beyond sixth year for a period of 6 months from the date of expiry of last extension".*

- (i) (a) Request of M/s. HBS Pharma SEZ Pvt. Ltd., for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Pharmaceuticals at Panoli Industrial Estate, District Bharuch, Gujarat beyond 16/06/2018 and change of sector of the SEZ from Pharmaceutical products to Transport-Automobile & Engineering goods.

Name of the developer : M/s. HBS Pharma SEZ Private Limited

Sector : Pharmaceutical

Location : Panoli Industrial Estate, District Bharuch, Gujarat

Extension : Formal approval to the developer was granted on 17-06-2008. The developer has been granted 07 (seven) extensions so far and last extension was granted on 19-07-2017 and thereby validity period was extended up to 16-06-2018. The said developer has now requested for further extension in validity by one more year viz. up to 16-06-2019. The SEZ stands notified as on date.

Present Progress:

**(a) Details of business Plan:-**

Sr. No.	Type of cost	Proposed Investment (Rs. In lakhs)
1	Land Cost	6990.17
2	Construction Cost	8060.46
	Total	15050.63

**(b) Incremental investment since last extension:-**

Sr. No.	Type of Cost	Total Investment made so far (Rs. in lakhs) up to 25 <sup>th</sup> April 2017	Incremental investment (Rs. in lakhs) since last extension
1	Land cost	7047.00	301.62
2	Material Procurement	5678.00	Administrative expenditure etc. 96.50
3	Construction	7975.00	Interest exp. etc. 765.81
	Total	<b>20700.00</b>	<b>Rs.1163.95</b>

**(c) Details of physical progress till date:-**

Sr. No.	Authorised activity	% completion
1.	Compound Boundary Walls	100 %
2.	Concrete Roads	100 %
3.	RCC Storm Water Drains	100 %
4.	Footpaths	100 %
5.	Water Pipeline Network	100 %
6.	Sewage & Recycled Water Pipelines Network	100 %
7.	Administrative Office Building	100 %
8.	Sales /Marketing Office Building	100 %
9.	Processing Zone Gatehouse Entry	100 %
10.	Landscaping	100 %
11.	Availability of Water from GIDC	100 %
12.	Availability of Power from DGVCL	100 %

**Detailed Reasons for delay:** The approved SEZ units have not started commercial production as these units are from pharmaceutical sector and several mandatory/regulatory approvals are required.

**Recommendation by DC**

This Zone has fully developed roads, drainage, water supply etc. and an admin complex. However, the approved pharmaceutical units were not in position to start commercial production/operation due to long gestation period, obtaining of various regulatory approvals/permissions from domestic/international agencies concerned with the sector. Due to various circumstance and factors beyond the control of the developer, and due to the fact that by a separate application, the developer has also sought change of sector, it is recommended to extend validity of LOA of developer by another year.”

The request of the developer is submitted for consideration of BoA.

(b) M/s. HBS Pharma SEZ Pvt. Ltd., has sought for change in sector of the notified SEZ from 'Pharmaceutical' to "Transport-Automobile & Engineering goods" to allow manufacturing and trading in all types of tires, tubes, flaps, rubberized tracks (reinforced or otherwise), ORings and related accessories thereof such as, Rims, wheels, valves, individually or in sets/assemblies or in subsets/sub-assemblies or in any combination thereof, for all type of vehicles including off the road ("OTR") vehicles, and rubber and/or metal components for material handling equipments, such as conveyor belts etc.

Basic reason put forth by the developer for non development of SEZ for Pharmaceutical products is that due to changes in tax laws, pharma companies have put on hold expansions, new set-up in SEZ, which is furthered by global economic slowdown. In spite of the Developer's best efforts and their location advantage being in the belt of pharma/chemical sectors of Ankleshwar/Panoli, in the District of Bharuch, Gujarat, till date they are unable to attract major pharma companies/units to set up units in their notified Pharma SEZ. These are due to various circumstances/factors, like long gestation period in pharma industry, regulatory approvals/permissions from domestic/international agencies, saturation in the region, etc. Thus, they are seeking approval for change in sector from pharmaceutical to 'Transport & Automobile & Engineering Goods. They are into final stages of negotiation with key players in this sector intending to set-up Greenfield project with investment of Rs. 1000.00 crores

In view of the above circumstances and facts, the case is recommended for change in sector from 'Pharmaceutical' to new sector viz. "Transport & Automobile & Engineering goods" **subject to conditions that they should obtain all necessary/permissions from the Government of Gujarat, SEZ Development Authority formed by the Government of Gujarat under the Gujarat SEZ Act, 2004, GIDC (as land has been obtained by the Developer on lease for 99 years from GIDC for development of Pharmaceutical SEZ) and in order to facilitate the developer to optimize and commercialize the notified SEZ before the sunset clause deadline of 31-03-2020 for the units.**

It may not out of place to mention here that total 04 Letters of Allotment have been issued for setting up units for Pharmaceutical Products so far details of which are as under:-

Sl. No.	Name of proposed unit M/s.	Date of issue of LOA	Validity of LOA	Remarks
01	T. M. Thakore Pharmaceutical Laboratories	28/04/2017	27/04/2018	Unit has not commenced any construction and manufacturing activities.
02	Galpha Laboratories Limited	12/05/2016	11/05/2017	-do-
03	Biodeal Laboratories Pvt. Ltd.	06/01/2012	05/01/2013	-do-
04	Unique Pharmaceutical Laboratories	28/08/2010	27/08/2013 (two years extensions in validity of LOA were granted)	-do-

As none of the approved units of Pharmaceutical Products have commenced any activities within the validity period, their Letter of Approvals have to be treated as lapsed as provided under Rule 19(5) of the SEZ Rules, 2006.

### Recommendation by DC

This SEZ is fully developed with roads, drainage, water supply etc. and an admin complex. However, the approved pharmaceutical units were not in position start commercial production/operation due to long gestation period, obtaining of various regulatory approvals/permissions from domestic/international agencies concerned with the sector. Due to various circumstance and factors beyond the control of the developer, and to the fact that by a separate application the developer has also sought change of sector, it **also recommended for change in sector from 'Pharmaceutical' to new sector viz. "Transport & Automobile & Engineering goods"** subject to conditions mentioned at above para."

The request of the developer is submitted for consideration of BoA.

**(ii) Request of M/s. Electronics Corporation of Tamil Nadu Ltd. (ELCOT Ltd.) for further extension of the validity period of formal approval, granted for setting up of sector specific IT/ITES SEZ at Viswanathapuram, Hosur for one year beyond 08.05.2018 (up to 7.5.2019).**

**Name of the developer :** M/s. Electronics Corporation of Tamil Nadu Ltd.

**Sector :** IT/ITES

**Location :** Viswanathapuram, Hosur

**Extension :** Formal approval to the developer was granted on 26.07.2007. The developer has been granted eight extensions last extension on validity period of LoA was up to 7.5.2018. The developer has requested for further extension upto 07.05.2019. The SEZ stands notified as on date.

Present Progress:

#### (a) Details of business Plan:-

Sr. No.	Type of cost	Proposed Investment (Rs. In lakhs)
1	Land Cost	--
2	Construction Cost	4.70
3	Plant & Machinery	--
4	Other overheads	--
	Total	4.70

#### (b) Incremental investment since last extension:-

Sr. No.	Type of Cost	Total Investment made so far (Rs. In crores)	Incremental investment (Rs. in crores)
1	Land cost	1.75	--
2	Material Procurement	--	--
3	Construction	40.00	--

4	Other Overheads	--	--
	Total	41.75	2.12

**(c) Details of physical progress till date:-**

Sr. No.	Authorised activity	% completion as on date	% completion during last one year	Deadline for completion of balance work
1.	Creation of common infrastructure facilities	100 %	--	N/A
2.	Construction of 50,000 sq.ft. IT building	100 %	15%	N/A

**Detailed reasons for delay:**

The Policy of the Government of Tamil Nadu is to take the Information Technology spread across the State for equitable growth, when there is no much presence of IT companies at Hosur. ELCOT has been asked to develop this location as attractive destination for IT/ITES Technology companies.

ELCOT has established IT Special Economic Zones in Tier-II Cities of Tamil Nadu viz. Madurai (2 locations), Tiruchy, Coimbatore, Salem, Tirunelveli and Hosur. Two units are likely to set up their business shortly and expected to be in operation from January, 2019.

**Recommendation by DC:**

DC, MEPZ SEZ has recommended the request of extension of LoA for a period of one year up to 07.05.2019.

The request is placed before BOA for its consideration.

**(iii) Request of M/s. Electronics Corporation of Tamil Nadu Ltd. (ELCOT Ltd.) for further extension of the validity period of formal approval, granted for setting up of sector specific IT/ITES SEZ at Vadapalanji, Madurai for one year beyond 8.5.2018 (up to 7.5.2019).**

**Name of the developer :** M/s. Electronics Corporation of Tamil Nadu Ltd.

**Sector :** IT/ITES

**Location :** Vadapalanji, Madurai

**Extension :** Formal approval to the developer was granted on 27.07.2007. The developer has been granted eight extensions last extension on validity period of LoA was up to 07.05.2018. The developer has requested for further extension upto 7.05.2019. The SEZ stands notified as on date.

Present Progress:

**(b) Details of business Plan:-**

Sr. No.	Type of cost	Proposed Investment (Rs. In lakhs)
1	Land Cost	--
2	Construction Cost	20.00
3	Plant & Machinery	--
4	Other overheads	--
	Total	20.00

**(b) Incremental investment since last extension:-**

Sr. No.	Type of Cost	Total Investment made so far (Rs. In crores)	Incremental investment (Rs. in crores)
1	Land cost	9.40	--
2	Material Procurement	--	--
3	Construction	42.66	10.16
4	Other Overheads	--	--
	Total	52.06	10.16

**(c) Details of physical progress till date:-**

Sr. No.	Authorised activity	% completion as on date	% completion during last one year	Deadline for completion of balance work
1.	Creation of common infrastructure facilities were completed at the cost of Rs. 14.50 crores	100%	100%	N/A
2.	Construction of Road Over Bridge work by the Highways Department and the work pertaining to Southern Railway are completed	75%	25%	N/A
3.	Construction of 50,000 sq.ft. IT-cum-Administrative block is under progress and is expected to be completed by Sep'2018. The prospective allottee unit holder after obtaining the necessary from the DC, MEPZ, Chennai shall be expected to commence their commercial operations by February 2019. 60 acres and 20 acres of land have been allotted to M/s.	75%	25%	Sep' 2019

	HCL and M/s. Chain-sys Software Export Pvt. Ltd. M/s. Chain-sys Software Export Pvt. Ltd. has obtained co-developer approval and expected to start their construction soon.			
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#### **Detailed reasons for delay:**

The Policy of the Government of Tamil Nadu is to take the Information Technology spread across the State for equitable growth, when there is no much presence of IT companies at Madurai. ELCOT has been asked to develop this location as attractive destination for IT/ITES Technology companies.

ELCOT has established IT Special Economic Zones in Tier-II Cities of Tamil Nadu viz. Madurai (2 locations), Tiruchy, Coimbatore, Salem, Tirunelveli and Hosur. 75% of the construction of 50,000 sq.ft. It-cum-Administrative block was completed and the project is expected to be completed by September 2018. The prospective allottee unit holder after obtaining the necessary approval from the Development Commissioner, MEPZ, Chennai shall be expected to commence their commercial operations by February, 2019. 60 acres of land allotted to M/s. HCL and 20 acres of land allotted to M/s. Chain-sys Software Export Pvt. Ltd. M/s. Chain-sys Software Export Pvt. Ltd. has got co-developer approval and expected to start their construction soon.

#### **Recommendation by DC:**

DC, MEPZ SEZ has recommended the request of extension of LoA.

The request is placed before BOA for its consideration.

**(iv) Request of M/s. Electronics Corporation of Tamil Nadu Ltd. (ELCOT Ltd.) for further extension of the validity period of formal approval, granted for setting up of sector specific IT/ITES SEZ at Gangaikondan, Tirunelveli for one year beyond 08.05.2018 (up to 7.5.2019).**

**Name of the developer :** M/s. Electronics Corporation of Tamil Nadu Ltd.

**Sector :** IT/ITES

**Location :** Gangaikondan, Tirunelveli

**Extension :** Formal approval to the developer was granted on 26.07.2007. The developer has been granted eight extensions last extension on validity period of LoA was up to 7.5.2018. The developer has requested for further extension upto 07.05.2019. The SEZ stands notified as on date.



Present Progress:

**(c) Details of business Plan:-**

Sr. No.	Type of cost	Proposed Investment (Rs. In lakhs)
1	Land Cost	--
2	Construction Cost	1.00
3	Plant & Machinery	--
4	Other overheads	--
	Total	1.00

**(b) Incremental investment since last extension:-**

Sr. No.	Type of Cost	Total Investment made so far (Rs. In crores)	Incremental investment (Rs. in crores)
1	Land cost	12.50	--
2	Material Procurement	--	--
3	Construction	33.00	--
4	Other Overheads	--	--
	Total	45.50	--

**(c) Details of physical progress till date:-**

Sr. No.	Authorised activity	% completion as on date	% completion during last one year	Deadline for completion of balance work
1.	Creation of infrastructure for water facility for the cost of Rs. 1,42,22,000/-	100 %	100%	N/A
2.	Extension of RCC road work for the estimate of Rs. 1,24,35,545/-	100 %	100%	N/A
3.	M/s. Syntel International Pvt. Ltd., have obtained the co-developer status and the construction of their building work completed. Interior fixtures is also completed. Installation of IT Hardware is under progress and awaiting for their HT power commissioning. The commercial operations may start from July 2018	100%	100%	N/A

**Detailed reasons for delay:**

The Policy of the Government of Tamil Nadu is to take the Information Technology spread across the State for equitable growth, when there is no much presence of IT companies at Gangaikondan, Tirunelveli. ELCOT has been asked to develop this location as attractive destination for IT/ITES Technology companies.

ELCOT has established IT Special Economic Zones in Tier-II Cities of Tamil Nadu viz. Madurai (2 locations), Tiruchy, Coimbatore, Salem, Tirunelveli and Hosur. M/s. Syntel International Pvt. Ltd. is awaiting for the HT Power commissioning and the commercial operations may start from July 2018.

**Recommendation by DC:**

DC, MEPZ SEZ has recommended the request of extension of LoA for a period of one year up to 07.05.2019.

The request is placed before BOA for its consideration.

**(v) Request of M/s. Electronics Technology Parks-Kerala for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Andoorkonam village, Trivandrum, Kerala, beyond 15<sup>th</sup> May, 2018.**

**Name of the developer:** M/s. Electronics Technology Parks-Kerala

**Sector :** IT/ITES

**Location:** Andoorkonam village, Trivandrum, Kerala

**Extension :** Formal approval to the developer was granted on 16<sup>th</sup> May, 2012. The developer has been granted three extensions, validity period of which was upto 15<sup>th</sup> May, 2018. The developer has requested for further extension upto 15<sup>th</sup> May, 2019. The SEZ stands notified as on date.

Present Progress:

**(a) Details of business Plan:-**

S. No	Type of cost	Proposed Investment (Rs. in lakhs)
1.	Land Cost	6600
2.	Construction Cost	50000
	Total	56600

**(b) Investment made so far & incremental investment since last extension:-**

S. No.	Type of Cost	Total Investment made so far (Rs. in lakhs) up to March, 2018	Incremental investment since last extension (Rs. in lakhs) i.e. up to 2017-18
1.	Land cost	6600	Nil

2.	Material Procurement cost and overheads	1908	1583
3.	Construction cost	Yet to invest	Yet to invest
	Total	8508	1583

**(c) Details of physical progress till date:-**

S. No.	Authorised activity	% completion as on date up to March 2018	% completion during last one year (2017-18)	Deadline for completion of balance work
1.	Suntec IT Building	20	20	March 2019
2.	110 KV substation	95	95	August 2018
3.	20 lakh liters sump	100	100	completed

**Reason for delay mentioned by developer:**

- (i) Delay in soft out local land issues.
- (ii) Resolution of Labour issues at project site.
- (iii) Await final approval from various regulatory agencies.

**Recommendation by DC:**

DC, CSEZ has recommended the request for extension of LoA for a period of one year upto 15<sup>th</sup> May, 2019.

The request is placed before BOA for its consideration.

**(vi) Request of M/s. Electronics Technology Parks-Kerala for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Pallipuram and Veiloor Village, Trivandrum, Kerala, beyond 15<sup>th</sup> May, 2018.**

**Name of the developer:** M/s. Electronics Technology Parks-Kerala

**Sector :** IT/ITES

**Location:** Pallipuram and Veiloor Village, Trivandrum, Kerala

**Extension :** Formal approval to the developer was granted on 16<sup>th</sup> May, 2012. The developer has been granted three extensions, validity period of which was upto 15<sup>th</sup> May, 2018. The SEZ stands notified as on date.

Present Progress:

**(a) Details of business Plan:-**

S. No	Type of cost	Proposed Investment (Rs. in lakhs)
1.	Land Cost	10800
2.	Construction Cost	75000
	Total	85800

**(b) Investment made so far & incremental investment since last extension:-**

S. No.	Type of Cost	Total Investment made so far (Rs. in lakhs) up to March, 2018	Incremental investment since last extension (Rs. in lakhs) i.e. 2017-18
1.	Land cost	10800	Nil
2.	Material Procurement cost	134	109
	Total	10934	109

**(c) Details of physical progress till date:-**

S. No.	Authorised activity	% completion as on date up to March 2018	% completion during last one year (2017-18)	Deadline for completion of balance work
1.	Boundary Wall	20	20	August 2018 (Local issues are getting resolved).

**Reason for delay as mentioned by developer:**

- (i) Change in Management decision of Infosys and Infosys surrendered the land.
- (ii) Delay in settling local land issues.
- (iii) Awaiting final approval from various regulatory agencies.

**Recommendation by DC:**

DC CSEZ has recommended the proposal for extension.

The request is placed before BOA for its consideration.

**(vii) Request of M/s. GOCL Corporation Limited (Formerly Gulf Oil Corporation Ltd.) for further extension of the validity period of formal approval, granted for setting up of IT/ITES/BPO/Electronic Hardware SEZ at Kattigenahalli & Venkatahalla Villages, Yelahanka Hobli, Bangalore, Karnataka beyond 17<sup>th</sup> June, 2018.**

**Name of the Developer** : M/s. GOCL Corporation Limited (Formerly Gulf Oil Corporation Ltd.)

**Sector** : IT/ITES/BPO/Electronic Hardware

**Location** : Kattigenahalli & Venkatahalla Villages, Yelahanka Hobli,  
Bangalore, Karnataka

**Extension** : Formal approval to the developer was granted on 18<sup>th</sup> June, 2009. The developer has been granted six extensions and last extension was on 12<sup>th</sup> July, 2017, validity period of which is upto 17<sup>th</sup> June, 2018. The developer has requested for further extension upto 17<sup>th</sup> June, 2019. The SEZ stands notified as on date.

Present Progress:

**(a) Details of business Plan**

Sl. No.	Type of Cost	Proposed Investment (Rs. In lakhs)
1.	Land cost	6,599.00
2.	Construction cost	94,700.00
	Total	1,01,299.00 lakhs

**(b) Incremental investment since last extension:-**

Sl. No.	Type of cost	Total Investment made so far (Rs. In lakhs) up to 31.03.2018	Incremental Investment (Rs. In lakh) since last extension
1	Land cost	6,599.00 (Present market value)	NIL
2.	Material procurement	26,019.00	3,744.00
3.	Construction	10,626.00	1,528.00
	Total	43,244.00	5,272.00

**(c) Details of Physical progress till date :-**

Sl. No.	Authorized activity	% completion	% completion during last one year	Deadline for completion of balance work
1	Phase-1 (block-3 & MLCP)	100.00	0.00	Work completed
2.	Phase-II (block-2)	82.00	18.00	October 2018
3.	Phase-III	Nil	Nil	Nil
4.	Phase-IV	Nil	Nil	Nil

**Detailed Reasons for delay:**

- (a) Leasing scenario has been weak during the last two and half years.
- (b) The delay in leasing out the built-up space is due to various factors like distance of site from city (North of Bangalore), supporting eco system in the neighborhood, concentration of IT industry towards East and South of Bangalore.

- (c) A new block having approx. 10.06 lakh sq.ft. built up area is under construction in phase-2
- (d) Second phase of the project will be ready for leasing latest by October 2018.
- (e) NoC from Fire & Emergency services has been obtained for the new block, which is third phase of the project.
- (f) Discussions are on with prospective clients.

**Recommendation by DC:**

Letter of Approval has been issued to M/s. AXA Business Services Private Limited to set up a unit in GOCL Corporation Limited SEZ and the unit is expected to commence its operation within six months.

DC CSEZ has recommended the request for extension of Letter of Approval for a period of one year upto 17<sup>th</sup> June, 2019.

The request is placed before BOA for its consideration.

**(viii) Request of M/s DLF Info Park, (Pune) Ltd. for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Rajiv Gandhi Infotech Park, Phase-II, Hinjewadi, Pune, Maharashtra beyond 26.06.2018.**

**Name of the developer:** M/s DLF Info Park, (Pune) Ltd.

**Sector :** IT/ITES

**Location:** Rajiv Gandhi Infotech Park, Phase-II, Hinjewadi, Pune, Maharashtra

**Extension :** Formal approval to the developer was granted on 27.06.2008. The developer has been granted seven extensions, validity period of which is upto 26.06.2018. The developer has requested for further extension upto 26.06.2019. The SEZ stands notified as on date.

The Developer has submitted the following details:-

**Investment made:**

The Developer has invested Rs. 266.58 crores on land, development of the SEZ site, construction of the buildings and building plan approval from MIDC.

The details of investment are as mentioned below:

a. Cost incurred on land:	Rs. 26,64,65,832.00
b. Cost incurred on development of land:	Rs.159,17,88,224.00
c. Cost incurred on other external developments:	Rs. 73,49,09,607.00
d. Building plan approval from MIDC:	Rs. 7,27,12,350.00

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Total : **Rs. 2,66,58,76,013.00**

## Incremental Investment:

### (a) Financial Progress:

The Developer has invested an increased amount of Rs. 7,84,32,635.00) from the last time Formal Approval extension granted to them i.e. the investment for the period from June, 2017 to till 30<sup>th</sup> April, 2018. The increased Investment details are as follows:-

Description	Investment made as per the Audited Books on 31 <sup>st</sup> March, 2017. (In Rupees)	Investment made till 30 <sup>th</sup> April, 2018. (In Rupees)	Incremental Investment made from Last Extension date 26 <sup>th</sup> June, 2017 Till date.
Cost incurred on Land	26,64,65,832.00	26,64,65,832.00	0.00
Cost incurred on Development of Land	1,58,60,67,939.00	1,59,17,88,224.00	57,20,285.00
Cost incurred on other (External Developments)	73,49,09,607.00	73,49,09,607.00	0.00
Building Plan Approval Process	-	7,27,12,350.00	7,27,12,350.00
<b>TOTAL</b>	<b>2,58,74,43,378.00</b>	<b>2,66,58,76,013.00</b>	<b>7,84,32,635.00</b>

The Developer has stated that due to the Revised FSI Norms and the introduction of NBC 2016 (National Buildings Code) and subsequently Tall Buildings code in October, 2017 there was not much increase in the investments.

### (b) Physical Progress:

S. No.	Block no.	Construction work completed (Civil Work)	Part occupation area and consent to operate (CTO) area approved	Remark
1.	5	75%	26354.76 Sq. Mtr	Total area of 28235.35 Sq. mtr. (20%) Area has been approved for Occupation/Leasing.
2.	6	38%	1880.59 Sq. Mtr.	
3.	7	36%		

The Developer has further stated that they are now focusing to complete the balance construction work of Block no. 5 and to make the SEZ operational as early as possible. They require time for leasing out the space and to complete the balance construction work of the SEZ and to make it operational.



**Other Developments:**

- |                  |   |   |
|------------------|---|---|
| 1. Boundary wall | : | 80% Completed 20% Secured by GI Sheets.   |
| 2. Plumbing Work | : | Completed 50% in Building No. 5 (Work in Progress).   |
| 3. Inside Road   | : | Completed 80% (Work in Progress).   |
| 4. Power Supply  | : | Uninterrupted Power Supply through DG Sets. For Permanent Power Supply already Application has been filed with MEDCL. |
- (Approvals in process).
- |                             |   |               |
|-----------------------------|---|---------------|
| 5. External Electrification | : | Completed 50% |
|-----------------------------|---|---------------|

**Reason for delay:**

There was a revision in the FSI Norms and the introduction of NBC 2016 (National Buildings Code) and subsequently Tall Buildings code in October, 2017. Due to this there was a revision in Building Designs and as per the above said norms, they need to Revisit/Review all their Construction Modules like Civil, Mechanical, Plumbings and Electrical Work along with requisite supportive infrastructure developments required to complete the Balance Construction work. This process require to appoint various Consultant's Architects & Contractors to undertake the work under revised Building Codes and revised FSI Norms which is time consuming process.

They are now developing the Building No. 5, 6 & 7 in Plot No. 29 and Proposed Building No. 8 & 9 in PL – 2, considering the revised 3 FSI as declared by Land Lessor (MIDC) in Aug, 2016. Their Revised Building Plans have been finalized and are being submitted to MIDC through online for Scrutiny.

**Timeline for completion of project and making it operational:**

The Developer has stated that timeline for completion of Building No. 5 and making it operational will be 12 to 15 Months.

It is stated that the Developer was granted part occupation Certificate on 15.11.2016 by MIDC. The Developer could not start the SEZ operation due to the revised FSI norms. There is no development activity carried out by the Developer during the past 1.5 years though they have indicated incremental investment of Rs 7,84,32,635.00.

**Recommendation by DC:**

In view of the above, DC SEEPZ has placed the request of the Developer for 8<sup>th</sup> extension of Formal Approval dated 27.06.2008 beyond 27.06.2018 before BOA for consideration.

The request is placed before BOA for its consideration.

**Item No. 83.2: Requests for extension of LoP beyond 3<sup>rd</sup> Year onward (7 proposals)**

**(i) Request of M/s. APPL Industries Limited in Dahej SEZ for extension of Letter of Approval (LOA) up to 13/02/2019.**

- **LoA issued on (date)** : 14/02/2011
- **Nature of Business of the unit** : Manufacturing of Thermoplastic compounds & Master Batches
- **No. of Extension** : 6 (six) up to 13<sup>th</sup> February, 2018
- **LoA valid up to (date)** : 13/02/2018
- **Request:** For further extension for one year, up to (date) 13/02/2019

Present Progress furnished by the applicant unit:

(a) Details of Business Plan:

SI. No.	Type of Cost	Proposed Investment (Rs. in Crores)
1	Building and Shed Construction and other Misc.	Rs. 16
2	Plant and machinery	Rs. 10
Total		Rs. 26

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

SI. No. (c) D	Type of Cost	Total Investment made so far (Rs. in Crores)	Incremental Investment since last extension (Rs. in Crores)
1e t a	Land, Site Clearance and Other Misc.	Rs. 3.88	Rs.0.04
2i l s	Building and Shed Construction, Plant & machinery and Misc.	Rs. 4.37	Rs.4.09
Total		Rs. 8.25	Rs. 4.13

**Physical Progress till date:**

SI. No.	Activity	% Completed	% Completion during last one year	Deadline for completion of balance work
1	Approach Road	50 %	50%	May 2018

2	Site Clearance	100%	50%	Completed
3	Soil filling in required area	75%	75%	Feb 2018
4	Foundation / Pillar work of all building	85%	85%	Feb 2018
5	Boundary wall work	50%	50%	May 2108
6	Storage Area / Customs bound area	50%	50%	Feb 2018
7	Temporary shed for storage	75%	75%	Feb 2018
8	Electrical Connection	100%	100% LV power connection Completed	Completed
9	Bricks Works	50%	50%	May 2018
10	Water Connection	100%	50%	Completed
11	PEB	50%	50%	May 2018

#### **Details reasons for delay: -**

The last extension was granted in 75<sup>th</sup> Board of Approval meeting held on 08-03-2017 upto 13/02/2018. Unit had made total investment of Rs.3.85 Crs on the project; this includes investment in land Rs.3.18 Crs and other infrastructure Rs.0.67 Crs. Now the applicant unit had made total investment of Rs.8.25 Crs; this includes investment in land Rs.3.88 Crs and other infrastructure Rs.4.37 Crs. The applicant unit submitted timeline for completion of Civil work Building and PEB May, 2018, Plant and Machinery Nov. 2018 and Office Equipment, Furniture & Fixture Dec. 2018. They will be in position to start production in Dec. 2018. They will have business of around Rs.5 Crore in first financial year after the start operations.

Forced to hold construction activity even after availability of construction raw material because of Heavy Rain during the Monsoon season. Premises flooded with Rain Water.

#### **Recommendation by DC:**

In view of the above development activities carried out by the applicant unit, the DC, Dahej SEZ has recommended to the Board of Approval, for extension in validity of LOA dated 14-02-2011 (extended upto 13-02-2018) for a further period of one year i.e. upto 13-02-2019.

The request of the unit is submitted for consideration of BoA.

**(ii) Request of M/s. Camlin Fine Sciences Ltd in the Plot No Z/96/D, Dahej SEZ Ltd, Part II, Dahej, Village: Luvara, Tal: Vagra, Dist: Bharuch, Gujarat for the Extension of the Letter of Approval (LOA) beyond 3<sup>rd</sup> year upto 09.03.2019**

- LOA issued on (Date) : 10-03-2015
- Nature of business of the unit : Manufacturing of Diphenols like Catechol

and Hydroquinone and downstream products  
Guaiacol and Vanillin

- No. of Extensions : 2 (Two) by DC Dahej SEZ
- LoA valid upto : 9.03.2018
- Request : For further extension for 1 (One)  
Year upto 9.03.2019

Present Progress furnished by applicant unit:-

**Details of Business Plan:**

Sr.No	Type of Cost	Proposed Investment(INR in Cr)
1	Land	8.92
2	Land Development and Factory Building	20.89
3	Plant and Machinery	55.05
4	Utility, Safety Equipments	10.00
5	ETP System	2.00
6	Piping Erection	11.01
7	Misc	35.00
	Total	142

**a) 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	Capital Work in Progress (Including cost of Land)	9.935	0.937
2	Advances for Capital Goods and Services	2.63	2.54
3	Other Overheads	4.172	4.003
4	Other Assets	0.0904	0.0904
5	Deposits	0.011	0.011
	Total	16.84	7.582

**(b) Particulars (Breakup) of the incremental investment since last approval:**

Sl No	Particulars of work	Value of Work (INR in Cr)
1.	Soil Grading and plot Leveling	0.540
	Construction of Approach road to the plot (Culvert)	
	Construction of boundary wall	
2.	Sharing of Expenses with the neighboring company for the construction of boundary wall	0.284
3.	Purchase of cement and steel for the construction of Boundary wall, culvert.	0.089
4.	Construction of torrent construction power room.	0.024
5.	Sanction of Construction power from Torrent	0.043

6.	Purchase of Porta Cabins for the Site office	0.064
7.	Purchase of Furniture for Site office	0.026
8.	Placed Purchase order for Capital Equipments	2.540
9.	Basic and Detailed Engineering consultants Fees	1.330
		2.380
10.	Lease Rent and Service Charges paid to SEZ for Period of 2017-2018	0.138
11.	Other Miscellaneous Expenses	0.112
12.	Deposits (NSDL)	0.012
	Total	7.582

**(c) Details of the physical progress till date:**

Sl No	Activities	Percentage Weight age of Milestone in terms of Project Progress	Completion of Activity by:	Current Status as on April 30, 2018
1	Compound wall	2%	March 2018	Completed
2	Land Filling	3%	March 2018	Completed
3	Security Building, Warehouse and Admin Building, Water Tank, WBM Roads	5%	June 2018	We have appointed the contractor for the civil work and work has started on site. The Construction management team would be deployed on site by May 2018.
4	Tendering and ordering of major equipments	20%	July / August 2018	We have placed orders for some of Capital equipments such as glass lined reactors, Filters, Calciners. Also floated tenders for Boiler, Heat Exchanges, Process and Utility pumps which we planning to close in 1-2 weeks.
5	Manufacturing plant, , Utility building, Tank farm, RCC Roads	15%	October 2018	The CSA tender for the plant and utility would be floated by June 2018 and would be finished by October 2018.
6	Electrical work	10%	March 2019	
7	Utilities	15%	Jan. 2019	
8	ETP	5%	April 2019	
9	Plant installation work	17%	March 2019	
10	Water Trial	3%	April 2019	
11	Trial and Commercial Production	5%	July 2019	
	Total Progress	100%		

### Detailed Reasons for Delay:

- a) The reason for lesser quantum of jobs in the above records i.e. last year is attributed to the fact that our company acquired 2 unit in China and Mexico which were desired to get added to our product profile .
- b) The local villager's interference is also a contributing factor which we are looking forward for a solution. We are rigorously following up with SEZ authorities to get it solved.
- c) During the month of February our company got sanction of adequate fund facility resulting into better momentum of various activities.

DC, Dahej SEZ approved the last extension on 12/04/2017 upto 09-03-2018 wherein they made total investment about Rs.9.25 Crs. Now the applicant unit has made total investment of Rs.16.84 crores including incremental invest of Rs.7.582 Crs.

### Recommendation by DC:

DC, Dahej SEZ has recommended the proposal to the Board of Approval, for extension for a further period of one year i.e. upto 09-03-2019.

The request of the unit is submitted for consideration of BoA.

### (iii) Request of M/s. Tech Mahindra Ltd. (Unit-IV) in the Noida SEZ for extension of Letter of Permission (LOP) beyond 22/04/2018 upto 30/09/2018

- **LoP issued on** : 23/09/2011
- **Nature of business of the Unit:** Software Development, Data entry and conversion and export thereof, Data Processing and Export thereof, Data Analysis and control, Data management & Export thereof, Call Centre Services & Export thereof, BPO Services and Export thereof.
- **No of Extensions** : 6 by DC, Noida SEZ (with approval of BOA)
- **LOP valid upto** : 22/04/2018
- **Request** : For further extension upto 30/09/2018

### Present Progress:

(a) Details of Business plan:

S. No.	Type of Cost	Proposed Investment (Rs. in Crore)
1	Land Cost	97
2	Construction Cost	
3	Plant & Machinery	50
4	Other Overheads	10
	Total:	157

(b) Investment made so far & incremental investment since last extension

S. No.	Type of Cost	Total Investment made so far (Rs. in Crore)	Incremental investment since last extension (Rs. in Crore)
1	Land Cost*	25.351	0.00
2	Material Procurement	0.00	1.35
3	Service Cost	0.764	0.358
4	Other Overheads	0.692	0.000
	Total:	26.807	1.712

\*Building was purchased through DRT in Rs.25.1 Crores.

(c) Details of Physical progress till date :-

S. No.	Activity	% completion as on date	% completion during last one year	Deadline for completion of balance work
1.	Civil Foundation works	60%	60%	20 <sup>th</sup> September 2018

**Detailed reasons for delay:-**

- (i) Main reason for delay was the permission from National Green Tribunal with reference to the Okhla Bird Sanctuary which was directly linked to the environment clearances and approval of building plan from UPPCB for construction of building.
- (ii) That Building plan approval and CTE were kept on hold by Noida Authorities and UPPCB since 2014 due to certain restrictions on construction within Okhla Bird Sanctuary.
- (iii) That building plan approval was given by NOIDA authorities on 18/01/2018.
- (iv) That Consent to Establish(CTE) for new unit was granted to them by UPPCB on 26/02/2018.
- (v) Certificate of registration/work commencement certificate was issued by NSEZ Labour Deptt. on 26/02/2018.
- (vi) They have commenced construction work at site from 09<sup>th</sup> February 2018 and would be ready with infrastructure creation by end of June 2018.
- (vii) They require some more time network testing, testing of other equipment, client clearances wherever required.
- (viii) They shall be in position to commence commercial activities by 20<sup>th</sup> September 2018.

**Analysis of progress vis-à-vis projections:-**

At the time of filing of SEZ Unit application, it was projected that Rs.2421.56 Crores exports would be made by employing 5000 persons (3500 men and 1500 women) on a land area of 24300 sq.mtrs. The investment for creation of such infrastructure was targeted at Rs.602 Crores. After 7 years of issuance of LOA, the unit has given assurance that in Phase-1, unit shall invest Rs. 10 Crores and 15000 sq.ft. area (approx. 1400 sq. mtrs.) campus would be operational by September 2018. The export in first phase has been targeted as Rs.30 Crores with employment to 150 persons.



The unit has further stated that in second phase, unit shall invest Rs. 50 Crores and 65000 sq.ft. area (approx. 6000 sq. mtrs.) campus would be ready by the end of 2019. The export in second phase has been targeted as Rs.200 Crores with employment to 850 persons.

Till now only 60% of civil foundation work of first phase i.e. of 15000 sq.ft. has been completed on which Rs. 1.71 Crores have been invested as on 18/05/2018. As such the unit would be in a position to utilise only 1400 sq.mtrs of land as on September 2018, whereas the unit is in possession of 24300 sq.mtrs of land area.

#### **Recommendation by DC:**

DC, Noida SEZ has recommended the request of extension of LOP beyond 22/04/2018 for a period up to 30/09/2018. However, since the ongoing construction/investment is far below than the projections, it is also recommended that the unit may be asked to surrender remaining land where it has still not commenced construction even after expiry of 7 years after issuance of LOA.

The request of the unit is placed before BoA for consideration.

#### **(iv) Request of M/s. Bremels Rubber Industries Private Limited in the Aspen Infrastructures Limited SEZ, Padubidri, Udupi for extension of Letter of Permission (LOP) upto 25<sup>th</sup> June 2019.**

- **Name of unit:** M/s. Bremels Rubber Industries Private Limited
- **Letter of Approval issued on :** 26.06.2013
- **Nature of business of the Unit :** Manufacturing – Solid tyres for heavy engineering industries and automotive support components and allied products for heavy engineering sector.
- **No. of extensions :** 4 (four) up to 25.06.2018
- **Request :** For further extension for one year, upto 25.06.2019.

#### **Present progress:**

##### **(a) Details of business plan:**

Sl. No.	Type of cost	Proposed investment (Rs. in crore)
1.	Land	3.46
2.	Building	13.74
3.	Electrical	2.11
4.	Machinery – imports	4.37
5.	Machinery – indigenous	3.56
Total		23.43

**(b) Incremental investment made so far and incremental investment since last extension:**

Sl. No.	Type of cost	Total investment made so far (in Rs. crore)	Incremental investment since last extension (in Rs. crore)
1	Land	3.46	0.00
2.	Building	13.02	0.49
3.	Electrical	1.79	0.69
4.	Machinery – imports	1.39	0.00
5.	Machinery – indigenous	1.94	0.26
Total		21.60	1.44

**(c) Details of physical progress till date:**

Sl. No.	Activity	% of completion	% of completion during last one year	Deadline for completion of balance work
1	Land & Building	96	6	31.12.2018
2	Machinery	90	15	31.12.2018

**Detailed reasons for delay:**

- 1) Huge escalation of materials and labour cost.
- 2) Financial crunch and interest burden of approx. Rs.4.86 crore owing to delay in execution of project.
- 3) Heavy monsoon rains in the last year.
- 4) Non-completion of electrical work.

**Recommendation by DC:**

DC, Aspen Infrastructure Ltd. SEZ, Udipi has recommended the request of extension of LOP for a period of one year upto 25.06.2019.

The request is placed before BoA for its consideration.

**(v) Request of M/s. Gaston Energy India Pvt. Ltd. in Mahindra World City (Jaipur) Ltd., Multi-Product SEZ at Village Kalwara, Tehsil- Sanganer, Jaipur for extension of Letter of Permission (LOP) for a further period of two year i.e. upto 10.06.2019.**

- **Name of unit :** M/s. Gaston Energy India Pvt. Ltd.
- **Letter of Approval issued on :** 11.06.2014
- **Nature of business of the Unit :** Manufacturing of Valve Regulated Acid Batteries with the installed capacity of 01 million KVAH per year i.e. 10,00,000 Pcs, 2V500AH Monoblock or 12V100AH Battery.

- **No. of extensions :** 2 (Two) up to 10.06.2017
- **Request :** Unit has requested for two year extension i.e. up to 10.06.2019.

Present Progress:

**(a) Details of Business plan**

S. No.	Type of Cost	Proposed Investment (Rs. in Crore)
1.	Land Cost	2.33
2.	Construction Cost	8.00
3.	Plant & Machinery	3.17
4.	Other Overheads	0.50
	<b>Total:</b>	<b>14.00</b>

**(b) Investment made so far & incremental investment since last extension**

S. No.	Type of Cost	Total Investment made so far (Rs. in Crore)	Incremental investment since last extension (Rs. in Crore)
1.	Land Cost	2.33	NIL
2.	Material Procurement	NIL	NIL
3.	Service Cost	0.20	0.20
4.	Other Overheads	0.05	0.05
	<b>Total:</b>	<b>2.58</b>	<b>0.25</b>

**(c) Details of Physical progress till date:-**

S. No.	Authorised activity	% completion as on date	% completion during last one year	Deadline for completion of balance work
1.	Land taken on Lease and Registration	100%	-	-
2.	Submission & Approval Drawings	100%	100%	-
3.	Appointment of Architect	100%	100%	-
4.	Approval of CTE from PCB	50%	50%	Done
5.	Approval of CTO from PCB	50%	-	Aug, 2019
6.	Completion of Construction	-	-	Jun, 2019
7.	Installation of machineries	-	-	July, 2019
8.	Trial Production	-	-	Sep, 2019
9.	Commercial Production & export	-	-	Nov. – Dec., 2019

10.	Export orders	Already available on a monthly basis.
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**Details reasons for delay:-**

The unit has informed that they are a battery manufacturer making sealed Valve Regulated Lead Acid Batteries for the Telecom, Renewal Energy and Data Center Markets.

Their company is a 100% FDI company with 3 Shareholders

1.	Rajiv Bhatnagar	NRI	42.46%
2.	Au Yuk On	Hong Kong	42.55%
3.	Yedong Liu	China	14.99%

Unit has further mentioned that they had planned to build two plants-

- Domestic Tariff Area (DTA) for domestic sales and exports-

This plant has been operational for the last two years, exporting to Nigeria, UAE, Kenya, Yeman, China & Iran.

In addition they also sell to the Indian domestic market from the DTA Plant, this is in full production already.

- Special Economic Zone (SEZ)-

The unit has stated that they had planned to start their SEZ unit and move their export orders to this facility. They are witnessing a business growth and it has already become imperative to move their export orders to their new SEZ plant. However for various reasons they are running behind time:

- a) Late startup of their first plant at DTA. And slow business ramp up.
- b) Delay in consent to establish from Rajasthan State Pollution Control Board.
- c) Delay in securing funding.

The unit has further informed that they have already started work in earnest moving ahead rapidly with the execution of their SEZ project.

1. They have the consent to establish from Rajasthan Pollution Control Board already.
2. They have the plans ready and approved for go ahead.
3. They have the contractors selected.
4. They are at final phase with banks and financial institutions for selecting their funding partners.
5. They have almost concluded negotiations with machine manufactures.

Further the unit has mentioned that they are already manufacturing 'State of the Art' products in their DTA plant under technical assistance from their foreign partners who are already manufacturing the same products under the same GASTON BRAND NAME in their two Chinese plant and enjoy a strong reputation in all of their chosen export markets.

They are successfully exporting from their DTA plant. They plan to move this production to SEZ.

### **Recommendation by DC:**

DC, Noida SEZ has recommended the extension of LOP for a further period of two years i.e. upto 10.06.2019.

The request is placed before BOA for its consideration.

**(vi) Request of M/s. Dhoot Transmission Pvt. Ltd., a unit in the sector specific SEZ for Engineering and Electronics being developed by M/s. Maharashtra Industrial Development Corporation (MIDC) at Shendre, Five Star Industrial Area, Shendre, MIDC, Aurangabad for extension of Letter of Permission (LOP) beyond 17.04.2018.**

- **Name of unit :** M/s. Dhoot Transmission Pvt. Ltd.
- **LoP issued :** 18<sup>th</sup> April, 2013
- **Nature of business of the Unit:** Integrated wiring harness, auto wiring harness/cable
- **Extensions:** 4 (four) up to 17.04.2018.
- **Request:** For further extension for one year.

The Unit has provided the below mentioned details:

### **Incremental Details:**

#### **a) Financial Progress:**

<b>Sr.no.</b>	<b>Particulars</b>	<b>Rs. In Lakhs</b>
1	Total Investment made till April 2017	462.19
2	Total Investment made till 28 feb. 2018	933.97
3	Incremental Investment made from last Extension (30.04.2017) till date	471.78 (102.07%)

#### **b) Physical Progress:**

<b>Sr.no.</b>	<b>Particulars</b>	
1	Total approved area (Built up area)	18073.379 sqm.
2	Constructed area till 17.04.2017	50%
3	Total Constructed area till 17.04.2018	85%
4	Incremental construction since last extension (from 17.04.2017 to 17.04.2018)	35%

**Details of physical progress till date in quantifiable terms.**

Total approved Area – 18073.379 sqm  
Total constructed Area – 18073.379 sqm  
Construction completed – 85%

Construction completed is foundation, columns, beams, walls, plinth filling, industrial flooring, trusses & sheet roofing. However the pending work remaining is plastering to few walls, plumbing, painting, tiling, fixing of windows, doors, shutters, which is remaining 15% of the total work. The Unit has also provided the construction site photographs.

**Reason for Delay:**

The unit has stated that they have received the possession of the revised plot on 21.10.2015 from MIDC as MIDC had shifted the plot of the Unit for the purpose of setting up of power station on the plot allotted to the Unit earlier. The action on the part of MIDC with regard to shifting of plot has caused a considerable delay in implementing the project and also the Unit had to incur financial losses as a result of non-implementation of the project. One other reason for delay in commencing of production is a paucity of water in the region and the non availability of sufficient quantity of water required to carry out the construction activities has hampered.

**i) Timeline for completion of the project and making it operational:**

Sr.no.	Description	Timeline
1	Commencement of Civil Work	Already started in Nov., 2016 and 85% work completed.
2	Procurement of machineries	June, 2018
3	Procurement of raw material	July, 2018
4	Installation of machineries	July, 2018
5	Trial run	Sept., 2018
6	Full fledge production	Nov., 2018

**DC's Recommendation:-**

In view of the above, the request of the unit for further extension of the validity period of LOA for a further period of one year i.e. upto 17.04.2019 is recommended to the BOA.

The request is placed before BOA for its consideration.

**(vii) Request of M/s. Wockhardt Ltd., (Unit-II) in the sector specific SEZ for Pharmaceuticals being developed by M/s. Wockhardt Infrastructure Development Limited at Shendre, Aurangabad, Maharashtra for extension of Letter of Permission (LOP) beyond 25<sup>th</sup> February, 2018.**

- **Name of unit :** M/s. Wockhardt Ltd., (Unit-II)
- **LoP issued :** 25<sup>th</sup> February, 2013.
- **Nature of business of the Unit:** manufacturing and export of Nasal and Inhaler Dosage form for Human Usage

- **No. of Extensions:** 4 (four) up to 25.02.2018.
- **Request:** For further extension for one year.

### **Present Progress**

#### **Details of Investment made till date:**

<b>Sr.no.</b>	<b>Particulars</b>	<b>Rs. In Crores</b>
1	Total Investment made till January 2017 (upto last extension made)	81.19
2	Total Investment made till 31 Jan. 2018	87.48
3	Incremental Investment made (from January 2017 – January 2018) till date	7.75%

### **Physical Progress:**

<b>Sr.no.</b>	<b>Particulars</b>	
1	Total approved area (Built up area)	3900.90 sqm.
2	Constructed area till year 2016-17	3315.90 sqm.
3	Total Constructed area till year 2017-18	3900.90 sqm.
4	Incremental construction since last extension (from 2016-17 to 2017-18)	585.00 sqm. (15%)

#### **Details of Physical progress till date :**

Total approved area for Unit II - 3900.90 sqm.

Total constructed area for Unit II - 3900.90 sqm.

Construction of Wockhardt Ltd. Unit II has been completed as per approved plan i.e. 3900.90 sqm and Unit received BC/OCC from MIDC on 18.10.2017.

### **Reason for Delay in the commencement of production:**

Unit has given following reasons for delay in commencement of production:-

Pharmaceutical sector has been adversely affected due to USFDA observations issued to Indian Pharma Companies.

Export of Pharma product in foreign countries like US/UK, registration of the same with regulatory authority (USFDA, UKMHRA) of respective foreign country is compulsory. And it will take at least 18 to 24 months approximately.

Also, once unit is ready to commence production it is mandatory to obtain certain statutory licenses, approvals which takes time.



**Technology used for products:** The unit will be manufacturing pharmaceuticals of Nasal & Inhaler Dosage form, which is unique in technology. The Drug Delivery System used for such kind of products, the product development, clinical studies, filing to the international drug regulatory agencies and approval for marketing is a cumbersome and lengthy process. Due to the machineries are customized and products are also unique they need to manufacture many development batches to optimize the parameters to suit the products for export.

#### **Time line for the Commencement of Production:**

For registration & approval of pharma product with foreign regulatory authority, the inspection of the Factory by foreign regulatory authority is compulsory. Inspection of factory happens once in 2-3 years, only after that approval are issued. After approval company can start export to that particular country. The timeframe shall differ as per the respective countries applied to. This activity and obtaining other statutory licenses are lengthy and time consuming process, due to which export can commence only after the year 2019 approximately.

#### **DC's recommendation:-**

In view of the above, the request of the unit for further extension of the validity period of LOA for further period of one year i.e. upto 24.02.2019 is recommended to the BOA for consideration in terms/provisions contained in Rule 19 (4) of SEZ Rules, 2006.

The request is placed before BoA for its consideration.

#### **Item No. 83.3: Requests for co-developer (3 proposals)**

**(i) Request of M/s. Winterfell Realty Pvt. Ltd. for co-developer status in the Electronics Technology Parks (Technopark) SEZ for Development of Infrastructure, Operation, Maintenance and Leasing of the developed area of the SEZ, including undertaking the authorized operations as contracted.**

The above mentioned SEZ stands notified over an area of 19.45.53 hectares.

M/s. Winterfell Realty Private Limited has submitted a proposal for becoming a Co-developer in the aforesaid SEZ for Development of Infrastructure, Operation, Maintenance and Leasing of the developed area of the SEZ, including undertaking the authorized operations over an area of 10 acres as contracted.

Co-developer agreement dated 14/3/2018 entered into with the developer has been provided. The proposed amount of investment by the Co-developer in the SEZ is Rs. 463 Crores.

#### **Recommendation by DC:**

DC CSEZ has recommended the proposal.

The request of the Co-developer is submitted for consideration of BoA.

**(ii) Request of M/s. Midas Projects Pvt. Ltd (MPPL) for co-developer status in M/s. Divyasree NSL Infrastructure Pvt. Ltd. (DNIPL) SEZ for providing infrastructure facilities and other operations**

The above mentioned SEZ stands notified on 18.5.2007.

M/s. Midas Projects Pvt. Ltd has submitted a proposal for becoming a co-developer in the aforesaid SEZ for providing infrastructure facilities and other operations.

Co-developer agreement dated 15.9.2017 entered into with the developer has been provided. The proposed amount of investment by the co-developer in the SEZ is Rs. 300 Crores.

The proposal was deferred in the 82<sup>nd</sup> BoA meeting held on 4.4.2018. CBDT had raised concerns regarding the net worth of the Co-developer being Rs. 3.59 Lakh and the proposed investment of Rs. 300 Cr. DC, VSEZ was asked to look into the concerns raised by the CBDT and furnish a revised recommendation.

DC, VSEZ has now informed that M/s MPPL has submitted as under:-

- (i) MPPL and DNIPL have common promoters, namely Shyamaraju & Company (India) Pvt. Ltd. (SRIPL) and Mandava Holdings Pvt. Ltd. (MHPL). The promoters have funded the developer for developing the SEZ till date. The promoter entities are fully capable of funding MPPL for undertaking the co-developer of the SEZ.
- (ii) They have also stated that MPPL is a special purpose vehicle which would undertake the co-development of the SEZ and hence it does not have any significant assets or operations at this state. MPPL would be funded by its promoters as and when the funding requirement arises. The proposed funding for the co-development of the SEZ by MPPL shall be through a combination of own sources and bank funding.
- (iii) The promoters are well established in the construction development industry and have developed and are operating over 15+ million sq.ft. of commercial buildings/IT parks in Hyderabad, Bengaluru and Chennai.

DC VSEZ has stated that as per the CA certificates produced, the net worth of M/s. Shyamaraju & Company (India) Pvt. Ltd. is Rs. 548,07,71,289/- and net worth of M/s. Mandava Holdings Pvt. Ltd. is Rs. 899.41 crores.

**Recommendation by DC:**

The entity has requisite financial capability and experience for undertaking the co-developer activities. DC VSEZ has recommended the proposal for consideration of BoA.

The request of the co-developer is submitted for consideration of BoA.

**(iii) Re-consideration of request of M/s. Synergy Infotech Pvt. Ltd. for Co-developer status in MIDC IT/ITES SEZ, Rajiv Gandhi Infotech Park, Phase-III, Hinjewadi, Pune for construction of buildings and related infrastructure for IT/ITES Units, Development of space of IT/ITES Unit and all default authorized operations for area admeasuring 5.2161 sq. mtrs.**

The above mentioned SEZ was notified on 6<sup>th</sup> July, 2007.

M/s. Synergy Infotech Pvt. Ltd. has submitted a proposal for becoming a co-developer in the aforesaid SEZ for construction of buildings and related infrastructure for IT/ITES Units.

Co-developer agreement dated 28.11.2017 entered into with the developer has been provided. The proposed amount of investment by the co-developer in the SEZ is Rs. 153.66 Crore.

Further the lease deed was executed between MIDC and M/s. Synergy Infotech Pvt. Ltd. on 03.07.2017 for plot of land bearing Plot 20 area admeasuring 52161 sq. mtrs.

On perusal of record it was found that M/s. Synergy Infotech Pvt. Ltd. was granted LOA as a unit on 26.07.2011 for plot no. 20 and the same has been cancelled on 10.07.2014 as the unit failed to implement the project in the prescribed time frame. Further, the LoA issued on 06.06.2017 has been surrendered by the Unit vide letter dated 28.02.2018 to this office.

It may be further noted that M/s Synergy Infotech Pvt. Ltd. was once again granted Letter of Approval as unit on 06.06.2017 for the same plot i.e. 20 and submitted land allotment order in this regard. However, till date the unit has not executed Bond-Cum-LUT with this office.

M/s Synergy Infotech Pvt. Ltd (applicant) has now come up with the proposal for grant of Co-developer status on the same plot i.e. Plot No. 20.

*The proposal was considered in the 82<sup>nd</sup> BoA meeting held on 04.04.2018. The Board, approved in-principle the proposal of M/s. Synergy Infotech Pvt. Ltd. for grant of Co-developer status for construction of buildings and related infrastructure for IT/ITES Units in accordance with the co-developer agreement entered into with the developer, subject to DC SEEPZ furnishing a status note on the financial position of the co-developer and placing it before the Board in its next meeting.*

DC, SEEPZ SEZ has stated that M/s Synergy Infotech Pvt. Ltd. has submit the following information:-

- (i) The Co-developer has submitted In Principle Sanction for Rs. 125/- Crores for their New SEZ project by Janata Sahakari Bank Ltd., Pune in consortium financial arrangement with SVC Co-operative Bank Ltd (Multi State Scheduled Bank).
- (ii) C.A. Certified Net worth certificates & ITRs for the years 2015-16 to 2017-18 of Mr. Sanjiv Chamanlal Aurora & Mr. Manoj Nawarlai Hingorani as on 31<sup>st</sup> March 2018.

**Net Worth of the Directors as on 31.03.2018:-**

Particular	Amount (Rs. in Lakhs)
Shri. Sanjiv Aurora	23195.00
Shri. Manoj Hingorani	24256.00
<b>Total</b>	<b>47451.00</b>

**Financial position with Shareholding pattern of M/s. Synergy Infotech Pvt. Ltd.:-**

Sr.No.	Name of Share Holder	Direct Holding
1	Mr. Sanjiv Aurora	1%
2	Mr. Manoj Hingorani	1%
3	<b>Indo Global Hinjewadi Software Park Pvt. Ltd.</b>	98%
	Mr. Sanjiv Aurora	30%
	Mr. Manoj Hingorani	30%
	<b>Indo Global Business Park LLP</b>	40%
	Mr. Sanjiv Aurora	50%
	Mr. Manoj Hingorani	50%
	<b>Total</b>	<b>100% 100% 100%</b>

The Project cost and the means of Finance are as indicated below:-

**Project Cost :-**

Particulars	Amount (Rs. In lakhs)
Land Cost	1,053.65
Construction cost- Building & other related infrastructure such as Parking, Security gate complex, common areas and utilities etc.	14,313.28
<b>Total</b>	<b>15,366.93</b>

**Means of Finance :-**

Particulars	Amount (Rs. In lakhs)
Promoters Contribution (50:50 both promoters)	9,042.40
Internal Accruals (Reserves & Surplus proposed to be generated over next 5 years)	6,324.53
<b>Total</b>	<b>15,366.93</b>

The Co-developer has further informed that the in-principle sanction of Rs.125/- Crores by Janta Sahakari Bank Ltd Pune is for the project funding in the name of Co-Developer entity i.e. Synergy Infotech Pvt. Ltd. They have projected internal accrual of Rs.63.25 Crores as part of projected means of finance, however in case of delay/shortage in generation of funds through internal accruals in future the loan funds will be used as supplementary source of funds.

**Net Worth of M/s. Synergy Infotech Pvt. Ltd. as on 31.03.2017:-**

<b>Particular</b>	<b>Amount (Rs. in Lakhs)</b>
Paid up capital	4.00
Reserves & Surplus	261.02
<b>Total</b>	<b>265.02</b>

The proposed Employment generation in the processing area in a span of 5 years is as under:-

<b>Sr. No.</b>	<b>Particulars</b>	<b>Nos.</b>
<b>Direct Employment by the Co-developer premises</b>		
1	Calculation of projected employment over the period of 5 years from Co-developer premises by Co-developer premises.	3143
<b>Indirect employment from development activity.</b>		
2	Calculation of projected employment generation by the Co-developer during construction.	1123

**Recommendation of DC:**

The additional information has been submitted before the BOA for final approval for Co-developer status to M/s. Synergy Infotech Pvt. Ltd. It may be noted that the DC SEEPZ had recommended the proposal for the 82<sup>nd</sup> BOA.

The request of the co-developer is submitted for consideration of BoA.

**Item No. 83.4: Proposals for setting up of New SEZs (one proposal)**

**(i) Request of M/s. HCL Technologies Ltd. for setting up of sector specific SEZ for IT/ITES at Sy. No. 20/3, Kesarapalli Village, NH-5, Gannaavaram Mandal, Vijayawada over an area of 10.43 hectares.**

<b>S. No</b>	<b>Name of the Developer</b>	<b>Location</b>	<b>Sector</b>	<b>Area (in ha)</b>	<b>Land Possession</b>	<b>Proposed investment (in crores)</b>	<b>State Govt. recommendation</b>
(i)	M/s. HCL Technologies Ltd.	No. 20/3, Kesarapalli Village, NH-5, Gannaavaram Mandal, Vijayawada	IT/ITES	10.43	HCL Technologies have entered into a concession Agreement dated 11.5.2017 with the Department of Information Technology, Electronics & Communication, and Agreement for sale of land 28.27 acres by the APIIC and HCL Technologies Ltd. As per the Agreement, HCL Technologies Limited has exclusive right, license and authority to develop, operate and maintain the said 28.27 acres of land at Sy. No. 20/3, Kesarapalli village, Gannaavaram Mandal in	408.48	Yes

					Krishna District as SEZ project which was subsequently registered. HCL will develop 26.02 acres for SEZ developer operation and 2.20 acres for non SEZ operation for skill development centre		
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DC VSEZ has recommended the proposal.

The proposal of the developer is submitted for consideration of BoA.

#### **Item No. 83.5 : Miscellaneous Cases (18 proposals)**

**(i) Request of M/s. Honeywell Technology Solutions Lab Private Limited co-developer in ELCOT SEZ at Ilandhaikulam village, Madurai District, Tamil Nadu for increase in the co-developer area for carrying out Authorised operations.**

The above mentioned SEZ stands notified over an area of 11.70.5 hectares.

M/s. Honeywell Technology Solutions Lab Private Limited was approved as co-developer for providing infrastructure facilities on 18/19 December, 2012 for an area of 4.5 acres.

Now, M/s. Honeywell Technologies Lab Private Limited has submitted a proposal for increase of 6.75 acres in the co-developer area for carrying out authorized operations, the reason being business expansion.

Lease deed has been entered with the developer vide agreement dated 03.03.2016

#### **Recommendation of DC:**

DC, MEPZ SEZ has recommended the proposal.

The request of the co-developer is submitted for consideration of BoA.

**(ii) Proposal for demerger of M/s. Aspen Infrastructures Limited (Developer of Engineering Special Economic Zone set up at Waghodia, Dist. Vadodara) into resulting company M/s. Aspen Park Infra Vadodara Private Limited.**

M/s. Aspen Infrastructures Limited (formerly known as M/s. Suzlon Infrastructure Limited), Developer of Engineering Special Economic Zone set up at Waghodia, Dist. Vadodara, Gujarat has been issued following Letters of Approval:-

Sl. No.	Formal Approval F.No.	Date of Approval
1	F.2/248/2006-EPZ	22/08/2006
2	F.2/248/2006-EPZ	23/05/2007

Originally the SEZ was notified for total area of 115.6439 Hectares vide three Notifications as under:-



Sl. No.	Notification No. and date	Area Notified (in hectares)
1.	S.O. 1084 (E), 03-07-2007	100.9900
2.	S.O. 1669 (E), 11-07-2008	9.6761
3.	S.O. 1366 (E), 27-05-2009	4.9778
	Total:-	115.6439

Later, the SEZ area was de-notified/reduced by 64.0959 hectares vide three Notifications as under:-

Sl. No.	Notification No. and date	Area De-Notified (in hectares)
1.	S.O. 2001 (E), 04-08-2014	10.4241
2.	S.O. 2505 (E), 27-09-2014	52.4588
3.	S.O. 1218 (E), 29-04-2015	1.2130
	Total:-	64.0959

Thus at present, the said Sector Specific SEZ for Engineering Products is having resultant area of 51.5480 Hectares (115.6439 - 64.0959).

At present there are 04 functional units and data related to investment by the Developer and Units and exports made by these four units are as under.

Details	Amount
Investment made by the Developer till 31/03/2018	Rs.83.75 Crores
Investment made by the four SEZ units till 31/03/2018	Rs.465.92 Crores
Exports made by the SEZ unit during the fiscal year 2017/18	Rs.209.13 Crores
Employment generated by the SEZ Developer and units as on 31/03/2018	1240

Now, M/s. Aspen Infrastructures Limited has submitted an application for transfer of their Vadodara SEZ from the existing Developer M/s. Aspen Infrastructures Limited (Transferor Company) to M/s AspenPark Infra Vadodara Pvt. Ltd. (Transferee Company) in view of the Scheme of Arrangement filed with the NCLT Mumbai and NCLT Ahmedabad.

As in the 80<sup>th</sup> meeting of the Board of Approval for SEZ which held on 17/11/2017, identical issues have already been approved, it is recommended to change the name of Developer Company from M/s. Aspen Infrastructures Limited to M/s. AspenPark Infra Vadodara Private Limited, as this is a case of demerger of existing developer's company and merger into Transferee Company M/s. AspenPark Infra Vadodara Private Limited, subject to following all terms and conditions mentioned in the minutes of 80<sup>th</sup> meeting of Board of Approval in cases involving demerger of companies.

The National Company Law Tribunal in order dated 05/01/2018 passed in CSA No.988 (MAH) OF 2017 has also directed the applicant company to serve notices along with copy of scheme upon several Government Authorities including SEZ Authorities, Udyog Bhawan, New Delhi with a direction that they may, if they so wish,



submit their representations if any. It may kindly be ensured that as per the above order of the NCLT, the applicant company has submitted scheme to the Department of Commerce.

Since, the case is within the ambit of DOC's Instruction No. 89 dated 17.05.2018, the request of Developer M/s. Aspen Infrastructures Limited (Transferor Company) may be considered.

DC, KASEZ has recommended the proposal.

The request of the developer is submitted for consideration of BoA.

**(iii) Request from developer for recommendation for transfer of LoA M/s. Aspen Infrastructure Ltd. (formerly known as M/s. Synefra Engg. & Construction Ltd.), developer – Aspen Infra SEZ, Coimbatore.**

M/s. Aspen Infrastructures Limited (formerly known as M/s. Synefra Engg. & Construction Ltd.) is holding LoA cited above for setting up of a sector specific SEZ for Hightech Engineering Sector at Coimbatore and is an operational SEZ. The developer has requested for clearance/allowing their proposed de-merger of the SEZs under the Scheme of Arrangement i.e. de-merger between:-

- (i) M/s. Aspen Infrastructure Ltd.; and
- (ii) M/s. Aspen Park Infra Coimbatore Pvt. Ltd. – Company – 1
- (iii) M/s. Aspen Infra Padubidri Private Ltd. – Company- 2
- (iv) M/s. Aspen Park Infra Vadodara Private Ltd. – Company – 3

and for transferring the LoA to its transferee company viz. M/s. Aspen Park Infra Coimbatore Pvt. Ltd.

It is stated that the SEZs would be transferred through demerger to the respective company subsequent to receiving the sanction of the NCLT, Mumbai and Ahmedabad and sanction of this office, on the scheme becoming effective with effect from the appointed date. As per their submission, the Coimbatore SEZ will continue to operate under the name M/s. AspenPark Infra Coimbatore Private Ltd., which was incorporated in the state of Gujarat under the provisions of companies Act, 2013 on 18.05.2017 in the name and style of "Pitaya Wind Energy Private Ltd." and subsequently changed to its current name on 20.10.2017.

The proposal is pending for final orders with the National Company Law Tribunal (NCLT) under Section 230-232 of the Companies Act, 2013, for transfer of all SEZ approvals relating Aspen Infrastructures Ltd. The NCLT, in its order 5.1.2018 directed the applicant company to obtain concurrence/NOC from all the related Government departments viz. Income Tax, Registrar of Companies and SEZ Authorities, New Delhi.

DC, MEPZ SEZ has forwarded the proposal for consideration of BoA.

The request of the developer is submitted for consideration of BoA.

**(iv) Request of M/s. Cognizant Technology Solutions India Private Limited for scheme of merger or amalgamation of certain companies**

M/s. Cognizant Technology Solutions India Private Limited, co-developer of M/s. ELCOT SEZ, Sholinganallur, Kancheepuram District have informed that the following companies have been amalgamated with M/s. Cognizant Technology Solutions India Private Limited, co-developer as per orders of Regional Director (SR), Ministry of Corporate Affairs, Chennai

The companies amalgamated with M/s. Cognizant Technology Solutions India Private Limited, co-developer are as follows:

1. M/s. Cognizant Technology Services Private Limited
2. M/s. Cognizant Global Services Private Limited
3. M/s. Excellance Data Research Private Limited
4. M/s. Itaas India Private Limited and
5. M/s. Saband Software Technologies Private Limited

M/s. Cognizant Technology Solutions India Private Limited, the co-developer have also informed that pursuant to the merger, there will be no change in the shareholding pattern of M/s. Cognizant Technology Solution India Private Limited, co-developer which is as follows:-

S. No.	Name of the shareholder	No of shares	Face value
1.	Cognizant (Mauritius) Limited	77,75,728	10
2.	CSS Investment LLC	10,000	10

The co-developer has further submitted that there will be no change in the Directors post amalgamation.

**Recommendation of DC:**

DC, MEPZ has recommended the proposal.

The request of the co-developer is submitted for consideration of BoA.

**(v) Proposal for setting up Free Trade Warehousing Zone for an area admeasuring 1337.5 Sq. Mtr. for storage /B2B display area for high value commodities like buillion/diamonds etc. and for tech laboratory and medical instrumentation, pharma/fashion industry products, international art auctions/art investment/art trade/artwork storage by the Co-Developer M/s. ATS Savvy Developers LLP in processing area of GIFT Multi Services SEZ m/r**

M/s. GIFT SEZ Limited has submitted a proposal of Co-Developer M/s. ATS Savvy Developers LLP for setting up Free Trade Warehousing Zone on the ground floor of building under construction. The co-developer has submitted the following:

Name of the authorized activity	No of units	Area per unit (in sq. mtrs) as per FSI/FAR norms as applicable	Total area (in sq. mtr)/ capacity
FTWZ	1	1337.50	1337.50

Proposed FTWZ for an area of 1337.5 Sq. Mtr. would be set up on the ground floor of office building which is under construction by the Co-Developer M/s. ATS Savvy Developers LLP is in processing area of Multi Services SEZ. The said Co-Developer M/s. ATS Savvy Developers LLP has already been issued following two Approvals by the Board of Approval for authorized operation viz. construction, development, maintenance and operation of SEZ building for units to undertake export of services in the processing area of SEZ, over an area of 4,16,700 sq. ft. BUA in Block 15 Zone within GIFT SEZ processing area.

GIFT SEZ is a Multi Services Special Economic Zone notified for an area of 105.4386 hectares, out of which 61.1829 hectares has been demarcated as processing area and 44.2557 hectares has been demarcated as Non-Processing Area. Out of 61.1829 hectares of Processing Area, piece of land i.e. 3422 Sq. Mtrs. of land is given by the Developer to the applicant Co-Developer on the basis of "Lease cum Co-Development Agreement" for authorised operations.

Relevant provisions of Rule 5(2)(c) of the Special Economic Zones Rules, 2006 are reproduced hereunder.

*"Special Economic Zone for free Trade and Warehousing shall have an area of forty hectares or more with a built up area of not less than one lakh square metres:*

*Provided that in a stand alone .....*

*Provided further that a Free Trade and Warehousing Zone may also be set up as part of a Special Economic Zone for multi-product]*

*[Provided also that in a Special Economic Zone having area less than five hundred hectares, Free Trade and Warehousing Zone may be permitted with no minimum area requirement but subject to the condition that the maximum area of such Free Trade and Warehousing Zone shall not exceed twenty per cent of the processing area."*

DC, KASEZ has stated that the GIFT SEZ is a Multi Services SEZ and the said Co-Developer proposes to set up FTWZ by providing Warehousing service in the office building being constructed in processing area of GIFT Multi Services SEZ and the proposed area i.e. BUA of 1337.5 Sq. Mtrs. is well within parameters of condition of proviso 3 of Rule ibid i.e. less than twenty per cent of the processing area. It has been stated that in respect of GIFT SEZ, multi product SEZ needs to be read in context of multi services SEZ with the approval of BOA. It has also been stated that warehousing services is clearly defined under Rule 76 of the SEZ Rules, 2006 which deals with the "Services" for purposes of clause (z) of Section 2 of the Act ibid. It is also stated in application that some of the leading FTWZ units have approached them to set up their units for FTWZ operations in the premises of the applicant co-developer.

DC, KASEZ has also pointed out that the procedural issues which are identified at this stage and would be required to be complied by the co-developer are as under:

- (i) Customs Staff would be required round the clock for seven days i.e. Technical Export from Customs having expertise in precious metals, diamonds and Appraiser in one shift in addition to three Preventive Officers for three shift workings. Securitization with various technological methods & guards will have to be done by co-developer to the satisfaction of Specified Officer. However, for safety of precious metals diamonds and costly items, developer or co-developer may deploy their security staff for safe guarding the FTWZ.
- (ii) The entire floor on which proposed activities has to be set up by the applicant shall have only entrance capable to handle entry and exit and RCC wall on all borders of floor without any window and duly constructed strong room.
- (iii) Metal detector shall be required to be installed at the entrance of the FTWZ for ensuring no untoward incidence during access of human being and one scanner shall be required to be installed at entrance of the FTWZ for checking luggage of the persons authorized to enter FTWZ.
- (iv) All cost for development of Customs staff and to create facility for of FTWZ would be borne by the applicant co-developer.

#### **Recommendation of DC:**

DC, KASEZ has recommended the proposal.

The request of the co-developer is submitted for consideration of BoA.

#### **(vi) Request for transfer of ownership from M/s. Indospace AS Industrial Park Private Limited to M/s. A.S. Cargo Movers (P) Limited developed by M/s. Sri City Private Limited**

The above mentioned SEZ stands notified over an area of 1022.264 hectares which was subsequently decreased to 840.227 hectares.

M/s. A.S. Cargo Movers (P) Limited was granted Co-Developer on 25.06.2009. The Co-developer was allotted land measuring 9.77 acre by the Developer and the lease deed was executed on 13.06.2009. The co-developer constructed factory building measuring 1,42,445 Sft. The factory building was allotted to M/s. Control Component India Private Limited, an approved unit for manufacture of service control valves and desuperheters. The unit has been carrying on the operations since then.

M/s. A.S. Cargo Movers (P) Limited unable to sustain the business model had decided to transfer the property. Subsequently, on an application filed by the Co-Developer, the BoA approved the proposal to transfer the status of Co-Developer in the name of M/s. Indospace AS Industrial Park Private Limited on 13.1.2016.

It is ascertained that M/s. Indospace AS Industrial Park Private Limited has failed to fulfill the terms of the approval as it has not taken any effective steps towards implementation of the project. For all practical purposes M/s. A.S. Cargo Movers (P) Limited has been

carrying the activities of the Co-Developer. It is also noted that M/s. A.S. Cargo Movers (P) Limited is paying lease rentals, maintenance charges etc., to the Developer M/s. Sri City Private Limited

Even though the proposal was approved by the BOA the actual transfer of ownership from M/s. A.S. Cargo Movers (P) Limited to M/s. Indospace AS Industrial Park Private Limited did not take place. There was inordinate delay in the process and subsequently M/s. Indospace AS Industrial Park Private Limited terminated the agreement entered with M/s. A.S. Cargo Movers (P) Limited for transfer of the ownership by mutual consent vide letter dated 10.01.2017.

In the absence of M/s. Indospace AS Industrial Park Private Limited fulfilling the terms and conditions contained in the Board's approval dated 13.01.2016 M/s. A.S. Cargo Movers (P) Limited was continuing as Co-Developer.

M/s. A.S. Cargo Movers (P) Limited have now come up with a proposal to take over the ownership of Co-Developer from M/s. Indospace AS Industrial Park Private Limited by way of transfer of ownership in their name under mutual consent as per the termination of agreement dated 10.01.2017.

The details of shareholding pattern of M/s. A.S. Cargo Movers (P) Limited are as under:-

S. No.	Name of the shareholder	No. of shares	% of holding
1.	M/s. Fintra Holdings Pvt. Ltd.	2,99,999	99.9997%
2.	Mr. Amar Rahman	1	0.0003%
	Total	3,00,000	100%

**Recommendation by DC:**

Development Commissioner, M/s. Sri City SEZ has recommended the proposal.

The request of the co-developer is submitted for consideration of BOA.

**(vii) Request of M/s. Aarti Industries Limited (Plot No.Z/103/H) for permission for laying 496 meter Hydrogen Pipeline in Dahej SEZ**

M/s Aarti Industries Limited was issued Letter of Approval on 14/02/2012, as amended from time to time, for setting up a unit in Dahej SEZ to manufacture and export of chemical items under chapter 29 of ITC (HS) code. The unit started their commercial production from 15/08/2016 and exported products of Rs. 23.38 Crs upto 23/05/2018.

M/s. Aarti Industries Limited requested for granting permission for laying Seamless Pipe ASTM A106 GrB Pipeline OD 88.9mm, wall thickness 7.62 mm, 3 layer PE coated) Hydrogen Pipeline which passes 496 meter length in Dahej SEZ land out of total 9219.51 meters Hydrogen pipeline from Meghmani/GACL to Aarti Industries Limited.. The pipeline will be laid underground at minimum of 1000 mm below Normal Ground Level and at higher depth at crossing location as per directives.



M/s Dahej SEZ Limited, a Developer of Dahej SEZ issued in principal approval to M/s Aarti Industries Limited (AIL) for offering land on RoU subject to certain conditions including M/s AIL has to obtain permission for DC,SEZ/BoA for laying Hydrogen pipeline in Dahej SEZ area. M/s AIL has to follow the rules and regulation prevailing in SEZ area. M/s AIL has to comply the norms/instruction of GPCB/CPCB and GIDC/DSL.

The unit submitted Route Map showing proposed Hydrogen Pipeline and Hydrogen Supply Agreement between Aarti Industries Limited, and Meghmani Finechem Limited. The total length of the proposed liquid Hydrogen Gas pipeline from Meghmani Finechem Limited, CH1/CH2, GIDC Industrial Estate, Dahej, Tal- Vagra, Bharuch, Gujrat to M/s Aarti Industries Limited, Plot No. Z/103/H, Dahej SEZ is 9219.51 meters which includes 496.09 meters Dahej SEZ.

The proposal was placed before the 78<sup>th</sup> Approval Committee of Dahej SEZ and the committee observed that the case would require approval of the Board of Approval.

The applicant unit submitted Chartered Engineer's certificate dated 29/03/2018 that Hydrogen pipeline from Meghmani to Aarti about 10012 mt in length, total cost of this pipeline including all is Rs. 1,81,66,500. The material cost of Hydrogen gas pipeline inside SEZ is Rs. 12,64,069.00 and outside SEZ is Rs.,147,56,830.97 totaling Rs.1,60,20,899.90. Laying cost is Rs.1,81,66,500.00

#### **Recommendation by DC:**

The proposal of M/s Aarti Industries Limited(Plot No.Z/103/H) for granting permission for laying 496 meter Hydrogen Pipeline in Dahej SEZ out of total 9219.51 meters Hydrogen pipeline from Meghmani/GACL to Aarti Industries Limited is recommended to the Board of Approval for consideration.

The request of the unit is submitted for consideration of BoA.

#### **(viii) Request of M/s Deepak Phenolics Limited, DTA unit for grant permission for laying length of 105.79 meters 10" Benzene/8" Propylene in Dahej SEZ area out of total 1,497.80 meters length pipeline**

M/s Deepak Phenolics Limited (M/s DPL), DTA unit in non SEZ area of Dahej has requested to grant permission for laying length of 105.79 meters 10" Benzene/8" Propylene/4" Propane Pipeline in SEZ area out of total 1,497.80 meters length from ONGC Petro addition Limited (OPaL), Dahej SEZ unit (Seller) to M/s DPL, DTA unit (Buyer) outside Dahej SEZ. Subsequently M/s DPL requested vide their letter dated 21/05/2018 to grant permission for 10" Benzene and 8" Propylene pipelines to be laid underground in SEZ-Dahej as Propane product item is not in the authorised operation lists of ONGC Petro addition Limited.

M/s DPL submitted memorandum of understanding between M/s ONGC Petro-additions Limited and M/s Deepak Phenolics Limited regarding Seller and Buyer. According to clause 5.2 of MOU, Product will be delivered through pipeline. The Buyer shall lay pipeline and other related accessories (including meters) as required are to be laid, installed and operated by the Buyer including maintenance thereof from OPaL to DPL at its own costs and expenses.

M/s DPL submitted Approval dated 20/11/2017 from Gujarat Pollution Control Board for manufacturing of their products and Environment Clearance dated 29/10/2016.

M/s Dahej SEZ Limited granted in-principal approval to M/s Deepak Phenolics Limited on 01/02/2018 for offering land on RoU subject to certain conditions including that M/s Deepak Phenolics Ltd. has to follow the rules and regulation prevailing in SEZ area.

The case was placed before the Approval Committee of Dahej SEZ held on 28-02-2018 and the Committee observed that the case would require approval of the Board of Approval.

M/s DPL does not intend to claim any duty exception from Authority of SEZ for the pipeline laid for raw material transmission from OPaL.

M/s ONGC Petro additions Limited vide letter dated 11/04/2018 requested and recommended that the SEZ authority may grant relevant approvals to DPL for laying the pipeline on expeditious basis.

#### **Recommendation by DC:**

The proposal of M/s Deepak Phenolics Limited for granting permission for laying length of 105.79 meters 10" Benzene/8" Propylene Pipeline in Dahej SEZ area out of total 1,497.80 meters length pipeline may be recommended to Board of Approval for consideration.

The request of the unit is submitted for consideration of BoA.

#### **(ix) Request of M/s ONGC Petro additions Limited (OPaL), a unit in multi-product SEZ developed by Dahej SEZ at Bharuch Gujarat for permission for laying of feed / raw material (Naptha) pipeline from Hazira ONGC (DTA) to the OPaL SEZ Unit**

M/s ONGC Petro Additions Limited (M/s OPaL), Dahej SEZ was granted LoA on 17-10-2007 for setting up of unit in Dahej SEZ to manufacture 1) High Density Polyethylene (HDPE) 2) Linear Low Density Polyethylene (LLDPE) 3) Poly-Propylene (PP) 4) Styrene Butadiene Rubber (SBR) 5) Styrene 6) Hydrogenated Pyrolysis Gasoline (HPG) 7) Carbon Black Feed Stock (CBFS) for export. M/s OPaL has commenced their commercial production from 31.08.2015 and achieved total export upto FY 2017-18 of Rs.830 and generated revenue of Rs.1300 Crs. with total investment of Rs.26906.11 Crs.

M/s OPaL has requested for inclusion of exclusive dedicated naphtha feed line for supply of goods and services ex-Hazira to Dahej (SEZ) Unit in authorized operation list.

M/s Dahej SEZ Limited, vide their letter dated 14/03/2018 issued in Principal Approval to M/s OPaL for offering land in RoU to lay Naptha Pipeline from ONGC Hazira to M/s OPaL plant subject to certain conditions including M/s OPaL has to follow the rules and regulation prevailing in SEZ area.

M/s OPaL, has fully integrated Petrochemical Complex located in multi-product SEZ having South Asia's largest Dual Feed Cracker with the capacity of 1100 KTPA ethylene capable of producing wide spectrum of petrochemicals through integrated downstream units and captive power plant. The Unit is designed with requirement of Naphtha, as 60% of the



feed/raw material, under peak load. The present logistics of Naptha feed to OPaL Complex is managed from ONGC, Hazira on transportation by ship through riverine port/jetty called GCPTCL (Gujrat Chemical Port Terminal Co. Ltd.) located at Dahej and further through pipeline upto OPaL plant.

The transportation with existing arrangement has its own constraints and intricacies and the unit is operating less than 50% of operating capacity under existing arrangement. OPaL petrochemical complex is of national importance with capacity to produce about 1.9 MMTPA of petrochemical products, an anchor unit of Petroleum, Chemical and Petrochemical Investment Region (PCPIR) at Dahej, in SEZ area.

The said DTA supplier/ONGC Hazira is approx. 99 kms. from their manufacturing SEZ Unit. The OPaL has planned to lay 12.75" dia, 99 KM long pipeline including transportation system with dispatch terminal at ONGC Hazira & receipt terminal at OPaL, Dahej SEZ Unit, for captive transportation of Naptha (Raw material) which will replace the existing transportation mode using ship and riverine port/jetty. This 99 kms long pipeline transportation system including booster, pumps and allied accessories passing through cross country and Narmada River, terminating at OPaL plant. The Naptha being hazardous and explosive in nature, this pipeline will be safeguarding environment and human being as well by galvanizing conveying feed line system to achieve multifold benefits. The said Naptha supply pipeline will be lifeline of their Unit to operate on optimal level as this transportation mode provides reliable and seamless receipt of raw material used for authorized operation of SEZ Unit.

#### **Recommendation by DC:**

The proposal of M/s ONGC Petro addition Limited for permission of laying of feed / raw material (Naptha) pipeline from DTA to the SEZ Unit is recommended to the Board of Approval for consideration.

The request of the unit is submitted for consideration of BoA.

#### **(x) Request of M/s Ramdev Chemical Industries, Dahej SEZ unit for laying Drainage Pipe Line in Dahej SEZ area**

M/s Ramdev Chemical Industries was granted LoA on 01-12-2008, as amended from time to time, for setting up a unit in Dahej SEZ to manufacture and export of chemical items under chapter 32 of ITC (HS) code. The unit started their commercial production from 16/09/2016, made investment of Rs.27.03 crores and exported products of Rs. 23.95 Crs. upto January, 2018.

M/s Ramdev Chemical Industries (M/s RCI), a Dahej SEZ has requested for laying drainage pipeline from their plant to Gujarat Industrial Development Corporation (GIDC) underground drainage chamber in Dahej SEZ area.

The GIDC approved of drawing for Express Pipeline with condition that the applicant unit shall have to take necessary ROU permission from M/s Dahej SEZ Limited, a Developer of Dahej SEZ. As per drawing, the total length of 225 DIA HDPE discharge pipe line, SEZ Dahej is 721 mt.

M/s Dahej SEZ Limited issued in principal approval to M/s RCI for offering land on RoU subject to certain conditions including applicant unit has to obtain approval from DC, SEZ/BOA for laying drainage pipeline and M/s RCI has to follow the rules and regulation prevailing in SEZ area. M/s RCI has to comply the norms/instruction of GPCB/CPCB and GIDC/DSL.

The above proposal was placed before the 78th Approval Committee of Dahej SEZ held on 28-02-2018 and the committee observed that the case would require approval of the Board of Approval. Hence, the Office of Development Commissioner may process the case accordingly.

The applicant unit submitted a copy of Chartered Engineer's certificate that the work will cost at Rs.19,64,800. The unit informed cost break up: Material Rs.1033800.00, Labour Rs.931000.00, Duty Exemption: NA.

#### **Recommendation by DC:**

The proposal of M/s Ramdev Chemical Industries for laying Drainage Pipe Line in Dahej SEZ area is recommended to Board of Approval for consideration.

The request of the unit is submitted for consideration of BoA.

#### **(xi) Proposal of M/s. ASF Insignia SEZ Pvt. Ltd., developer for dual use of infrastructure in non-processing area of IT/ITES SEZ at village Gwal Pahari, Distt. Gurgaon, Haryana**

The above mentioned SEZ stands notified over an area of 19.3028 hectares.

The developer has submitted a proposal for dual use of infrastructure in non-processing area of IT/ITES SEZ.

Director of Industries & Commerce, Government of Haryana vide its Memo dated 22.03.2018 has informed that State Government has given approval for conditional 'NoC' to the effect that SEZ developer shall pay all applicable levies, including CLU charges, license fee, Scrutiny fee and proportionate Stamp Duty, post approval of the dual use of infrastructure in Non-Processing zone of the SEZ by BoA and prior to the implementation of such approved dual use scheme by DC, NSEZ as per the Rule 11A(1)(c) of SEZ Rules, 2006.

In this regard, it may be mentioned here that Department of Commerce, Govt. of India vide notification no. G.S.R. 5(E) dated 02.01.2015 has inserted Rule 11A of SEZ Rules, 2006 wherein it has been prescribed that the non-processing area can be bifurcated into two parts, namely:-

- (i) Where the social or commercial infrastructure and other facilities are permitted to be used by both the SEZ and DTA entities.
- (ii) Where the social or commercial infrastructure and other facilities are permitted to be used only by SEZ entities.

As regards dual use of infrastructure of Category 1 above, in non-processing area, Rule 11A of SEZ Rules 2006 prescribes that 'No exemption, concessions, or drawback shall be admissible for creation of such infrastructure. The Customs duty, Central Excise Duty,

Service Tax and such other Central levies and tax benefits already availed for creation of such infrastructure shall be refunded by the developer in full, without interest. However, in cases short payment of the amount refunded to the Government on account of dual use permission, interest will have to be paid at the rate of fifteen per cent per annum from the day the said amount becomes due to the date of actual payment. Utilisation of SEZ land shall be subject to following conditions:-

- (i) The land is to be put to only such use which is as per the regulations of the concerned State Government or local bodies;
- (ii) If any exemption or refund has been taken from State or local like stamp duty, change of land uses, etc., shall be produced from the concerned authorities.
- (iii) No Objection Certificate from the concerned State Government shall be produced before the consideration of the request by BoA. State Government may issue No Objection Certificate taking into consideration (a) and (b) above.

In the instant proposal, the developer has requested approval for dual use of 'Housing' (25411.74 sqmt.) and Club House-cum Recreation Centre & Indoor Sports Centre (410.51 sqmt.)' being total 25822.25 sqmt. in non-processing area, out of total 86934 sqmt. and 2500 sqmt respectively approved by BOA on 30.05.2008 and 01.05.2012. The developer informed that based on their preliminary estimation, duty exemption availed for development of the infrastructure in NPZ (Housing & Club House) approximately amounts to Rs. 3.57 crores. The developer has mentioned that if the proposal meets with in-principle approval, they undertake to forthwith refund the benefits and exemptions availed by them on account of central/state levies, including CST & Central Excise & Customs Duty for creation of the infrastructure under reference.

The developer has declared that the area of non-processing zone to be used by both the SEZ and DTA entities (dual use purpose) is physically segregated from DTA, the non-processing area to be used only by the SEZ entities and the processing area of SEZ. Further, developer has declared that the land proposed for dual use in the non-processing area of SEZ does not fall under mutation No. 3249. The developer has undertaken to forthwith refund the benefits and exemptions availed by them on account of central/state levies, including CST & Central Excise & Custom Duty for creation of the infrastructure under reference.

#### **Recommendation by DC:**

The DC, NSEZ has recommended the proposal subject to compliance of the relevant conditions laid down in Rule 11A of SEZ Rule 2006.

The request of the developer is submitted for consideration of BOA.

**(xii) Request of M/s. GAR Corporation Private Limited for increase an area of 0.769 hectares in the sector specific SEZ for IT/ITES at Sy. No. 89(P), Kokapet Village, Gandipet Mandal, Ranga Reddy District, Telangana.**

The above mentioned SEZ stands notified over an area of 1.66 hectares.

The developer has requested for addition of an area of 0.769 hectares, thereby making the total area of SEZ to be 2.429 hectares (more than 10% original area).

The developer has stated that contiguous to the SEZ land being developed by the company, there are various owners holding land to the extent of 1.90 acres (0.769 Ha) of land and approached them to include the additional land in their existing SEZ.

The developer has submitted a letter dated 23.02.2018 from the Sub-Registrar, SRO, Gandipet, RR District stating that there is no provision of certifying the rights of develop or any other by the registrar. However, it is self declared by and between the parties of the document through the covenants or the conditions of the agreement mentioned by them in the document.

#### **DC's recommendation:-**

DC, VSEZ has recommended the proposal.

The proposal of the developer is submitted for consideration of BoA.

#### **(xiii) Request for approval for importing "Spectralink PIVOT 8744 Enterprise Smartphone by M/s. L&T Technology Services Limited in M/s L&T SEZ, Mysore, Karnataka.**

M/s. L&T Technology Services Limited was granted LOP on 31.12.2010 for setting up of unit for authorized operations namely "ITES – Engineering Design Services" in Primal Projects Pvt. Ltd. SEZ, Bellandur Village, Bangalore. The unit commenced commercial production on 01.04.2017.

The unit has intimated they have received an order for developing a software for customer in USA which require a Real device for testing the software based on the outcome of which the application will be launched in the market.

The unit has requested to permit them to import "Spectralink PIVOT 8744 Enterprise Smartphone" a device for testing purpose, which is a restricted item. The unit has also submitted product catalogue and technical write up and after the testing, the device will be re-exported.

It is mentioned under instruction No. 47 (i) to export prohibited items, provided they import raw material for the same. However, each such case will be placed before BoA for approval so that view of DGFT, DoR and others can be considered before taking a decision.

#### **Recommendation by DC:**

The proposal is recommended by the UAC meeting held on 17.05.2018 for favorable consideration of the BoA for SEZs.

The request of the unit is placed before BoA for consideration.

#### **(xiv) M/s. Abhijeet Ferro Tech Ltd. of APSEZ, Visakhapatnam for import of Ferro Manganese Slag for a quantity of 20,000 MTs.**

M/s. Abhijeet Ferro Tech Ltd. has been granted LoA on 05.03.2010 for manufacture and export of Ferro Manganese and Silicon Manganese etc. The unit commenced production on 24.03.2012 and hold a valid consent order from the AP PCB up to 31.12.2022 to operate a

facility for collection, storage, treatment & transport etc. for Ferro Manganese and Silico Manganese up to capacity of 2,38,082 TPA and a hazardous waste authorization order issued on 01.12.2017. The unit effected exports for a value of Rs. 1956.78 crores during the last 5 years block period and achieved positive NFE to the tune of Rs. 852.67 crores during this period. The unit was granted extension of SEZ status for a further period of 5 years from 24.03.2017 to 23.03.2022.

The unit requires Ferro Manganese Slag as one of the raw materials for their authorized operations to re-cycle & manufacture Silico Manganese. Earlier, the request of the unit for import of Ferro Manganese Slag was considered and approved by the BoA in its meeting held on 5.2.2018 for a quantity of 50,000 MTs based on the NOC given by the MOEF & Climate change.

The unit has stated that they were no longer producing Ferro Manganese from Manganese Ore by which they used to get Ferro Manganese Slag as a by-product, which in turn together with some of the quantities of import slag was being sufficient for their production of Silico Manganese till now. However, since the unit intends to use their full capacity to produce only Silico Manganese based on demand in export markets, permission for import of a quantity of 2,00,000 MTs Ferro Manganese Slag is being asked to meet their export commitments. The MOEF&CC New Delhi vide has vide letter dated 14.05.2018 has given No Objection for further import of 20,000 MTs Slag for recycling purpose subject to other applicable general conditions.

The present case is being put up as per past practice under Instruction No. 47 date 04.03.2010 to the BoA as the requested item is restricted under FTP. In addition section 26 of the SEZ Act mandates BoA to grant approval for Import to the SEZ units for the materials requiring permission under any other Law, as this item may require permission from MoEF&CC.

Since the unit has obtained permission from Ministry of Environment, Forests & Climate Change, New Delhi and the AP Pollution Control Board consent and authorization order renewed up to 31.12.2022

#### **Recommendation by DC:**

DC APSEZ recommends the request of M/s. Abhijeet Ferro Tech Ltd. for import of Ferro Manganese slag for a quantity of 20,000 MTs.

The request is placed before BoA for its consideration.

#### **(xv) Request of M/s. Anita Exports, a unit in Kandla SEZ for renewal of LoA for extension of recycling of plastic waste and scrap**

M/s. Anita Exports, KASEZ was granted LoA on 15.05.1996 for recycling plastic waste & scrap and for re-processing of worn and used clothing.

M/s. Anita Exports, an existing unit for plastic recycling, their proposal for renewal of their LoA was rejected by BoA in its 78<sup>th</sup> meeting held on 03.07.2017 [Agenda item No. 78.5(ii)]. Aggrieved with the decision of the BoA in the said BoA meeting, the unit filed SCA No. 19048 of 2017 before the Hon'ble High Court of Gujarat at Ahmedabad. Now, the Hon'ble Gujarat High Court vide its order dated 08.05.2018 (copy enclosed as Annexure A)



quashed and set aside the aforesaid BoA decision of rejecting the proposal for extension/renewal. While quashing the decision of the BoA, the Hon'ble Gujarat High Court has observed that: -

*“Considering the aforesaid facts and circumstances of this case, we are of the view that the Petitioner’s case requires re-consideration by the authority particularly to examine the similarity with other existing units which according to the petitioners were granted renewal despite being non operational for extended period.*

*With these observations, this writ petition is hereby partly allowed. The order passed by the respondent no. 2 rejecting the proposal for extension/renewal (as recorded at Item No. 78.5(ii) of the minutes of meeting held on 03.07.2017) and the covering letter dated 14.07.2017 is hereby quashed and set-aside.”*

The observation of the Hon'ble High Court in aforesaid Judgement is based on the claim of M/s. Anita Exports in their SCA before High Court that similar cases of non operational units for extended period were allowed approval for revival and renewal of their LoAs by the BoA in the case of two similar units as claimed by the unit in their petition, one of M/s. R. R. Vibrant Polymers Ltd., KASEZ (68<sup>th</sup> BoA meeting held on 30.12.2015) and another of M/s. Plastic Processors & Exporters Pvt. Ltd., Noida SEZ (69<sup>th</sup> BoA meeting held on 23.02.2016) which was otherwise also lying defunct and dormant and further directed to re-consider the case of the petitioner by the authority particularly to examine the similarity with other existing units which according to the petitioners were granted renewal despite being non operational for extended period.

Accordingly, the unit vide their letter dated 16.05.2018 represented their case for re-consideration in the wake of the aforesaid Court order and has further undertaken that:

- They agree to the policy guidelines dated 17.09.2013 and its amendment dated 13.02.2018 will be acceptable to them.
- They have placed the order for new machinery for resuming the operations and submitted copy of quotation and the purchase order.
- They will employ about 200 persons in this project.
- They will achieve positive NFEE and shall do the physical export as per the Policy of Ministry.
- They have invested Rs. 210 lakhs in Plant & Machinery and Building.

They have also submitted Affidavit for compliance of Policy guidelines dated 17.09.2013 and amendment made vide Ministry's letter dated 13.02.2018 regarding physical export conditions.

As per the Hon'ble High Court observations, similarity of the cases of other units on the basis of Agenda and minutes of their case are tabulated below: -

Sr. No.	Details of the proposal	M/s. R. R. Vibrant Polymers Ltd.	M/s. Plastic Processors & Exporters Pvt. Ltd.	M/s. Anita Exports
1.	BoA Agenda items decided in its	68 <sup>th</sup> BoA 30.12.2015 –	69 <sup>th</sup> BoA 23.02.2016 –	78 <sup>th</sup> BoA 03.07.2017 –

	meeting held on (copies enclosed as Annexure D)	Item No. 68.5 (vi)	Item No. 69.11 (v)	Item No. 78.5 (ii)
2.	Original LoA dated	27.11.1996	05.11.1997	15.05.1996
3.	No. of years non- operation	15 years	8 years	7 years
4.	Last valid upto	31.10.2000	30.11.2013	30.09.2012
5.	Reasons of non- activity claimed by unit	Fire broke out in their factory in the year 2000 and the insurance company rejected their claim and Bank issued notice to them for recovery, huge EM rental dues was pending.	Global recession in 2008 their orders were suspended and unit in loss from 2009-2011. Due to short extension of their LoA in piecemeal basis, they could not place their export orders.	Due to short extension of their LoA in piecemeal basis, they could not place their export orders.
6.	Revised revival plan	After settlement of their case with Bank and Insurance, they came out with re-organisation of their unit spent Rs. 300 lakhs in plant & machinery. They undertakes abide by provisions of Policy dated 17.09.2013 and paid rental dues of Rs. 69.50 lakhs	They undertakes abide by provisions of Policy dated 17.09.2013 and plan to have 10 Agglomerator plants with 2 generator sets of 250 KW each with 200 employment and NFE of Rs. 7362.80 lakhs in 5 years.	They undertakes to abide by provisions of Policy dated 17.09.2013 and ordered new machinery for resuming operation and invested Rs. 210 lakhs in plant & machinery and building with 200 employment.
7.	NFE prior to non- activity	Positive	Negative	Positive
8.	Whether agreeable to the conditions of Policy guidelines dated 17.09.2013 as amended including physical	Yes	Yes	Yes



	export condition			
9.	Whether their case recommended by DC	Yes	Yes	Yes

#### **Recommendation by DC:-**

Since the Hon'ble Court has while quashing the decision of the BoA taken in its 78<sup>th</sup> meeting held on 03.07.2017 observed that their case requires re-consideration.

Accordingly, the request of M/s. Anita Exports is placed before the BoA for its re-consideration.

The request is placed before BoA for its consideration.

#### **(xvi) Request of M/s. Southern Online Bio Technologies Ltd. for inclusion of additional product in their LoA**

M/s. Southern Online Bio-Technologies Ltd. has been granted LoA on 14.12.2007 for manufacture & export of Bio-diesel and by products glycerin etc. the unit has started commercial production on 09.09.2010. The unit has been granted extension of validity of LoA status for a further period of 5 years upto 08.09.2020. The unit was effecting exports and invested for Rs. 121.97 crores till now. However the unit is presently not working.

The unit has requested for inclusion of additional products of Bio-diesel blending as per the description given below. The unit has further stated to export & sell bio-diesel blended product with petroleum oils (Bitumen mineral oils) like HSD/LDO/FO etc. The unit further stated that there is no need to import any additional capital goods for the manufacture of proposed additional product and submitted flow-chart for the process of biodiesel blending:

<b>Description for manufacture of additional product</b>	<b>ITCHS code no.</b>
Biodiesel and mixtures thereof, not containing or containing less than 70% by weight of Petroleum Oils or Oils obtained from Bituminous minerals	3826.00.00

The request of the unit was placed before the UAC held on 20.02.2018 for consideration in terms of Rule 19(2) of SEZ Rules 2006. Upon deliberations, the Committee could not decide on the matter by a general consensus to approve the request. In terms of section 13(5) of the SEZ Act 2005, that in case the Approval Committee is unable to decide any matter by a general consensus, such matter shall stand referred to the BoA.

#### **Recommendation by DC:-**

DC, APSEZ refers the above proposal for inclusion in the agenda for SEZ units being held on 19.06.2018.

The request is placed before BoA for its consideration.

**(xvii) Request of M/s. State Industries Promotion Corporation of Tamil Nadu Ltd. (SIPCOT) at Sriperumbudur, Tamil Nadu for partial de-notification of SEZ area to the extent of 28.33.8 hectares and surrender of co-developer status of M/s. Motorola Mobility Chennai Pvt. Ltd.**

The above mentioned SEZ stands notified over an area of 195.55.8 hectares.

M/s. Motorola India Private Ltd. was granted co-developer status on 13.02.2007 for providing infrastructure facilities in the SIPCOT hitech SEZ for electronics/telecom hardware and support services, including trading and logistics activities at Sriperumbudur, Kancheepuram, Tamil Nadu in an area of 28.33.8 hectares (70 acres). Further, approval was granted for transfer of co-developer from M/s. Motorola India Pvt. Ltd. to M/s. Motorola Mobility Chennai Pvt. Ltd on 03.12.2010.

The developer SIPCOT, Chennai had sought approval for partial de-notification of an area of 28.33.8 ha allowed to M/s Motorola Mobility Chennai Pvt. Ltd. as co developer. Application form C5 alongwith the DC's recommendation, No dues certificate from the Authorized Officer and NoC from the State Government has been forwarded with the proposal.

The DC has informed that the developer has stated that M/s Motorola Mobility Chennai Pvt. Ltd. had approached them to get de-notified the entire land held by them due to changes in the business plans and they wish to revive their operations under DTA format. The DC has further informed that the Co-developer has given an undertaking that if any liability in future related to customs duty, excise, service tax and commercial tax arises, it will be settled as per the provisions of the relevant acts including payment of interest as and when concluded on the basis of the said acts.

#### **Recommendation of DC**

DC, MEPZ has recommended the proposal.

The request is placed before BoA for its consideration.

**(xviii) Request M/s. Nxtra Data Ltd. (Co-Developer) for setting up of a Sector Specific Special Economic Zone for IT/ITES at Plot No. 13/10/A & Plot No. 28, MIDC SEZ, Rajiv Gandhi Infotech Park, Phase-III, Hinjewadi, Pune, Maharashtra for amendment of BoA condition of lease period not exceeding 30 years incorporated in the Formal Approval dated 14.12.2017**

M/s. Nxtra Data Ltd. was granted co-developer status on 14.12.2017 for developing sector specific SEZ for IT/ITES at Hinjewadi, Pune subject to standard terms and conditions as per SEZ Act and Rules and also that the lease period does not exceed 30 years (Renewable).

The Co-Developer has entered into a Co-Developer agreement with MIDC Pune (Developer) for Plot No. 13/10/A and Plot no. 28 vide agreements dated 29.05.2017 and 07.06.2017 respectively for a period of 95 years.

The Co-Developer has stated that they are proposing to create a state of the art building and infrastructure requiring a total investment of more than INR 300 Crores for

IT/ITES unit(s). Therefore a Co-developer approval which is not co-terminus with the executed lease deed of 95 years would adversely impact the operational plans of the company.

Therefore, the Co-developer has requested for amendment in the Approval granted to them as a Co-developer for construction of buildings and related infrastructure for IT/ITES Units, Development of space of IT/ITES Unit and all default operations for approx. area admeasuring 1.90 hectares in MIDC Pune SEZ for a period of 95 years i.e. co-terminus with the lease deed.

It is stated that in 65<sup>th</sup> BoA meeting held on 27.08.2015, it was decided to approve co-developer proposals, subject to terms and conditions as per SEZ Act and Rules provided that the lease period is reduced to a period not exceeding 30 years (renewable).

Subsequently, a reference was received from the Government of Kerala in which it was stated that the State Government of Kerala lease out land for industrial purposes for a period of 90 years, as per its policy and requested to permit for continuation of lease period as envisaged in the lease agreement. Accordingly, the Board in its 66<sup>th</sup> meeting held on 27.08.2015 restored the period of lease, as per the lease agreement signed between the developer and co-developer in respect of the SEZ projects located in the State of Kerala and for others it was decided that the lease period will continue to be period not exceeding 30 years (renewable)

#### **Recommendation of DC:**

In view of the above, the request of the Co-Developer for Extension of lease period from 30 years to 95 years is recommended to the Board.

The request is placed before BoA for its consideration.

#### **Item No. 83.6: Cancellation of Formal Approvals (one proposal)**

In terms of Rule 6(2)(a) of SEZ Rules, Formal Approval is valid for a period of three years by which time at least one unit has to commence production and the SEZ becomes operational from the date of commencement of such production. Proviso to this rule provides for extension of this Formal Approval by Board of Approval, for which the Developer will submit his application in Form C1 to the concerned DC, who shall, within 15 days forward it to the Board with his recommendations.

In the following case, formal approval has been granted by the DoC. However, since there is no significant progress made by the Developer, the concerned DC has proposed for cancellation of formal approval granted to the Developer. The details of case is as under:-

Sr. No.	Name of the Developer/co-developer	Sector	Date of formal approval	Zone	Remarks
1.	M/s. OSE Infrastructure Ltd. (Plot No. 001, Block C, Sector - 67, Noida, UP	IT/ITES	6.11.2006	NSEZ	The SEZ is notified on 14.05.2007, over an area of 10.11753 Ha. The formal approval granted to the developer has expired on 12.12.2013.  DC NSEZ has stated that no request for further extension of validity of LoA has been made by the developer.

				<p>It may be mentioned here that while submitting its last proposal for extension of formal approval the developer had stated that their construction work could not be taken up due to non-approval of their layout plan by Noida Authority. It was informed that the developer had taken up the matter with the State Government of Uttar Pradesh and despite of directions issued by Principal Secretary, Government of Uttar Pradesh vide letter dated 23.06.2009 about applicability of FAR in respect of said SEZ, the Noida Authority did not approve their plans.</p> <p>The proposal had been placed before the Approval Committee in its meeting held on 02.02.2018 wherein no one from the developer appeared before the Approval Committee, in spite of email communication sent to the developer on all available emails. The Approval Committee had directed to send a formal letter to Registered Office of developer as well as residential addresses of all the directors with direction to comply with the documentary requirements for cancellation of Formal approval/de-notification of SEZ, within three weeks' time. Approval Committee also directed to seek NoC from State Government in view of the fact that any duty benefit might have been availed by the developer. The Approval Committee also directed to conduct a site inspection of the SEZ site and submit their report about factual position on the ground. Accordingly, as per direction of the approval Committee letter dated 13.02.2018 was written to the developer and all current directors conveying the decision of the Approval Committee and requesting to submit the documents listed therewith in the letter dated 13.02.2018, within three weeks from the date of issue of letter. It is informed that copy of said letter was also endorsed to Managing Director, PICUP (Nodal agency of State Government for SEZs) with the request to forward 'NOC' of the State Govt. for de-notification of entire area of said SEZ.</p> <p>DC, NSEZ has requested DoC to take necessary action for cancellation of formal approval.</p>
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#### **Item No. 83.7: Proposals for Industrial Licence (3 proposals)**

##### **(i) Application of M/s Zen Technologies Ltd., SEZ unit under VSEZ requiring Industrial Licence.**

This is regarding the proposal of M/s Zen Technologies Ltd., for grant of industrial licence from their SEZ unit at Ranga redy District, Telangana for design, development and manufacture of simulators for aerospace, defence, home land security, mining and road transport industry.

The comments of the following Departments/State Government recommending the proposal are as below:

S.No.	Department	Comments
1.	DC, VSEZ	Vide letter dated 20.02.2015, VSEZ have informed that the NFE for the first five years projected by the unit is Rs. 2464 lacs.
2.	Department of Defence Production	DoDP vide O.M dated 23.11.2015 informed that the Standing Committee on Private Participation in Defence Production has recommended grant of IL to the Company for design, development and manufacture of simulators specially designed for military application subject to standard terms and conditions for licensing and the extant FDI Policy guidelines applicable to defence sector and clearance of MHA. Further, the company may be directed to follow the security guidelines for Category B mentioned in the Security Manual available at DDP's website.
3.	Ministry of Home Affairs	Vide O.M dated 24.11.2015, MHA have conveyed security clearance in r/o the unit and its Director namely Sh. Ashok Atluri, Sh. M. Ravi Kumar, sh. G. Prasad and Smt. M. Sridevi. It is further mentioned by MHA that MoD may be asked to recommend appropriate security and auditing procedures for the firms as well as its supply chain depending upon the threat perception and sensitivity of the product to be manufactured for defense forces.
4.	Civil Aviation Department	Vide letter dated 19.08.2017, O/o Director General of Civil Aviation offered no objection in granting IL to the unit. It is stated that these simulators are to be sold to defense services, State Police Force, Central Police Organizations, Special Forces, Transport Departments, Civil Sectors and Mining Sectors.
5.	State Government	Vide letter dated 29.03.2018, The Commissioner of Industries, Government of Telangana have informed that nothing adverse has come to notice against the group promoters of the company. IL to the company has been recommended, subject to the condition that the unit obtains all statutory clearances/approvals.

**Relevant Provision of SEZ Act:** 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.

Based on the above, the proposal of M/s Zen Technologies Ltd., for grant of Industrial Licence for for design, development and manufacture of simulators for aerospace, defence,



home land security, mining and road transport industry is placed before the BoA for a decision.

**Applications of SEZ units for grant of License to manufacture items covered under and IDR Act, 1951 and Arms Act, 1959**

The Ministry of Home Affairs vide Notification S.O. 1636 (E) dated 19.05.2017 has delegated powers and functions under sub-section (1) of Section (5), clauses (b) and (c) of Section 7 and Chapter III of Arms Act, 1959 to Secretary, Department of Industrial Policy and Promotion in respect of defence items manufactured under Arms Act, 1959. The items mentioned in the Schedule were earlier covered under IDR Act, 1951 as per Press Note No. 3 (2014 series).

2. The following provisions for SEZ units and EOUs are defined in Special Economic Zones (SEZ) Act, 2005 and the Foreign Trade Policy 2015-2020 for grant of Industrial Licence under IDR Act, 1951:-

- As per section 9 (e) of the SEZ Act 2005, the Board of Approval 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.
- Grant of licenses for setting up Export Oriented Units (EOU) requiring Industrial Licence is covered by Foreign Trade Act, 1992 read with Handbook of Procedure, 2015-20 (as revised on 05.12.2017). Para 6.07 (c) provides that proposal for setting up an EOU requiring Industrial Licence may be granted approval by Development Commissioner after clearance of proposal by Board of Approvals and DIPP within 45 days.

3. In this regard, during the Meeting of the Licensing Committee held under the Chairmanship of Secretary, DIPP on 25.02.2013, it was decided to transfer the powers to grant Industrial Licence to Units in SEZs and for EOUs under Industries (Development and Regulation) Act, 1951 to the Department of Commerce. Based on this delegation, this Department has been processing cases of grant of Industrial Licenses in SEZs and EOUs with the approval of the Board of Approval.

4. Since, the defence items as mentioned in the Schedule are now covered under Arms Act, it has been felt in this Department that powers to grant licenses in SEZs and EOUs for manufacture of items covered under Arms Act would be required to be delegated to the Board of Approval, provided for in the SEZ Act, 2005 and FTP 2015-20 for grant of Industrial Licenses in case of units proposing to set up Units for manufacture of defence equipment covered under Arms Act, 1959 in SEZs and EOUs. Thus, this Department had requested MHA that the necessary notification in this regard may be issued to facilitate the setting up of Units in SEZ and EOUs for the manufacture of defence equipment. In response to this Department's request, Arms Section, MHA, vide O.M dated V-11026/107/2017-Arms (Pt. File) dated 30.11.2017 informed that as per New Arms Rules, 2016 the manufacturer applicant may setup the facilities in SEZ, Industrial Parks and other industrial areas in any other location duly approved by the State Government for this purpose and therefore, State Government may take necessary action as per provisions of Arms Rules, 2016. This Department is, however, of the view that

power to grant of Licence under Arms Act, 1959 should lie with BoA for EOUs and SEZ unit as explained above. Detailed proposal was also sent to Secretary (Home) vide D.O letter dated 13.12.2017 from the then AS (SEZ Division). The MHA vide its O.M dated 06.02.2018 sought inputs from DIPP on the request of this Dept. for delegation of power to BoA in respect of SEZ units and EOUs.

The following applications are pending with this Department for want of delegated powers:

- Application of M/s Defsys Solutions Pvt. Ltd., SEZ unit under NSEZ
- Application of M/s Tata Power Company Ltd., SEZ unit under CSEZ

In the light of the foregoing, as a measure of ease of doing business, till powers for granting license to manufacture items requiring license under the Arms Act, 1959 are not delegated to BoA, perhaps, the pending proposals can be referred to the DIPP for grant of licence under Arms Act, 1959 as Secretary, DIPP is already vested with the powers so that the projects do not get delayed.

**(ii) Application of M/s Defsys Solutions Pvt. Ltd., SEZ unit under NSEZ requiring Licence to manufacture of equipments for defence application.**

This is regarding the proposal of M/s Defsys Solutions Pvt. Ltd. for grant of industrial licence to manufacture equipment for defence application from their SEZ unit located in the Dr. Fresh Healthcare Pvt. Ltd., IT/ITES SEZ Gurgaon, Haryana. The unit has obtained LoA dated 07.11.2014 from NSEZ for setting up a unit in IT/ITES. The items proposed to be manufactured are as below:

- Electronic Warfare Systems (Electronic Hardware).
- Electro optic sights, payloads and pods.
- Electro Optical Box Assemblies and testing.
- Thermal sensors and infrared sensors.
- Simulators & Electro Mechanical Assemblies.

The comments of the following Departments/State Government recommending the proposal are as below:

S.No.	Department	Comments
1.	DC, NSEZ	Vide letter dated 17.02.2017, NSEZ have forwarded the NFE projections of the unit. The NFE for the first five years projected by the unit is Rs. 46,550 lacs.
2.	Department of Defence Production	DoDP vide O.M dated 01.02.2017 informed that the Standing Committee on Private Participation in Defence Production has recommended grant of IL to the Company for the manufacture of Electronic Warfare Systems (Electronic Hardware), payloads and pods, Thermal sensors and infrared sensors and simulators for military use being



		<p>licensable from defence angle subject to standard terms and conditions for licensing and the extant FDI Policy guidelines applicable to defence sector and clearance of MHA. The Company may be asked to follow the security guidelines for Category 'A' mentioned in Security Manual available at DDP's website. The company should also follow DRDO's guidelines while undertaking manufacturing of EW Systems for Ministry of Defence. It is also informed that items i.e Electro optic sights, Electro Optical Box Assemblies and testing and Electro Mechanical Assemblies are non-licensable from defence angle. IL is not required for manufacturing of them.</p>
3.	Ministry of Home Affairs	<p>Vide O.M dated 20.09.2017, MHA have conveyed security clearance in r/o the unit and its Director namely Sushant Mohan Gupta, Sushen Mohan Gupta, Chitranjan Sharma, Biswajeet Mukerjee and Dmitry Bernadiner with respect to core national security parameters i.e unity, integrity and sovereignty of the Country. The above security clearance is valid for the following shareholding:</p> <p>1. M/s DMG Finance &amp; Investment Pvt. Ltd.- 99.9999% of equity shares.</p> <p>2. Sushant Gupta- 00.0001% of equity shares.</p> <p>It is further mentioned by MHA that MoD should ensure that all security instructions/architecture prescribed in Security Manual for Licensed Defence Industries, issued by MoD from time to time are strictly adhered to.</p>
4.	Civil Aviation Department	<p>Vide letter dated 19.06.2017, O/o Director General of Civil Aviation offered no comments as the said items are not specifically used in commercial aircraft system and these items are for defense applications and mainly for export.</p>
5.	State Government	<p>Vide letter dated 23.02.2017, The Director of Industries &amp; Commerce, Haryana have informed that the company has already made an investment of Rs. 29.56 crore in land, building and machinery and furnished no objection for the grant of IL for the manufacturing of above said products.</p>

The comments of DoDP that IL is not required for manufacture and export of Electro optic sights, Electro Optical Box Assemblies and testing and Electro Mechanical Assemblies were informed to DC, NSEZ vide DoC letter dated 16.11.2017.

**Relevant Provision of SEZ Act:** 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.

DIPP vide letter dated 11.01.2018 has clarified that Electronic Warfare Suite spectra are detection equipment and do not fall within the definition of arms and ammunition and these are covered under the Press Note 3 of 2014 series and require licence for Defence Sector under IDR Act, 1951.

Also, as per clarification furnished by MHA to DIPP vide letter dated 22.09.2017, list of items which are covered under IDR Act, 1951 includes infrared or thermal imaging equipment and simulators.

Therefore, proposal is placed before BoA for grant of Industrial Licence under IDR Act, 1951 for manufacture and export of Electronic Warfare Systems (Electronic Hardware), Thermal sensors and infrared sensors and simulators.

It is not clear whether the item 'payload and pods' is covered under the Arms Act, 1959. MHA is yet to clarify on the issue. Therefore, the proposal in respect of 'payloads and pods' may be recommended to DIPP for considering grant of licence under Arms Act, 1959.

**(iii) Application of M/s Tata Power Company Ltd., SEZ unit under CSEZ requiring Licence for manufacture of defence products.**

This is regarding the proposal of M/s Tata Power Company Ltd.- Strategic Engineering Division for manufacture of defence products, at Bangaluru Aero Space SEZ Industrial Area. The unit has obtained LoA from CSEZ for setting up of SEZ unit there. The items proposed to be manufactured are as below:

- (i) Tanks and other armoured fighting vehicles.
- (ii) Ground vehicles a and b.
- (iii) Armoured or protective equipments for Ballistic protection for military systems.
- (iv) Defence aircraft-spacecraft-parts thereof for military application.
- (v) Arms-ammunition-allied items of defence equipment parts accessories thereof.
- (vi) Manufacturing of radar equipment GPS devices-search-detection-navigation-aeronautical equipment.
- (vii) Imaging or countermeasure equipment a to e.
- (viii) Misc-concealment-detection equipment for military application.

The comments of the following Departments/State Government recommending the proposal are as below:

S.No.	Department	Comments
1.	DC, CSEZ	Vide letter dated 11.01.2017, CSEZ have recommended the proposal of the unit and informed that NFE projections for the first 5 years is Rs. 18100 lacs.
2.	Department of Defence Production	<p>DoDP vide O.M dated 01.02.2017 informed that the Standing Committee on Private Participation in Defence Production has recommended grant of IL to the Company for the manufacture of following items:</p> <ul style="list-style-type: none"> <li>i. Tanks and other armoured fighting vehicles including Ground vehicles a and b to provide ballistic protection to level III (NIJ 0108.01, Sept 1985, or comparable national standard or above);</li> <li>ii. Armoured or protective equipments for Ballistic protection for military systems;</li> <li>iii. Defence aircraft for military application;</li> <li>iv. Arms ammunition;</li> <li>v. Manufacturing of radar equipment, detection, navigation specially designed for military application;</li> <li>vi. Imaging or countermeasure equipment specially designed for military application and;</li> <li>vii. Misc-concealment-detection equipment for military application.</li> </ul> <p>The above mentioned NOC is subject to standard terms and conditions for licensing and the extant FDI Policy guidelines applicable to defence sector and clearance of MHA. The Company may be asked to follow the security guidelines for Category 'A' mentioned in Security Manual available at DDP's website. It is also informed that items i.e space craft parts thereof, GPS devises, aeronautical equipment are non-licensable from defence angle. IL is not required for manufacturing of them.</p>
3.	Ministry of Home Affairs	Vide O.M dated 19.05.2017, MHA have conveyed security clearance in r/o the unit and its Director namely Dr. homier S Vachha, Nawshirh. Mirza, Deepak M. Satwalekar, Ashok K. Basu, Anil Sardana, Pravin H. Kutumbe, Sandhya S. Kudtarkar, Ashok S.

		<p>Sethi and Piyush G. Mankad with respect to core national security parameters i.e unity, integrity and sovereignty of the Country. It is further informed that Cyrus P. Mistry who was the Chairman of the company has resigned and is no more on the Tata Sons Board.</p> <p>The following inputs have also been shared by MHA for consideration in the context of extant policy, procedures, practices, contract/tender related guidelines etc of DIPP:</p> <p>“Shapoorji Pallonji Group whose promoters are also the largest individual shareholders in Tata Group came under scanner in 2012 of the Bombay High Court in which a notice was issued to Chairman for alleged disproportionate assets case in Maharashtra”.</p> <p>It is further mentioned by MHA that MoD should ensure that all security instructions/architecture prescribed in Security Manual for Licensed Defence Industries, issued by MoD from time to time are strictly adhered to.</p>
4.	Civil Aviation Department	Vide letter dated 02.12.2017, O/o Director General of Civil Aviation offered no comments on the proposal of the unit.
5.	State Government	Vide letter dated 29.08.2017, Directorate of Industries & Commerce have furnished no objection to grant of IL to the unit subject to other statutory approvals from the Govt. Authorities, if any.

The comments of DoDP that IL is not required for manufacture and export of space craft parts thereof, GPS devises, aeronautical equipment were informed to DC, CSEZ vide DoC letter dated 15.11.2017.

**Relevant Provision of SEZ Act:** 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.

As per clarification furnished by MHA to DIPP vide letter dated 22.09.2017, list of items which are covered under IDR Act, 1951 includes armoured or protective equipment, imaging or countermeasure equipment, concealment and deception equipment.

Therefore, proposal is placed before BoA for grant of Industrial Licence under IDR Act, 1951 for the following items:

- i. Armoured or protective equipments for Ballistic protection for military systems;
- ii. Manufacturing of radar equipment, detection, navigation specially designed for military application;
- iii. Imaging or countermeasure equipment i.e Recorders and Image processing equipments, image intensifier equipments, infrared or thermal imaging equipments, imaging radar sensor equipment, countermeasure or countermeasure equipment.
- iv. Misc-concealment-detection equipment for military application.

Since the following items are covered under Arms Act, 1959, the proposal for below mentioned items may be recommended to DIPP for considering grant of licence under Arms Act, 1959:

- i. Tanks and other armoured fighting vehicles including Ground vehicles a and b to provide ballistic protection to level III (NIJ 0108.01, Sept 1985, or comparable national standard or above);
- ii. Arms-ammunition-allied items of defence equipment parts accessories thereof.
- iii. Defence aircraft for military application;

#### **Item no. 83.8: Appeals before BoA (3 Appeals).**

**(i) Appeal of M/s. Crafts Exim requesting for setting up of new unit in Moradabad SEZ against order dated 23.03.2018 passed by UAC, Moradabad SEZ.**

##### **Gist of order appealed against**

M/s. Crafts Exim had proposed to set up a new unit in Moradabad SEZ for manufacturing & export of Handicrafts made of Leather, Jute, Wood, Kolapuri Chappal, Glass Iron, Stainless Steel, Brass, Copper and Aluminum with projected exports of Rs. 2582.85 lakhs and NFE of Rs. 2582.85 lakhs over a period of five years.

The UAC in its meeting held on 15.12.2017 granted in-principle approval for the proposal subject to certain conditions.

An Approval Committee meeting was held on 8.3.2018 to review the in-principle approval accorded to the proposal. No representative from the firm appeared before the Approval Committee, the proprietor Shri Bilal Khan had informed that due to ill health, he would not be able to attend the Approval Committee meeting scheduled on 8.3.2018. He also submitted a letter from the developer, UPSIDC stating that the plot will be cancelled if the unit fails to execute Lease Deed latest by 9.3.2018.

The Approval Committee after due deliberations, in view of the misinterpretation of facts, suppression of information relating to work experience & financial status and in view of the observations made in Chartered Accountant/ advocate report, rejected the proposal in terms of Rule 18 of SEZ Rules, 2006 vide letter dated 23.03.2018.

### **Contents of Appeal**

The Appellant has stated as under:-

That his proposal was rejected without providing him an opportunity for hearing. That the impugned order shows that it is non speaking and it was passed without properly considering and appreciating the facts and documents which have been submitted by the appellants to establish his work experience and financial status.

That the observations of the Approval Committee that no document was submitted by Appellant on 29.1.2018 is absolutely incorrect and false while the true facts of the matter are that the appellant has submitted documents before ADC, Moradabad on 29.1.2018 and he also submitted documents before DC on 6.2.2018 which were required by them. Additional documents were submitted on 24.2.2018 before DC, JDC and DDC in SEZ Noida.

That the appellant never stated before the Approval Committee that the value of his property is about 8 crores. The appellant has submitted the papers of his properties which have market value of about 80 lakhs.

The report of the advocate Smt. Mani Mittal is false and incorrect to the effect that the firm Sunaila International has no existence. That the report of the Chartered Accountant was bogus and it was not worthy to any credence. That the report of DGFT Kanpur is based on his whims and surmises and it is established on record that the said firm was always working/carrying on his business.

That the premises No. 14/14, Nawab Compound, Civil Lines, Kanpur Nagar is not open plot as falsely alleged in the said report. It is double storied building and all the relevant documents in this regard have already been submitted before the Approval Committee. The property bearing H.No. 14/16, Nawab Compound, Civil Lines, Kanpur Nagar belongs to the mother of the appellant who is dead as such the appellant has inherited it according to his personal law.

The Appellant had alleged that ADC, Moradabad has demanded illegal gratification from him.

### **Rule Position**

Section 15(3) of SEZ Act, 2005 provide that the Approval Committee may, either approve the proposal without modification, or approve the proposal with modifications subject to such terms and conditions as it may deem fit to impose, or reject the proposal in accordance with the provisions of sub-section (8):

Provided that in case of modification or rejection of a proposal, the Approval Committee shall afford a reasonable opportunity of being heard to the person concerned and after recording the reasons, either modify or reject the proposal.

The appeal is placed before the BoA for consideration (**Annexure-1**).



**(ii) Appeal dated 19.01.2018 of M/s. Alps Overseas Pvt. Ltd. a unit in FSEZ against order dated 07.04.2016 passed by UAC, FSEZ.**

**Gist of order appealed against**

M/s. Alps Overseas Pvt. Ltd. was granted LoP dated 09.05.1997 at Falta SEZ for manufacture and export of LDPE/HDPE/PP granules & Plastic sheets, Films & strips. The unit started commercial production on 16.12.1998. The unit was allotted open land measuring 3660 sq.mtr., 200 sq.mtr. of Industrial Shed (old) and 950 sq.mtr. of Industrial Shed (old) at Falta SEZ on lease rent basis. The unit had a huge rental outstanding of an amount of Rs. 14,80,739/- (Rupees fourteen lakhs eighty thousand seven hundred thirty nine) only towards lease rent and interest of the aforesaid spaces up to the period of December, 2015. A demand letter was sent to the unit on 06.07.2015 to deposit rental dues followed by a reminder dated 06.10.2015. As no response was received from the unit, as decided in the 74<sup>th</sup> UAC meeting held on 15.09.2015, a Show Cause Notice dated 14.10.2015 was issued to the unit as to why their LOP will not be cancelled for failure to pay Government dues on time.

The firm vide their reply dated 17.11.2015 assured to clear the dues within 31.12.2015. The matter was placed in the 76<sup>th</sup> UAC Meeting held on 27.11.2015 and the Committee gave an opportunity of personal hearing to the unit in the next UAC meeting. The matter was again placed in the 77<sup>th</sup> UAC meeting held on 17.12.2015 and the Committee decided to cancel the LoP dated 19.05.1997 if rents not cleared within time limit desired by the unit i.e. 31.12.2015. The firm again assured to clear their rental dues within 31.03.2016 and the committee agreed to the same.

Since the unit failed to settle the outstanding rental dues including interest upto 31.03.2016 i.e. Rs.17,50,116/- (Rupees seventeen lakhs fifty thousand one hundred sixteen), the DC vide their order dated 07.04.2016 cancelled the LoP dated 09.05.1997 in terms of Section 16 of SEZ Act 2005 and SEZ Rules 2006 as well as SEZ Authority Rules 8(XII) by occupying the Government premises, been a huge defaulter of rent and which acts as a deterrent for any further violation of any law in force and Lease Right Cease to exist in terms of Rules 11 (5) of SEZ Rules, 2006.

**Contents of Appeal**

The Appellant has stated that the penalty was harsh and that there was no lack of due diligence on their part nor any intention to avoid payment. That despite financial difficulties, they had paid a hefty amount of the Rental Dues amounting to Rs. 33,62,242.00 by Demand Draft dated 21.03.2014. Now funds have been arranged and they are in a position and willing to clear Rental Dues up to 31.03.2018 in one installment and resume operations.

Now, the unit vide letter dated 19.1.2018 has requested BoA for condonation of delay in filling of the appeal earlier as they were not in a position to arrange funds for clearance of lease rental dues of premises and were engaged in arranging finance. Further, the unit has requested that as the business environment was not conducive and favourable, they were not in the position to resume operations.

**Rule Position**

As per Rule 56 of SEZ Rules, 2006 - "An appeal shall be preferred by the aggrieved person within a period of thirty days from the date of receipt of the order of the Approval

Committee under Rule 18. The appeal has been preferred on 19.01.2018 and not within a period of thirty days from the date of order of the UAC, hence is time barred.

The appeal is accordingly placed before the BoA for consideration (**Annexure-2**).

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