

No. K-43014(22)/5/2020-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the February, 2020
18th

OFFICE MEMORANDUM

Subject: 96th Meeting of the Board of Approval (BoA) for Special Economic Zones (SEZs) scheduled to be held on 26th February, 2020 at 11.30 A.M in Room No. 108 - forwarding of Agenda thereof - Reg.

In continuation to this Department's O.M. of even number dated 12th February, 2020 on the above mentioned subject, the undersigned is directed to enclose herewith the Agenda for the 96th meeting of the BoA for SEZs scheduled to be held on 26th February, 2020 at 11:30 A.M. for information and necessary action. Soft copy of the agenda has also been hosted on the website: 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.



(Darshan Kumar Solanki)

Under Secretary to the Government of India

Tel: 2306 2496

Email: dk.solanki@nic.in

To

1. Central Board of Excise and Customs, Member (Customs), Department of Revenue, North Block, New Delhi. (Fax: 23092628).
2. Central Board of Direct Taxes, Member (IT), Department of Revenue, North Block, New Delhi. (Telefax: 23092107).
3. Joint Secretary, Ministry of Finance, Department of Financial Services, Banking Division, Jeevan Deep Building, New Delhi (Fax: 23344462/23366797).
4. Shri Anil Agarwal, Joint Secretary, Department of Promotion of Industry and Internal Trade (DPIIT), Udyog Bhawan, New Delhi.
5. Joint Secretary, Ministry of Shipping, Transport Bhawan, New Delhi.
6. Joint Secretary (E), Ministry of Petroleum and Natural Gas, Shastri Bhawan, New Delhi
7. Joint Secretary, Ministry of Agriculture, Plant Protection, Krishi Bhawan, New Delhi.
8. Ministry of Science and Technology, Sc 'G' & Head (TDT), Technology Bhavan, Mehrauli Road, New Delhi. (Telefax: 26862512)
9. Joint Secretary, Department of Biotechnology, Ministry of Science and Technology, 7th Floor, Block 2, CGO Complex, Lodhi Road, New Delhi - 110 003.
10. Additional Secretary and Development Commissioner (Micro, Small and Medium Enterprises Scale Industry), Room No. 701, Nirman Bhavan, New Delhi (Fax: 23062315).

11. Secretary, Department of Electronics & Information Technology, Electronics Niketan, 6, CGO Complex, New Delhi. (Fax: 24363101)
12. Joint Secretary (IS-I), Ministry of Home Affairs, North Block, New Delhi (Fax: 23092569)
13. Joint Secretary (C&W), Ministry of Defence, Fax: 23015444, South Block, New Delhi.
14. Joint Secretary, Ministry of Environment and Forests, Pariyavaran Bhavan, CGO Complex, New Delhi – 110003 (Fax: 24363577)
15. Joint Secretary & Legislative Counsel, Legislative Department, M/o Law & Justice, A-Wing, Shastri Bhavan, New Delhi. (Tel: 23387095).
16. Department of Legal Affairs (Shri Hemant Kumar, Assistant Legal Adviser), M/o Law & Justice, New Delhi.
17. Secretary, Department of Chemicals & Petrochemicals, Shastri Bhawan, New Delhi
18. Joint Secretary, Ministry of Overseas Indian Affairs, Akbar Bhawan, Chanakyapuri, New Delhi. (Fax: 24674140)
19. Chief Planner, Department of Urban Affairs, Town Country Planning Organisation, Vikas Bhavan (E-Block), I.P. Estate, New Delhi. (Fax: 23073678/23379197)
20. Director General, Director General of Foreign Trade, Department of Commerce, Udyog Bhavan, New Delhi.
21. Director General, Export Promotion Council for EOUs/SEZs, 8G, 8th Floor, Hansalaya Building, 15, Barakhamba Road, New Delhi – 110 001 (Fax: 223329770)
22. Dr. Rupa Chanda, Professor, Indian Institute of Management, Bangalore, Bennerghata Road, Bangalore, Karnataka
23. Development Commissioner, Noida Special Economic Zone, Noida.
24. Development Commissioner, Kandla Special Economic Zone, Gandhidham.
25. Development Commissioner, Falta Special Economic Zone, Kolkata.
26. Development Commissioner, SEEPZ Special Economic Zone, Mumbai.
27. Development Commissioner, Madras Special Economic Zone, Chennai
28. Development Commissioner, Visakhapatnam Special Economic Zone, Visakhapatnam
29. Development Commissioner, Cochin Special Economic Zone, Cochin.
30. Development Commissioner, Indore Special Economic Zone, Indore.
31. Development Commissioner, Mundra Special Economic Zone, 4th Floor, C Wing, Port Users Building, Mundra (Kutch) Gujarat.
32. Development Commissioner, Dahej Special Economic Zone, Fadia Chambers, Ashram Road, Ahmedabad, Gujarat
33. Development Commissioner, Navi Mumbai Special Economic Zone, SEEPZ Service Center, Central Road, Andheri (East), Mumbai – 400 096
34. Development Commissioner, Sterling Special Economic Zone, Sandesara Estate, Atladra Padra Road, Vadodara - 390012
35. Development Commissioner, Andhra Pradesh Special Economic Zone, Udyog Bhawan, 9th Floor, Siripuram, Visakhapatnam – 3
36. Development Commissioner, Reliance Jamnagar Special Economic Zone, Jamnagar, Gujarat
37. Development Commissioner, Surat Special Economic Zone, Surat, Gujarat
38. Development Commissioner, 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 (4th Floor), SEZ Section, 4, Abanindranath Tagore Sarani (Camac Street) Kolkata – 700 016
47. Government of Tamil Nadu, Principal Secretary (Industries), Fort St. George, Chennai – 600009 (Fax: 044-25370822).
48. Government of Kerala, Principal Secretary (Industries), Government Secretariat, Trivandrum – 695001 (Fax: 0471-2333017).
49. Government of Haryana, Financial Commissioner and Principal Secretary), Department of Industries, Haryana Civil Secretariat, Chandigarh (Fax: 0172-2740526).
50. Government of Rajasthan, Principal Secretary (Industries), Secretariat Campus, Bhagwan Das Road, Jaipur – 302005 (0141-2227788).
51. Government of Uttar Pradesh, Principal Secretary, (Industries), 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, 2nd Floor, Pandri, Raipur, Chhattisgarh (Fax: 0771-2583651).

Copy to: PPS to CS / PPS to AS (BBS) / PPS to DS (SNS).

Agenda for the 96th meeting of the Board of Approval to be held on 26th February, 2020 at 11.30 A.M. in Room No. 108, Udyog Bhawan, New Delhi

Item No. 96.1: Confirmation of minutes of the meeting of the 95th BoA held on 14th February, 2020.

96.2 Request for co-developer status (Three proposals)

96.2(i) Request of M/s. Phoenix SEZ Developers Pvt. Ltd for co-developer status in the M/s. Phoenix Tech Zone Pvt. Ltd SEZ at Sy. No. 203 (P), Manikonda Village, Rajendra Nagar Mandal, Ranga Reddy District, Telangana for development, operation and maintenance of the SEZ and other activities.

M/s. Phoenix Tech Zone Pvt. Ltd SEZ stands notified on 17.3.2017 over an area of 2.02 hectares. M/s. Phoenix SEZ Developers Private Limited is a 100% subsidiary of M/s. Phoenix Tech Zone Private Limited (Developer)

M/s. Phoenix SEZ Developers Pvt. Ltd has submitted a proposal for becoming a co-developer in the aforesaid SEZ to develop the proposed space within in the land leased out by the developer and operate and maintain the same, over an area of 3.81 acres of proportionate land (1.54 hectares).

Co-developer agreement dated 30.1.2020 entered into with the developer has been provided. The proposed amount of investment by the co-developer in the SEZ is Rs. 475 Crores.

Recommendation by DC, VSEZ:

DC VSEZ has recommended the proposal.

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

96.2(ii) Request of M/s. HAAAS Corporation Pvt. Ltd for co-developer status in the M/s. Maharashtra Airport Development Corporation Ltd. (MIHAN) SEZ at Nagpur, Maharashtra

Maharashtra Airport Development Corporation Ltd. (MIHAN) SEZ stands notified over an area of 1597.16 hectares.

M/s HAAAS Corporation Pvt. Ltd. had applied for setting up of SEZ Unit at MIHAN SEZ and they were issued Letter of Approval on 16.09.2013.

Subsequently, the unit executed the BLUT. However, the unit could not commence operation within the initial validity of LOA and the request for extension was extended by DC/BoA

from time to time in terms of Rule 19(4) of SEZ Rules, 2006. The validity of LoA of the unit expired on 15.09.2018.

As informed by DC, M/s HAAAS Corporation Pvt. Ltd. has stated they had entered into Lease Agreement dated 25.01.2014 with MADDC, the Developer of MIHAN SEZ for setting up SEZ Unit for providing IT& ITES Services.

The Unit has stated that they have already constructed one building comprising of ground plus seven floors as per the plan sanctioned by MADDC. The Construction of overhead tanks, lifts, walls, toilet bathrooms flooring, painting etc. are pending. The area of first building under construction would be approx. 65000 Sq. Ft. and the provision for construction for the second building will be approx. 12000Sq. Ft. The present state of the construction of one building is not completed since only RRC and 7th Floor slab is completed and rest of the construction activities are kept on hold.

Since one of the biggest contracts with one US Company could not be concluded for which they had planned such a big infrastructure for setting up SEZ Unit, they could not go ahead with their proposal to set up SEZ Unit. Hence, they have decided to develop it as SEZ Co-Developer and set up small unit and lease the balance space to other small prospective SEZ Units.

The unit has stated that they have claimed only duty exemptions of Rs.9,53,852/- on the materials required for construction of building purpose only.

As informed by DC, M/s. HAAAS Corporation proposes to develop the project as SEZ Co-Developer instead of SEZ Unit for setting up infrastructural facilities for IT & IT Enabled Services Unit and associated infrastructure facilities and service required for upkeep, maintenance and repair of common area facilities etc.

M/s HAAAS Corporation approached the MADDC (Developer) of the MIHAN SEZ for changing their status from SEZ Unit to SEZ-Co-Developer for the said project and the Developer has given their consent to set-up the said project as SEZ Co-Developer instead of SEZ Unit. The request is based on the ground that there are more exemption available to Co-Developer than to the SEZ unit. There is no other SEZ benefits (viz. DBK etc.) claimed for procurement of material required for construction of building purpose only.

DC has stated that the present case is not the case of exit of SEZ Unit because the SEZ Unit has not started the commercial production and has also not procured any of the plant and machinery except the materials required for construction of RCC building which are under construction till date. That the company is not existing as SEZ unit but would like to develop it as SEZ Co-Developer which means only the status of the company is being changed from SEZ unit. In the present case, there is no procurement of capital goods, raw materials, components, consumables and spare till date and there is absolutely no question of payment of duties or remission of any exemptions and benefits which are never claimed by the said SEZ unit till date on capital goods, raw material etc. which are never procured till date.

M/s HAAAS Corporation has stated that once the approval from the BOA is obtained as SEZ Co-Developer for setting up the infrastructural facilities for IT & ITES, the company would also like to set up SEZ unit for providing IT & ITES services in one or two floors in one of the proposed two buildings which will be constructed and completed by the company as SEZ Co-Developer.

M/s HAAAS Corporation Pvt. Ltd. has also submitted the Undertaking to the effect that they undertake to pay all the dues liable under SEZ Act and Rules, if any liable to be paid by M/s Haaas Corporation Pvt. Ltd. (SEZ Unit). A co-developer agreement dated 10.09.2019 between MADC and M/s HAAAS Corporation Pvt. Ltd. has been furnished vide which the developer had allotted a parcel of land admeasuring 1.012 hectares to the proposed co-developer to provide infrastructure facilities /undertake authorized operations.

Recommendation by DC, MIHAN SEZ:-

Since the applicant has invested an amount of Rs. 10.50 crores for creating infrastructure as an unit, it is recommended to allow conversion from unit to a co-developer in line with decision taken by the BoA in the matter of M/s. JK Infotech in BoA meeting held on 12.08.2016.

The request is placed before BOA for its consideration.

96.2(iii) Request of M/s. WTC Trades & Projects Pvt. Ltd. for co-developer status in M/s. Perungudi Real Estates Private Limited SEZ a sector specific SEZ for IT/ITES at OMR Road, Perungudi, Chennai, Tamil Nadu

M/s. Perungudi Real Estates Private Limited SEZ stands notified on 31st March, 2017 over an area of 4.28 hectares.

M/s. WTC Trades & Projects Pvt. Ltd. has submitted a proposal for becoming a co-developer in the aforesaid SEZ to undertake following operation and maintenance of Buildings and infrastructure facilities in the total area of 4.28 hectares:

- Engineering maintenance including electrical and mechanical works, heating, ventilation and air conditioning (HVAC) systems, fire detection and alarm systems, water supply, storm drainage and sewage disposal, building upkeep services including maintenance of lift, lobby, conference hall, parking area utility area, garbage and scrap disposal, horticulture, pest control, façade cleaning services.
- Security services
- Fire and life safety measures
- Generation and supply of back up electricity and supply of chilled water
- Trade Promotional activities

Co-developer agreement dated 30.1.2020 entered into with the developer has been provided. The proposed amount of investment by the co-developer in the SEZ is Rs. 50.00 lakh.

Recommendation by DC, MEPZ:

DC MEPZ has recommended the proposal.

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

Item No. 96.3 Setting up of new SEZ (Three proposals)

96.3(i) Request of M/s. DLF Limited for formal approval for setting up an IT/ITES SEZ (SEZ-I) over an area of 23.345 hectares at Village Bandhwari, Tehsil- Wazirabad, Distt- Gurugram (Haryana).

The documents/conditions required for setting up of a Special Economic Zone in terms of the SEZ Act, 2005 and SEZ Rules, 2006, and the status thereof are as follows:-

Sl.No.	Conditions /Documents required	Status															
A.	Documents required for setting up of SEZ in terms of Rule 3 of SEZ Rules, 2006:																
(i)	Completed Form-A (with enclosures) <table border="1"> <tr> <td>Total Proposed investment</td><td>:</td><td>Rs.793.95 Crore</td></tr> <tr> <td>FDI (in US \$)</td><td>:</td><td>Nil</td></tr> <tr> <td>Source of FDI</td><td>:</td><td>Not Applicable</td></tr> <tr> <td>Proposed Exports</td><td>:</td><td>Rs.15691.00 Crore</td></tr> <tr> <td>Employment (in Nos.)</td><td>:</td><td>14306 (Direct) 2150 (Indirect)</td></tr> </table>	Total Proposed investment	:	Rs.793.95 Crore	FDI (in US \$)	:	Nil	Source of FDI	:	Not Applicable	Proposed Exports	:	Rs.15691.00 Crore	Employment (in Nos.)	:	14306 (Direct) 2150 (Indirect)	Yes, provided
Total Proposed investment	:	Rs.793.95 Crore															
FDI (in US \$)	:	Nil															
Source of FDI	:	Not Applicable															
Proposed Exports	:	Rs.15691.00 Crore															
Employment (in Nos.)	:	14306 (Direct) 2150 (Indirect)															
(ii)	DC's Inspection Report	Yes, provided															
(iii)	State Government's Recommendation	Yes, provided															
(iv)	Recommendation for National Security Clearance (NSC) from Ministry of Home Affairs as per Rule 3 of SEZ Rules, 2006.	DC has stated that based on the Self Declaration of the Developer, NSC may not be required.															
B.	Minimum area requirement in terms of Rule 5 of SEZ Rules, 2006.	No minimum land area requirement for IT/ITES sector. However, minimum built-up processing area of 50,000 Sqmt. is required for Category 'A' city.															
C.	Details to be furnished in terms of Rule 7 of SEZ Rules, 2006:																
(i)	Certificate from the concerned State Government or its authorised agency stating that the Developer has: Legal Possession, and Irrevocable rights to develop the said area as SEZ, and That the said area is free from all encumbrance.	O/o Director of Industries & Commerce, Government of Haryana has conveyed concurrence of the State Government for setting up of SEZ by M/s. DLF Ltd. indicating that the Developer (M/s. DLF Ltd.) has legal possession and															

		irrevocable right to develop the said area as SEZ and the said area is free from all encumbrance.
(ii)	Whether the Developer has leasehold right over the identified area. The lease shall be for a period not less than twenty years.	The proposed land has been taken on lease by M/s. DLF Limited from M/s. Skyrise Home Developer Pvt. Ltd., M/s. Peace Buildcon Pvt. Ltd., M/s. Vismay Builders & Developers Pvt. Ltd. & M/s. Zebina Real Estate Pvt. Ltd. for a period of 30 years. Lease Deeds have been provided by the Developer.
(iii)	The identified area shall be Contiguous, Vacant and No thoroughfare.	The proposed land is vacant. However, 02 (two) Revenue rasta exist interrupting contiguity of the proposed SEZ land. The developer has proposed to maintain the contiguity by construction of foot over bridge over these revenue rasta, as per Instruction No.27 dt. 18.8.2009 issued by DOC.

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

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

Further, as per the inspection report, the Developer informed that the contiguity will be maintained by construction of foot over bridge over these revenue rasta. The Developer has also submitted a layout plan for construction of the proposed foot over bridges for maintaining contiguity.

Recommendation of DC:

The proposal of M/s. DLF Limited seeking formal approval for setting up of an IT/ITES SEZ (SEZ-I) over an area of 23.345 at Village Bandhwari, Tehsil- Wazirabad, Distt- Gurugram (Haryana) has been recommended by DC, NSEZ.

The request is placed before BOA for its consideration.

96.3(ii) Request of M/s. DLF Limited for formal approval for setting up an IT/ITES SEZ (SEZ-II) over an area of 23.978 hectares at Village Bandhwari, Tehsil- Wazirabad, Distt- Gurugram (Haryana).

The documents/conditions required for setting up of a Special Economic Zone in terms of the SEZ Act, 2005 and SEZ Rules, 2006 and the status thereof are as follows:-

S.No.	Conditions /Documents required	Status															
A.	Documents required for setting up of SEZ in terms of Rule 3 of SEZ Rules, 2006:																
(i)	<div>Completed Form-A (with enclosures)</div> <table> <tr> <td>Total Proposed investment</td><td>:</td><td>Rs.761.54 Crore</td></tr> <tr> <td>FDI (in US \$)</td><td>:</td><td>Nil</td></tr> <tr> <td>Source of FDI</td><td>:</td><td>Not Applicable</td></tr> <tr> <td>Proposed Exports</td><td>:</td><td>Rs.15370.16 Crore</td></tr> <tr> <td>Employment (in Nos.)</td><td>:</td><td>13600 (Direct) 2040 (Indirect)</td></tr> </table>	Total Proposed investment	:	Rs.761.54 Crore	FDI (in US \$)	:	Nil	Source of FDI	:	Not Applicable	Proposed Exports	:	Rs.15370.16 Crore	Employment (in Nos.)	:	13600 (Direct) 2040 (Indirect)	Yes, provided
Total Proposed investment	:	Rs.761.54 Crore															
FDI (in US \$)	:	Nil															
Source of FDI	:	Not Applicable															
Proposed Exports	:	Rs.15370.16 Crore															
Employment (in Nos.)	:	13600 (Direct) 2040 (Indirect)															
(ii)	DC's Inspection Report	Yes, provided															
(iii)	State Government's Recommendation	Yes, provided															
(iv)	Recommendation for National Security Clearance (NSC) from Ministry of Home Affairs as per Rule 3 of SEZ Rules, 2006.	DC has stated that based on the Self Declaration of the Developer, NSC may not be required.															
B.	Minimum area requirement in terms of Rule 5 of SEZ Rules, 2006.	No minimum land area requirement for IT/ITES SEZ Sector. However, minimum built-up processing area of 50,000 Sqmt. is required for Category 'A' City.															
C.	Details to be furnished in terms of Rule 7 of SEZ Rules, 2006:																
(i)	Certificate from the concerned State Government or its authorised agency stating that the Developer has: Legal Possession, and Irrevocable rights to develop the said area as SEZ, and That the said area is free from all encumbrance.	O/o the Director of Industries & Commerce, Government of Haryana has conveyed concurrence of the State Government for															

		setting up of SEZ by M/s. DLF Ltd. indicating that the Developer has legal possession and irrevocable right to develop the said area as SEZ and the said area is free from all encumbrance.
(ii)	Whether the Developer has leasehold right over the identified area. The lease shall be for a period not less than twenty years.	The proposed land has been taken on lease by M/s. DLF Limited from M/s. Anuroop Builders & Dev Pvt. Ltd., M/s. Dome Builders & Dev Pvt Ltd., M/s. Sudipti Estates Pvt. Ltd., M/s. Sudipti Estates Pvt. Ltd., M/s. Zebina Real Estate Pvt. Ltd., M/s. Zebina Real Estate Pvt. Ltd. for a period of 30 years. Lease Deeds have been provided by the Developer.
(iii)	The identified area shall be Contiguous, Vacant and No thoroughfare.	<u>As per Inspection Report, the proposed land is vacant. However, 03 (three) Revenue rasta exist interrupting contiguity of the proposed SEZ land. The developer has proposed to maintain the contiguity by construction of foot over bridge over these revenue rasta, as per Instruction No.27 dt. 18.8.2009 issued by DOC.</u>

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

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

Further, as per the Inspection Report, the Developer informed that the contiguity will be maintained by construction of foot over bridge over these revenue rasta. The Developer has also submitted a layout plan for construction of the proposed foot over bridges for maintaining contiguity. Moreover, it has also been mentioned in the Inspection report that the proposed land is vacant. However, a temporary hut was found on the proposed SEZ land. The representative of the Developer informed that the said temporary hut is being used by the security guard deployed by them.

Recommendation by DC:

The proposal of M/s. DLF Limited seeking formal approval for setting up of an IT/ITES SEZ (SEZ-II) over an area of 23.978 at Village Bandhwari, Tehsil- Wazirabad, Distt- Gurugram (Haryana) has been recommended by DC, NSEZ.

The request is placed before BOA for its consideration.

96.3(iii) Request of M/s. Tata Consultancy Services Limited for grant of formal approval for setting up a "Information Technology/ Information Technology Enabled Services" SEZ over an area of 19.90 hectare at Plot No. 1, Sector-157, Noida (Uttar Pradesh).

M/s. Tata Consultancy Services Limited has submitted an application for setting up of Special Economic Zone for "Information Technology/ Information Technology Enabled Services" over an area of 199001 Sqmt. (19.90 Hectares) at Plot No. 01, Sector-157, Noida (Uttar Pradesh). The status of documents required for setting up of new SEZ for consideration of the BoA and grant of LOA is as follows:-

S.No.	Conditions /Documents required	Status
A.	Documents required for setting up of SEZ in terms of Rule 3 of SEZ Rules, 2006:	
(i)	Completed Form-A (with enclosures)	Yes, provided
	A. Total Proposed investment : Rs.2433.72Crore	
	B. FDI (in US \$) : Nil	
	C. Source of FDI : Not Applicable	
	D. Proposed Exports : Rs.22350.00 Crore	

	E. Employment (in Nos.) :	30000 Nos. (Direct) 3000 Nos. (Indirect)
(ii)	DC's Inspection Report	Yes, provided
(iii)	State Government's Recommendation	Yes, provided
(iv)	Recommendation for National Security Clearance (NSC) from Ministry of Home Affairs as per Rule 3 of SEZ Rules, 2006.	DC has stated that based on the Self Declaration of the Developer, NSC may not be required.
B.	Minimum area requirement in terms of Rule 5 of SEZ Rules, 2006.	No minimum land area requirement for IT/ITES SEZ Sector. However, minimum built-up processing area of 50,000 Sqmt. is required for Category 'A' City.
C.	Details to be furnished in terms of Rule 7 of SEZ Rules, 2006:	
(i)	<p>Certificate from the concerned State Government or its authorised agency stating that the Developer has:</p> <ul style="list-style-type: none"> • Legal Possession, and • Irrevocable rights to develop the said area as SEZ, and • That the said area is free from all encumbrance. 	<p>Copy of Allotment letter, Possession Certificate & lease deed has been submitted.</p> <p>Principal Secretary, Industrial Dev. Div.-3, Govt. of Uttar Pradesh vide his letter No. 459/77-3-2020-112(M)/2019 dated 11.02.2020 has forwarded Recommendation of the State Government wherein it has been mentioned that M/s. Tata Consultancy Services Ltd. completes all formalities as per SEZ standard.</p> <p>Noida Authority vide its letter dated 10.02.2020 has also confirmed that the proposed 199001 Sqmt (19.90 hectare) land is vacant / contiguous, no litigation / encumbrance and has no thoroughfare.</p>
(ii)	Whether the Developer has leasehold right over the identified area. The lease shall be for a period not less than twenty years.	The proposed land has been allotted by the New Okhla Industrial Development Authority (NOIDA) to M/s. Tata Consultancy Services Limited for a period of 99 years vide lease deed dated 24.01.2020.
(iii)	The identified area shall be Contiguous, Vacant and No thoroughfare.	<p>During the site inspection, a pucca rasta connecting the village Badauli Bangar to main road were found on the proposed land. On being asked, the representatives of the NOIDA AUTHORITY informed that the said rasta is the part of the land allotted to M/s. Tata Consultancy Services Ltd.. They further informed that the said rasta has been blocked off and alternative rasta has been provided to the villagers.</p> <p>Noida Authority, vide its letter dated 10.02.2020, has also confirmed that the</p>

proposed 199001 Sqmt (19.90 hectare) land is vacant / contiguous, no litigation / encumbrance and has no thoroughfare.
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Recommendation of DC:

DC, NSEZ has recommended the proposal of M/s. Tata Consultancy Services Limited for grant of formal approval for setting up a Special Economic Zone for "Information Technology/ Information Technology Enabled Services (IT/ITES)" over an area of 19.90 hectare at Plot No. 1, Sector-157, Noida (Uttar Pradesh).

The request is placed before BOA for its consideration.

96.4 Proposal for addition in area of SEZ (one proposal)

96.4(i) Request of M/s. Larsen & Toubro Limited, an SEZ for IT/ITES sector at Hebbal- Hootagalli, Mysore for increase in area of 2.01 Ha (beyond 10%) to their existing notified SEZ over 10 Ha.

M/s. Larsen & Toubro Limited was granted formal approval on 6.08.2010 for setting up of an SEZ for IT/ITES sector at KIADB Industrial Area, Hebbal-Hootagalli, Mysore. The SEZ was later notified over an area of 10 Ha vide Gazette notification dated 27.09.2010 and become operational w.e.f. 31.12.2012.

Now, DC, CSEZ has forwarded two proposals of the developer (i) increase in area of 2.01 Ha and (ii) partial de-notification of 0.15 Ha.

It is submitted that in 40th meeting of the BoA held on 08.06.2010, the Board had directed that the proposals for increase in area upto 10% of the notified area of the SEZ need not be brought before the Board. Consequently, the proposals for increase in area upto 10% are being processed on file and the proposals beyond 10% are placed first before the BoA for its approval and subsequently, processed on file. As the instant proposal of increase in area is beyond 10%, therefore, it is placed before the Board for its approval. As regards second proposal for partial de-notification, as per direction of 60th meeting of the BoA held on 08.11.2013, the proposal will be processed on file.

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

S. N.	Documents/Details Required	Status
	Certificate from concerned State Government or its authorized agency stating	Yes

	that the developer has irrevocable rights to the said area as SEZ.	
	Form-C4 along with DC's recommendation	Yes
	Inspection Report in prescribed format	Yes
	Developer's Certificate Countersigned by DC	Yes
	Legal Possession Certificate from Revenue Authorities	Yes
	Non-Encumbrance Certificate from Revenue Authorities	Yes
	Land details of the area (with clearly specified survey numbers) to be notified duly certified by revenue authorities	Yes
	Colored Map clearly indicating Survey numbers and duly certified by revenue authorities	Yes
	Copy of Registered Lease/Sale deed	Yes , Deeds of Sale

DC, CSEZ, in his letter dated 12.12.2019, has mentioned that during Physical Inspection of the area to be notified as SEZ, it is noticed that there are three buildings (approx/ 169000 sq.ft. of built up area) fully operational as IT/ITES units under DTA. Around 700 people are employed in these buildings. Consequently, the Developer, vide their letter dated 11.12.2019 , have given an undertaking that by the end of February, 2020 they are going to relocate the entire operations from these buildings and make the place full available only for SEZ operations.

DC in his letter has also stated that the Developer submitted that with the new SEZ units it will come up in the additional notified area, an additional employment of 750 will be created with an export revenue of around 500 crores for a period of 5 years. The Developer also proposes to construct an additional area of 3,00,000 sq.ft. with an investment of more than 100 crores.

Rule Position:

Rule 2(zf) of the SEZ Rules, 2006, the definition of Vacant land is as per below:-

"Vacant land" means the land where there are no functional ports, manufacturing units, industrial activities or structures in which any commercial or economic activity is in progress;

Further, rule 7(2) of the SEZ Rules, 2006 may also be read as below:-

“ The identified area shall be contiguous and vacant and it shall have no public thoroughfare.

PROVIDED that the Board may relax any or all of the conditions, except the condition regarding identified area to be a vacant land.”

DC's recommendation:

DC, CSEZ vide letter dated 07.02.2020, has informed that in order to ascertain the exact position, the Authorized Officer visited the premises 3 times on 27.12.2019, 31.01.2020 and 04.02.2020 and it was observed that:

- (i) No employee/staff were present in the premises.
- (ii) Employees working there earlier were shifted to new location.
- (iii) There is no commercial activity going on in the buildings located in the area.

In view of the above, DC, CSEZ has recommended that the proposal for increase in area may be considered favourably.

The proposal is placed before BOA for its consideration.

96.5 Proposal for change in Shareholding Pattern (one proposal)**96.5(i) Request of M/s. Sri City Pvt. Ltd. Developer a Multi-Product SEZ at Satyavedu and Varadappapalem Mandals, Chittoor District, Andhra Pradesh for change in shareholding pattern.**

M/s. Sri City Private Limited was granted LoA on 25.06.2007 for setting up of Multi Product SEZ at Varadappapalem Mandals, Chittoor District, Andhra Pradesh. The SEZ stands notified over an area of 635.217 Hectares.

Shareholding details before and after of investor, M/s. AMIF RE Investment X Limited

S.No.	Name of the Subscriber	Before buy back		After buy back	
		No. of shares	% of shares	No. of shares	% of shares
1.	S. Ravindra Babu	10,000	0.05	10,000	0.06
2.	S. Ravindra Babu HUF	15,13,575	7.03	15,13,575	8.41
3.	G.V. Kumar	89,686	0.42	89,686	0.50
4.	Ink Reality Projects LLP	2,69,058	1.25	2,69,058	1.49
5.	Innovative Water Solutions Pvt. Ltd.	2,03,000	0.94	2,03,000	1.13
6.	P.V.S. Suryanarayana Raju	45,000	0.21	45,000	0.25
7.	T. Sunil Reddy	40,000	0.19	40,000	0.22
8.	D. Sudhakar Reddy	20,000	0.09	20,000	0.11
9.	S. Rajagopal Reddy	63,608	0.30	63,608	0.35
10.	Sannareddy Holdings Pvt. Ltd.	11,06,223	5.14	11,06,223	6.15
11.	Anuradha Reddy	71,821	0.33	71,821	0.40
12.	Shyamala Reddy	70,000	0.33	70,000	0.39

13.	Geetha Reddy	70,000	0.33	70,000	0.39
14.	Annamreddy Venkata Ramesh	26,175	0.12	26,175	0.15
15.	Chintalapati Capital Holdings LLP	79,94,857	37.13	79,94,857	44.42
16.	iLabs Hyderabad Technology Centre Pvt. Ltd.	37,25,001	17.30	37,25,001	20.69
17.	Bedrock Infrastructure Capital LLC	26,82,000	12.46	26,82,000	14.90
18.	AMIF RE Investments X Ltd.	35,29,413	16.39	--	--
	Total	2,15,29,414	100.00	1,80,00,001	100.00

Recommendation by DC, Sri City SEZ:

The request for change in shareholding pattern of a developer may be considered by BoA.

The request is placed before BOA for its consideration.

Item No. 96.6: Miscellaneous cases (Five proposals)

96.6(i) Request of M/s. Fermenta Biotech Limited a unit in Dahej SEZ for procurement of restricted items for their unit for setting up and & repairing of infrastructure facility in terms of Rule 27 of SEZ Rules, 2006.

M/s. Fermenta Biotech Limited, a unit in Dahej SEZ was granted LoA on 11.03.2010.

M/s. Fermenta Biotech Ltd. has requested for permission for procurement of restricted items for SEZ unit for setting up & repairing of infrastructure facilities in terms of Rule 27 of SEZ Rules, 2006.

The unit has requested for permission to procure following restricted items for setting up & repairing of infrastructure facilities:

Description	Estimated quantity
Sand	12000MT
Stones (Kapchi)	5000 MT
Rubbles	7000 MT
Greet	3000 MT
Bricks	10,00,000 Nos
Black Soil	3000 MT
Yellow Soil	2000 MT
RMC (ready-mix concrete)	1000 Cum

The details of Export Policy for such items is as below:-

ITC (HS), 2018

S. No.	Tariff Item	Unit	Item Description	Export Policy	Policy Conditions
98	2505 10 11 2505 10 12 2505 10 19 2505 10 20 2505 90 00 2530 90 99	Kg	Sand and Soil	Restricted	Exports permitted under license

Recommendation by DC, Dahej SEZ:

DC, Dahej SEZ has recommended the proposal of M/s. Fermenta Biotech Ltd., to procure above mentioned restricted item for setting up and repairing of infrastructure facility for consideration of BoA.

The request is placed before BOA for its consideration.

96.6(ii) Request of M/s. Tatva Chintan Pharma Chem Pvt. Ltd. a unit in Dahej SEZ for procurement of restricted items for SEZ unit Infrastructure development & repairing facility in terms of SEZ Rule 27 of Rule 2006.

As informed by DC, Dahej SEZ M/s Tatva Chintan Pharma Chem Pvt Ltd, a unit in Dahej SEZ, granted Letter of Approval (LOA) on 23.05.2011 as amended.

M/s. Tatva Chintan Pharma Chem Pvt Ltd, a unit in Dahej SEZ, vide their letter No.Nil Dt. 12.02.2020 requested for the permission for the procurement of restricted items for SEZ Unit for Civil & Construction work in terms of SEZ Rule no 27 of Rule 2006.

The unit has requested for permission to procure following restricted items for Civil & Construction work:-

Description	Estimated Quantity
SAND	350 MT
Stones Aggregates	440 MT
Quarry Spall (Yellow Stone)	315 MT
GSB Material (Small Stones mixing with Dust- Use for filling base to make road)	215 MT
Metal (Black Medium Size Stone)	50 MT

The details of Export Policy for such items are as below:-

ITC (HS), 2018

S. No.	Tariff Item	Unit	Item Description	Export Policy	Policy Conditions
98	2505 10 11 2505 10 12 2505 10 19 2505 10 20 2505 90 00 2530 90 99	Kg	Sand and Soil	Restricted	Exports permitted under licence

Recommendation by DC, Dahej SEZ:

DC, Dahej SEZ has recommended the proposal of M/s. Tatva Chintan Pharma Chem Pvt Ltd, a unit in Dahej SEZ requesting to procure restricted item for Civil & Construction work is placed to Board of Approval.

The request is placed before BOA for its consideration.

96.6(iii) Request of M/s. Shiva Pharmachem Limited, a unit in Dahej SEZ for procurement of restricted items for SEZ unit for setting up, expansion & repairing of Infrastructure facility in terms of SEZ Rule 27 of Rule 2006.

As informed by DC, Dahej SEZ M/s. Shiva Pharmachem Limited, a unit in Dahej SEZ, granted Letter of Approval (LOA) on 04.10.2010 as amended.

M/s. Shiva Pharmachem Limited, a unit in Dahej SEZ, has requested for the permission for the procurement of restricted items for SEZ Unit for setting up, expansion & repairing of infrastructure facility in terms of SEZ Rule no 27 of Rule 2006.

The unit has requested for permission to procure following restricted items for setting up, expansion & repairing of infrastructure facility:-

Description	Estimated Quantity
SAND	6000 MT
20mm aggregate	5200 MT
10mm aggregate	1000 MT
Metal 60-90mm	1000 MT
Metal 40-60mm	800 MT
Rubble	500 MT
Soil/Dust/Quarry Spoil	1200 MT
Bricks	5 Lacs Nos.

The details of Export Policy for such items is as below:-

ITC (HS), 2018

S. No.	Tariff Item	Unit	Item Description	Export Policy	Policy Conditions
98	2505 10 11 2505 10 12 2505 10 19 2505 10 20 2505 90 00 2530 90 99	Kg	Sand and Soil	Restricted	Exports permitted under licence

Recommendation by DC, Dahej SEZ:

DC, Dahej SEZ has recommend the proposal of M/s. Shiva Pharmachem Limited, a unit in Dahej SEZ requesting to procure restricted item for setting up, expansion & repairing of infrastructure facility is placed to Board of Approval for consideration.

The request is placed before BOA for its consideration.

96.6(iv) Request of M/s. Torrent Pharmaceuticals Ltd., a unit in Dahej SEZ for procurement of restricted items for SEZ unit for setting up & repairing of Infrastructure facility in terms of SEZ Rule 27 of Rule 2006.

As informed by DC, Dahej SEZ M/s Torrent Pharmaceuticals Ltd, a unit in Dahej SEZ, granted Letter of Approval (LOA) on 03.12.2008 as amended.

M/s. Torrent Pharmaceuticals Ltd, a unit in Dahej SEZ, has requested for the permission for the procurement of restricted items for SEZ Unit for setting up & repairing of infrastructure facility in terms of SEZ Rule 27 of SEZ Rules, 2006.

The unit has requested for permission to procure following restricted items for setting up & repairing of infrastructure facility:-

Description	Quantity in Metric Ton
SAND/SOIL	1,35,000 Tons

The details of Export Policy for such items is as below:-

ITC (HS), 2018

S. No.	Tariff Item	Unit	Item Description	Export Policy	Policy Conditions
98	2505 10 11 2505 10 12 2505 10 19 2505 10 20 2505 90 00 2530 90 99	Kg	Sand and Soil	Restricted	Exports permitted under license

The unit stated that they procure restricted items for setting up of infrastructure facility from their own land in GIDC area at Atali Village. The unit also stated that this Sand / Soil will be brought on FOC basis and there will not be any additional investment made for this work.

Recommendation by DC, Dahej SEZ:

DC, Dahej SEZ has recommended the proposal of M/s. Torrent Pharmaceuticals Limited, a unit in Dahej SEZ requesting to procure restricted item for setting up & repairing of infrastructure facility is placed to Board of Approval for consideration.

The request is placed before BOA for its consideration.

96.6(v) Irregularities and compliance issues in the port based SEZ developed by Cochin Port Trust in Puthuvypeen, Ernakulam, District, Kerala.

This is regarding irregularities and compliance issues in the port based SEZ developed by Cochin Port Trust in Puthuvypeen, Ernakulam, District, Kerala.

2. In 2002, Ministry of Shipping had requested to declare Vallarpadam and Puthuvypeen area of Cochin as SEZ. Ministry of Shipping wanted the area for development activities like Container trans-shipment Terminals, bunkering facilities, ship-repair facilities, shopping malls, gold bourses and warehouses, etc. Government of Kerala also requested for developing the area into an SEZ and added LNG terminal and tourism related infrastructure to the list of activities. The entire land - 440 hectares at Vallarpadam and 600 hectares at Puthuvypeen - was in possession of Cochin Port Trust (Developer).

3. Later, the Puthuvypeen SEZ, developed by Cochin Port Trust was notified on 02.11.2006 over an area of 285.8413 hectares. Vallarpadam was notified as a separate SEZ. Three Co-Developers, viz. - M/s Petronet LNG Limited, M/s Bharat Petroleum Corporation Ltd. and M/s Indian Oil Corporation Ltd. were granted permission for infrastructural development in the Puthuvypeen SEZ.

4. It is seen that there were no special dispensations/exemptions for development of these two SEZs.

5. M/s Gas Authority of India Ltd (Later on GAIL (India) Limited) is the only Unit in the Puthuvypeen SEZ. M/s GAIL was issued LoA, dated 27.07.2010 for authorized operation of 'Regasified LNG transmission and distribution', which is in the nature of a service activity. The Unit started the operation on 25.08.2013, thereby making the SEZ operational. The unit purchases Liquefied Natural Gas (LNG) from the co-developer, M/s Petronet LNG Limited (PLL) and supplying to their customers who are in DTA and SEZ (over 95% supply is to DTA), after re-gasification. The validity of LoA of M/s GAIL which was to expire in Aug-2018 was extended by Development Commissioner up to 31.03.2019 considering the fact that if the LoA were not renewed, the Zone would lose the 'operational' status. The authorized operation of M/s Petronet LNG Limited included marketing and distribution of LNG also. The co-developer imports LNG on payment of import duties and supplies to M/s GAIL which in turn sells to SEZ units as well as

DTA entities without any major processing as LNG is converted to gaseous form by changing the pressure.

6. DC, CSEZ came across some serious lapses in the Puthuvypeen SEZ, such as not having a secured compound wall, non-contiguity, no work started by co-developer M/s IOCL despite being issued LoA on 17.06.2011, while another Co-developer M/s BPCL — Kochi Refinery was operating like a unit without any valid LoA. Further, in the case of M/s GAIL which is the only Unit in the Zone, which had completed 5 years of operation on 24.08.2018 and during the processing of renewal application, it was noticed that the unit has not achieved positive Net Foreign Exchange (NFE) and requested for exit from the Zone, when the extended validity of their LoA expired on 31.03.2019.

7. The DC had also informed that the developer - Cochin Port Trust - had expressed their inability to ensure contiguity and construct compound wall. It was their contention that since the products dealt with are petroleum products and their movement is through pipelines, there is no scope for pilferage and loss of revenue. Already an investment of approximately 10000 crore have been made in the Zone with duty/tax concessions. However, disruptions in the working of the Zone may have far reaching repercussions for the petroleum and natural gas sectors.

8. M/s GAIL is insisting on its de-notification as an SEZ Unit. It had also filed a Writ Petition (C), No. 10799/2019 before the Hon'ble High Court of Kerala, which was disposed of vide judgment, dated 31.05.2019, with the directions to the 5th respondent (BoA) to finalize the application of the unit for exit and de-notification.

9. The Board of Approval, in its 91st meeting held on 06.08.2019, directed DC, CSEZ to work out settlement of NFE status and necessary recovery of dues. The Board had directed that the matter be deliberated on file based on receipt of necessary inputs from DC and concerned parties. Thereafter, the case may be brought before the Board for consideration.

10. Accordingly, DC, CSEZ vide letter dated 22.10.2019, had informed that on the basis of the BoA's directions, the matter was reviewed by the Unit Approval Committee in accordance with rule 54 of SEZ Rules, 2006, which concluded that the unit had not achieved positive NFE and directed O/o DC to initiate action under FTDR Act. A Show Cause Notice (SCN) was issued to the unit on 17.09.2019 directing them to show cause as to why penal action under the provisions of FT(D&R) Act, 1992 should not be initiated against them. The matter was adjudicated vide order dated 21.10.2019 after granting personal hearing and submission of written reply by the unit to SCN. A penalty of Rs. 10,000 under Section 11(2) of the FT(D&R) Act, 1992 and Rules and Orders made thereunder was imposed upon the unit.

11. DC has also furnished the submissions of the various parties concerned in the SEZ along with his comments. The gist of their submissions and the comments of DC are as under:

S No.	Name of entity	Activity/request of entity	Comments
1.	M/s. Cochin Port Trust, Developer	Developer is required to erect a compound wall to ensure contiguity. Developer is of the view	This request cannot be acceded to as SEZ rules do not permit any such concession.

		<p>that denotification of the area occupied by GAIL is not possible as it forms part of a large operated by Developer/Co-developer. The developer has requested to dispense with building a compound wall and maintaining contiguity as goods are removed through pipelines and there can also be protests by local fishermen who use the area for fishing related activity.</p> <p>The developer has requested that requirement of earning foreign exchange for GAIL may be dispensed with.</p> <p>In the event of exit of M/s GAIL, the Developer status may be continued for some more time to bring in another Unit. Efforts are on to bring in new units. A time period of 2 years may be given.</p>	<p>DC has stated that during visit, it was noted that even after exit of the Unit, contiguity of the Zone can be maintained.</p> <p>For this, SEZ Act will be required to be amended.</p> <p>One year may be granted to the developer. No concessions may be given to the developer during this period. In case no new unit enters the SEZ, steps may be taken to denotify the entire area. However, no proposal is stated to have been received in the O/o DC so far.</p>
2.	M/s. Petronet LNG Limited, Co-developer	The co-developer has stated that efforts are on to bring in new units. A time period of 2 years may be given.	One year may be granted.
3.	M/s. IOCL, co-developer	An expenditure of Rs.167.86 crore is invested in their allotted land. Totally, they have spent Rs.350 crore including the Multi User Liquid Tanker jetty. Once they recommence the work, will take another 21 months for completion.	As of now the project is at a standstill with the local agitators being relentless in their stand.

4.	M/s. GAIL (India) Limited, Unit (given as a reply to the Show Cause Notice)	The Unit has contested that they have achieved positive NFE.	DC has observed that NFE in this case is zero and not positive.
5.	Joint representation by M/s. BPCL, M/s. IOCL and M/s. Petronet LNG Ltd.	Supply to refinery should be reinstated for calculation of NFE. Efforts are made to bring another Unit to the SEZ. Therefore, the exit of GAIL should not lead to loss of operational status of the Zone. Discussions are under progress for bringing a new Unit.	BPCL is a Co-Developer and therefore, there is no obligation to achieve positive NFE. Moreover, they pump the crude imported to refinery without any manufacturing activity.

12. DC's recommendation:

- i. M/s GAIL may be allowed to exit from the SEZ scheme.
- ii. The area occupied by GAIL may be de-notified. For this, the Developer may be directed to submit an application to DC office as per Rule 6 A of the SEZ Rules within a period of 1 month.
- iii. The Developer may be directed to construct a compound wall by maintaining contiguity of the entire area of the Zone (leaving the de-notified area of GAIL) within a period of 6 months.
- iv. The Developer may be given a time period of 1 year for bringing another Unit in the SEZ.
- v. Till such time a Unit is brought in, the Developer/Co-Developers may not be allowed any duty-free procurement/import.
- vi. In case the Developer is unable to bring a new Unit within a period of one year, BoA may consider de-notification of the SEZ.

The request is placed before BOA for its consideration.
