

**No. K-43014(22)/35/2020-SEZ**  
Government of India  
Ministry of Commerce and Industry  
Department of Commerce  
(SEZ Section)

Udyog Bhawan, New Delhi  
Dated the 7<sup>th</sup> January, 2021

**OFFICE MEMORANDUM**

**Subject:** 102<sup>nd</sup> Meeting of the Board of Approval (BoA) for Special Economic Zones (SEZs) scheduled to be held on 6<sup>th</sup> January, 2021 at 11.30 A.M in Room No. 141 - forwarding of Supplementary Agenda thereof – Reg.

In continuation to this Department's O.M. of even number dated 22<sup>nd</sup> December, 2020 and 24<sup>th</sup> December, 2020 on the above mentioned subject, the undersigned is directed to enclose herewith the Supplementary Agenda for the 102<sup>nd</sup> meeting of the BoA for SEZs scheduled to be held on 6<sup>th</sup> January, 2021 at 11:30 A.M. for information and necessary action. Soft copy of the supplementary agenda has also been hosted on the website: [www.sezindia.gov.in](http://www.sezindia.gov.in).

2. The addressees are requested to make it convenient to attend the meeting through Video Conferencing and shall provide their IP address and location details. A weblink for the meeting shall be shared by this Department shortly.



**(Darshan Kumar Solanki)**  
Deputy Secretary to the Government of India  
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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, 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. 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, 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 Chattisgarh, 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 AS (SK) / PPS to JS(AK)/ PPS to DS (SNS).

**Supplementary Agenda for the 102<sup>nd</sup> meeting of the Board of Approval to be held on 6<sup>th</sup> January, 2021 at 11:30 A.M. through VC from Room No. 141, Udyog Bhawan, New Delhi**

**102.9 Proposal for change of shareholding pattern/ merger/de-merger (four proposals)**

**102.9(i) Request of M/s Aspen Infra Padubidri Private Limited., Developer for change of shareholding pattern and Change of Board of Directors.**

M/s Aspen Infra Padubidri Private Limited, developer is holding a valid Letter of Approval dated 23.05.2007 for setting up of a Sector specific SEZ for Hi-tech engineering Products and related Services at Nadasalu, Nandikooru, Polimaru & Hejanadi village In Udapi Taluk in an area of 38.266 Ha. The change in shareholding has emerged due to transfer of equity share in favour of the investor and change in composition of Board of Directors of the company.

Details of shareholding pattern of the company are given below:

Shareholding pattern before change (as on 12.10.2020)				Shareholding pattern after change (as on 14.10.2020)		
S. No	Name	Equity Shares	%	Name	Equity Shares	%
1	Tanti Holdings Private Limited	1756500	4.20	Atulya Renewables Private Limited (changed to M/s. IND-INFRA DEVELOPERS PVT.LTD w.e.f. 4.11.2020 as per RoC)	41784999	99.999999976
2	Rambhaben Ukabhai Tanti	22140000	52.99	Manojkumar Hasmukhbhai Modi J/w. Atulya Renewables Private Limited	1	0.000000024
3	Girish Ranchhodhbhai Tanti	190000	0.45			
4	Tejjas A. Parmar	212760	0.51			
5	Vinod Ranchhodhbhai Tanti	1500000	3.59			
6	Samanvaya Holdings Private Limited	3200000	7.66			
7	Vishwajitsinh B.Parmar	653160	1.56			
8	Jhanvi B.Parma	109800	0.26			
9	Shubh Realty (South) Private Limited	6380000	15.27			
10	SE Freight And Logistics India Private Limited	5028500	12.03			
11	Ranjitsinh A.Parmar	614280	1.47			
<b>Total</b>		<b>41785000</b>	<b>100.00%</b>		<b>41785000</b>	<b>100.00%</b>

The name of the Holding Company has been changed from Atulya Renewables Private Limited to Ind-Infra Developers Private Limited w.e.f. 04.11.2020. However, Aspen Infra Padubidri Private Limited shall continue to be the developer of the SEZ.

The present and proposed list of Board of Directors of the AIPPL is as follows:

Sl. No	Board of Directors before change of shareholding	Sl. No	Board of Directors after change of shareholding
1	Mr. Manojkumar Modi	1	Mr. Jaysukhbhai Odhavjibhai Bhalodia
2	Mr. Chintan Jaysukhbhai Bhalodia	2	Mr. Chintan Jaysukhbhai Bhalodia

**Reason:** The change in shareholding pattern of M/s. Aspen Infra Padubidri Pvt. Limited is to improve the operational efficiency of the SEZ and to attract investment in to the company by marketing the unutilized industrial plots in the SEZ.

**Recommendation by DC:**

DC, CSEZ has recommended the proposal for consideration of BoA.

**102.9(ii) Request of M/s Aspen Park Infra Coimbatore Pvt. Ltd., Developer for change of shareholding pattern and Change of Board of Directors.**

M/s Aspen Park Infra Coimbatore Private Limited, developer is holding a valid Letter of Approval dated 25.10.2006 for setting up of a Sector specific SEZ for Hi-tech engineering sector at Coimbatore, Tamil Nadu.

The developer has intimated about the 100% transfer of its shares to M/s. Ind-Infra Developers Pvt. Ltd. (formerly known as M/s. Atulya Renewables Pvt. Ltd.)

Details of shareholding pattern of the company are given below:

Pre-transfer		Post-transfer	
Name of the Shareholder	Percentage of Shareholding	Name of the Shareholder	Percentage of Shareholding
M/s. Tanti Holdings Private Limited	5.17%	M/s. Atulya Renewables Pvt. Ltd. (Presently known as Ms. Ind-Infra Developers Pvt. Ltd.)	99.99%
M/s. Shubh Realty (South) Pvt. Ltd.	14.59%	Manojkumar Hasmukhbhai Modi J/w. Atulya Renewables Private Ltd., as nominee shareholder of the company	0.01%
M/s. SE Freight and Logistics India Pvt. Ltd.	14.79%		
M/s. Samanvaya Holdings Private Ltd.	7.32%		
Rambhaben Ukabhai Tanti	50.64%		
Girish Ranchhodbhai Tanti	0.43%		
Tejjas A.Parmar	0.49%		
Vinod Ranchhodbhai Tanti	3.43%		
Vishwajitsinh B. Parmar	1.49%		
Jhanvi B. Parmar	0.25%		
Rajitsinh A. Parmar	1.40%		

The developer has also intimated about the transfer of 100% of shares of M/s. Ind-Infra Developers Pvt. Ltd. (Holding company of M/s. Aspen Park Infra Coimbatore Pvt. Ltd.) to M/s. Ajanta Manufacturing Pvt. Limited; and M/s. Ajanta Transistor Clock Manufacturing Co.

M/s. Ind-Infra Developers Private Limited (Holding company of M/s. Aspen Park Infra Coimbatore Pvt. Ltd.) has stated that M/s. Aspen Park Infra Coimbatore Pvt. Ltd. shall continue to be the developer of the SEZ and that there will be seamless continuity of the SEZ activities with unaltered responsibilities and obligations. In this regard, an undertaking has been given by M/s. Ind-Infra Developers Private Limited.

The developer has intimated that the following would be Directors M/s. Aspen Park Infra Coimbatore Pvt. Ltd. post transfer of its shares to M/s. Ind-Infra Developers Private Limited

1. Chintan Jaysukhbhai Bhalodia; and
2. Manojkumar Hasmukhbhai Modi

**Recommendation by DC:**

DC, MEPZ SEZ has recommended the proposal.

The request is placed before BOA for its consideration.

**102.9(iii) Request of M/s Divyasree NSL Infrastructure Pvt. Ltd. for demerger of 'Orion-II Undertaking' forming part of their SEZ to Ms. Midas Projects Pvt. Ltd.**

M/s. Divyasree NSL Infrastructure Pvt. Ltd. (DNIPL) was granted formal approval on 22.8.2006 for setting up IT/ITES SEZ at Raidurga Village, Serilingampally Mandal, Ranga Reddy District, Telangana in an area of 10.52 hectares. The SEZ was notified on 18.05.2007.

M/s. Midas Projects Pvt. Ltd. (MPPL) was granted co-developer status on 28.06.2018 for providing infrastructure facilities and other operations created or to be created on an identified portion of the above SEZ including the Buildings B3, B4, B6 and B7 (referred to as Orion-II Infrastructure) in the above SEZ.

The developer has further stated that pursuant to the sanction of the Composite Scheme of Amalgamation by NCLT, Hyderabad Bench, the Orion-II undertaking (comprising the business of development, operation and maintenance of Orion-II Infrastructure ownership of the Orion-II Infrastructure, assets and liabilities related to such business and rights associated with the land comprised in the Orion-II undertaking) has been demerged from DNIPL into MPPL.

The Scheme has been implemented under the provisions of Section 230 to 232 of the Companies Act, 2013 with the objective of achieving greater efficiency in operations and increased focus and attention to Orion-II undertaking, in a manner that is compliant with all the regulatory requirements. The Scheme has been sanctioned with the appointed dated of 15.11.2017 as per NCLT, Hyderabad Bench order dated 24.08.2020.



**Recommendation by DC:**

DC, VSEZ has recommended the request of DNIPL for transfer of the SEZ operations pertaining to Orion-II undertaking from DNIPL to M/s. Midas Projects Pvt. Ltd. by way of de-merger as approved by the NCLT, Hyderabad Bench, Hyderabad in terms of DoC's Instruction no. 90 read with Instruction no. 89 for consideration by the Board.

The request is placed before BOA for its consideration.

**102.9(iv) Request of M/s Bayline Infocity Limited (Developer) for change of shareholding pattern and appointment of new Directors of the developer.**

M/s. Bayline Infocity Limited is the developer of Bayline Infocity SEZ, a Sector Specific SEZ for IT/ITES at Old Mahabalipuram Road, Chennai, Tamil Nadu. The SEZ was notified on 7<sup>th</sup> September, 2007 over an area of 10.37 hectares. This is an operational SEZ.

The details of the present and the new shareholding pattern of the company are as follows:

**Present Shareholding Pattern**

S. No.	Name of the shareholder	Number of shares held in the company	Face value of the shares
1	KKN Holdings Pvt. Ltd.	11,66,09,345	1,16,60,93,450
2.	Mr. Boggaram Venkatamarkandeya Sarma	1	10
3.	Mr. B Bharathan Kanthimathinathan	1	10
4.	Mr. Raghuram Nath	1	10
5.	Mr. Srinivasan Sethuraman	1	10
6.	Mr. K Balasubramanian	3,66,227	36,62,270
7.	Mr. TarbirShahpuri	70,76,923	7,07,69,230
8.	Mr. Iyappan Nithiyanandam	1	10
	<b>Total</b>	<b>12,40,52,500</b>	<b>1,24,05,25,000</b>

**New Shareholding pattern:**

S. No.	Name of the shareholder	Number of shares held in the company	Face value of the shares
1.	Sandhya Constructions & Estates Private Limited (formerly known as Sandhya Hotels P Ltd.)	3,53,02,272	35,30,22,720
2.	Sandhya Realtors P Ltd.	5,87,84,593	58,78,45,930
3.	Saranala Sreedhar	1,49,82,816	14,98,28,160
4.	Jayalakmi Saranala (Nominee Shareholder)	1	10
5.	Raja Rao Duggirala (Nominee Shareholder)	1	10
6.	Muralidhar Saranala (Nominee Shareholder)	1	10
	<b>Total</b>	<b>12,40,52,500</b>	<b>1,24,05,25,000</b>

Consequent upon the change in the shareholding pattern of the company, the company has submitted the list of 3 additional Directors, and their DIN numbers which are as follows:

DIN No.	Name S/Shri/Smt.	Designation
01717936	Mr. Saranala Sreedhar	Additional Director
01717899	Mrs. Sandhya Saranala	Additional Director
02980260	Mr. Raja Duggirala Rao	Additional Director

As informed by DC, the shareholding pattern has been certified by Chartered Accountant and the sale of shares has been approved vide the Board Resolution.

#### Recommendation by DC:

The request of the developer for taking on record the change in shareholding pattern and the appointment of 3 new Directors is recommended by DC, MEPZ for consideration of BoA in terms of Instruction no. 89 & 90 issued by the DoC.

The request is placed before BOA for its consideration.

### 102.10 Setting up of SEZ (one proposal)

**102.10(i) Proposal of M/s. Sustain Properties Private Limited for setting up an IT/ITES SEZ over an area of 1.466 hectares at Plot No. 16/A/1 (P) and 16/A/2 (P), Sy No. 83/1, Knowledge City, Raidurg Village, Serilingampally Mandal, Ranga Reddy District, Telangana.**

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
<b>A.</b>	<b>Documents required for setting up of SEZ in terms of Rule 3 of SEZ Rules, 2006:</b>	
(i)	Completed Form-A (with enclosures) A. Total Proposed investment : Rs. 823.53 Crore B. FDI (in US \$) : Nil C. Means of Finance : Equity Capital Rs. 0.01 Crore & Term Loan Rs. 850 Crore D. Proposed Exports : NA (as they being Developer) E. Employment (in Nos.) : Nos. 17,500 (Direct+Indirect)	Yes, provided
(ii)	DC's Inspection Report	Yes, provided
(iii)	State Government's Recommendation	Yes, provided
(iv)	Recommendation for National Security Clearance (NSC) from Ministry of Home Affairs as per Rule 3 of SEZ Rules, 2006.	DC has countersigned the self declaration furnished by the developer stating that the country sensitivity and the geographical sensitivity are not applicable in their case.
<b>B.</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 Sq.mtrs. is required for Category 'A' City.  The proposed built-up area is 2,13,125 Sq.mtrs.
<b>C.</b>	Details to be furnished in terms of Rule 7 of SEZ Rules, 2006:	



(i)	Certificate from the concerned State Government or its authorised agency stating that the Developer has: <ul style="list-style-type: none"> <li>• Legal Possession, and</li> <li>• Irrevocable rights to develop the said area as SEZ, and</li> <li>• That the said area is free from all encumbrance.</li> </ul>	Yes, provided
(ii)	Whether the Developer has leasehold right over the identified area. The lease shall be for a period not less than twenty years.	TSIIC has certified the legal possession of the developer. DC has stated that the total extent of the land (i.e., 1.466 Ha) is in possession of the Developer vide Registered Development Agreement cum General Power of Attorney Doc. No. 2410/2018.
(iii)	The identified area shall be Contiguous, Vacant and No thoroughfare.	TSIIC has certified that the said area is contiguous, vacant and has no public thoroughfare.

As per Inspection Report, DC, VSEZ has stated that partial construction has started. The Developer is ready to forego duty benefits for the already constructed portion in the event SEZ is notified and the area needs to be inside bordered premises by constructing a permanent compound wall once it is notified as SEZ.

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

DC, VSEZ has recommended the proposal and submitted for consideration of the BoA.

#### **102.11 Appeals (Nine appeals)**

**102.11(i)** Appeal dated 24.12.2020 filed by M/s Optum Global Solutions (India) Private Limited located at 5<sup>th</sup>, 6<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup> floor, Block A, 4<sup>th</sup> Floor, Block B, 14<sup>th</sup> Floor. Block C, building No. 6, IT/ITES SEZ of DLF Cyber City Developers Ltd., Sector-24 & 25A, DLF Phase-III, Gurgaon, Haryana against the decision of the UAC, NSEZ in its meeting dated 26.08.2020.

**102.11(ii)** Appeal dated 24.12.2020 filed by M/s Optum Global Solutions (India) Private Limited located at 4<sup>th</sup> & 5<sup>th</sup> Floor of Block 2 of Phase-I IT/ITES SEZ of M/s ITPG Developers Private Limited, Village Behrampur, Gurgaon, Haryana against the decision of the UAC, NSEZ in its meeting dated 26.08.2020.

**102.11(iii)** Appeal dated 24.12.2020 filed by M/s Optum Global Solutions (India) Private Limited located at Ground to 3<sup>rd</sup> Floor & 6<sup>th</sup> to 9<sup>th</sup> Floor of Block 2 of Phase-I and Ground Floor in Clock 1 of Phase 1, IT/ITES SEZ of M/s ITPG Developers Private Limited, Village Behrampur, Gurgaon, Haryana against the decision of the UAC, NSEZ in its meeting dated 26.08.2020.

**102.11(iv)** Appeal dated 24.12.2020 filed by M/s Optum Global Solutions (India) Private Limited located at ground to 4<sup>th</sup> Floor, Tower D, Oxygen Business Park Pvt. Ltd., IT/ITES SEZ, Plot no. 7, Sector -144, Noida, UP against decision of the UAC, NSEZ in its meeting dated 26.08.2020 conveyed vide letter dated 09.09.2020.

102.11(v) Appeal dated 24.12.2020 filed by M/s Optum Global Solutions (India) Private Limited located at 6<sup>th</sup> & 7<sup>th</sup> Floor, Tower A, Oxygen Business Park Pvt. Ltd., IT/ITES SEZ, Plot no. 7, Sector -144, Noida UP against decision of the UAC, NSEZ in its meeting dated 26.08.2020 conveyed vide letter dated 09.09.2020.

102.11 (vi) Appeal dated 29.12.2020 filed by M/s Optum Global Solutions (India) Private Limited located at Phoenix Infocity Private Limited, SEZ Building no.H06, 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Floor, Hitech City 2, Gachibowli V, Hyderabad, Telangana against decision of UAC, VSEZ in its meeting dated 17.06.2020.

102.11(vii) Appeal dated 29.12.2020 filed by M/s Optum Global Solutions (India) Private Limited located at 5<sup>th</sup>, 6<sup>th</sup> & 7<sup>th</sup> Office level, Building no.14, Sundew Properties Ltd., APIIC Layout, Survey no. 64 Part, Hitech City, Madhapur, Hyderabad, Telangana against decision of UAC, VSEZ in its meeting dated 17.06.2020.

102.11(viii) Appeal dated 29.12.2020 filed by M/s Optum Global Solutions (India) Private Limited located at Phoenix Infocity Private Limited, 7<sup>th</sup> & 8<sup>th</sup> level SEZ Building no.H04, Vignesh Hitech City 2 Society, Sy. No. 30, 34, 35 & 38, Gachibowli V, Serilingampally M, Hyderabad, Telangana against decision of UAC, VSEZ in its meeting dated 17.06.2020.

102.11(ix) Appeal dated 29.12.2020 filed by M/s Optum Global Solutions (India) Private Limited located at 9<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup> & 12<sup>th</sup> Floor, Building No. 12 B, Sundew Properties Limited, APIIC Layout, Survey no. 64 P, Hitech City, Madhapur, Hyderabad, Telangana against decision of the UAC, VSEZ in its meeting dated 17.06.2020.

M/s Optum Global Solutions (India) Private Limited, part of United Health Group of companies provides support services to its overseas entities in the area of IT/ITES. Presently, Optum operates from a number of SEZ units in India -3 SEZ units in Gurgaon, 2 SEZ units located in Noida, 4 SEZ units located in Hyderabad and 1 SEZ unit in Bangalore.

**Background of the case:** Optum had sought approval for additional services viz. Management and Business Consultant Services (HSN:9983), Licensing services for the right to use computer software and database (HSN:9983) and leasing services (HSN:9973) in their authorised operations.

The proposal of Optum Global Solutions (India) Pvt. Ltd. for approval of following additional services was placed before the Unit Approval Committee, NSEZ in its meeting held on 26.08.2020 :

- (i) Management and Business consultant Services.
- (ii) Licensing services for the right to use computer software and database.
- (iii) Leasing Services in relation to business assets procured on lease.

The Approval Committee observed that "Management and business consultant services" is already included in the list of default authorised services subject to the condition that exemption for this service would be limited to the value of services availed of/consumed by the SEZ entity only. Further, the unit shall produce evidence to that effect to the satisfaction of the authorities concerned that the said service was consumed in relation to their authorised operations only. The representative of the company informed the UAC that the licensing services are required to get GST

exemption on purchase of 'Software License'. He further informed that unit is getting laptops and printers on lease to undertake authorised activities, hence 'leasing services' is required to get GST exemption on lease of 'laptops & printers'.

As per the minutes of the UAC, the Committee unanimously approved the following services:

- (i) **Management and business consultant services:** Subject to the condition that exemption for this service would be limited to the extent of such value of services availed of/consumed by the SEZ entity only. The unit shall produce evidence to that effect, to the satisfaction of the authorities concerned, that the said service was consumed by the SEZ unit in relation to their authorized operations only.
- (ii) **Licensing services for the right to use computer software and database:** Exclusively for Software Licensing to carry out authorized operations.
- (iii) **Leasing Services in relation to business assets procured on lease:** Exclusively for leasing of 'Laptops & Printers' only to carry out authorised operations of the unit.

The proposal of M/s Optum Global Solutions (India) Pvt. Ltd. for approval for additional list of services for four of its units in Telangana was placed before the UAC, VSEZ held on 17.06.2020. The UAC approved the following:

- (i) **Licensing services for the right to use computer software and database:** The company procures computer softwares and licenses for rendering IT/ITES. Since the company is providing output services in IT domain, accordingly the company is required to procure various computer softwares and licenses to render IT/ITES to its group entity located outside India. Therefore, such services are vital for performing the authorised operations of the company.
- (ii) **Leasing Services in relation to business assets procured on lease:** The company requires procuring various business/office assets on lease in order to render output (IT/ITES) services. Since the company is providing IT/ITES to its group entity located outside India, they are required to procure various business assets such as computers, printers, motor vehicles etc. In order to save on cost of procurement and maintenance of these business assets, company opts for procuring various business assets including above on lease for a fixed item.

**Contention of the appellant:** That the company has rapidly expanded its operations in India. Considering the extremely competitive and challenging environment in the IT sector and with a view to optimize its cost of doing business in India, the company seeks approval on inclusion of leasing service in respect of motor vehicle required for the authorised operations of the company.

- (i) The vehicle leasing services are procured for safe transportation requirements of the employees of the company. Such cars are procured on lease in the name of Optum itself and the lease payments are also made by Optum.
- (ii) The invoice in respect of vehicle leasing services are raised in the name of the company and the registration certificate of the motor vehicles are also in the name of Optum. The procurement of vehicle leasing services is similar to procurement of any other asset on lease by the SEZ unit. The unit procures various IT equipment like printers etc. on lease,

for use by the employees of SEZ for carrying out authorised operations. Similarly, the vehicles are taken by the SEZ unit on lease and are used by the employees of the SEZ unit for carrying out authorised operations.

- (iii) Since IT/ITES industry is a manpower intensive industry and its progress largely depends on efficiency and quality of its human resources, provision of assets and facilities that help in efficient performance of work is akin to its survival and growth. Vehicles are procured on lease to save on cost of procurement of such assets with the objective to reduce immediate working capital outflow and cost of operation. This model is widely adopted by businesses for the number of assets required for operations in order to optimize business costs.
- (iv) Section 26 of the SEZ Act, Rule 27 of SEZ rules allows a unit to procure or import from the DTA, goods and services without payment of duty. The only condition provided in the Rule is proper utilization of such procurements. Safe transportation of employees is an essential factor for a business with a large manpower (both male and female) and multiple shift working.
- (v) That the list of 66 services is an illustrative list issued by MoC&I and the same cannot curtail the benefit provided in SEZ Act and SEZ Rules. Hence, tax exemptions should be available to all procurements used for authorised operations of the unit. Similar principal was upheld by Hon'ble Delhi High Court in the case of M/s Jindal Stainless Limited vs UoI & Others W.P. (C) 4452/2008 dated 31.05.2011.
- (vi) That rent-a-cab service, transportation of passenger service and travel agent service are already included in the default list of services by the UAC. Car leasing services is a substitute of rent-a-cab service and transportation service and hence should be given equal stature and allowed as authorised services.
- (vii) Leasing of motor vehicles has been approved by the UAC of MEPZ in its meeting dated 24.02.2020 in case of M/s Renault Nissan Technology & Business Centre India Pvt. Ltd. for its three units as specified service and to avail GST exemption.
- (viii) The restriction regarding 'personal consumption' is only applicable to goods and is not applicable to 'services' under the SEZ law.
- (ix) The concept of zero rated supply has been envisaged under Section 16 of the IGST Act. Through Section 16 of the IGST Act nowhere states that to qualify for zero rated supplies, the goods/services received by an SEZ should be for the authorised operations, the Central Board of Indirect Taxes and Customs vide circular dated 14.06.2018 while dealing with the question that "Whether benefit of zero-rated supply can be allowed to all procurements by a SEZ developer or a SEZ unit or not", has clarified that only services received for authorised operations as endorsed by the specified officer of the SEZ will be eligible for the benefit of zero rated supply under GST.
- (x) In light of the aforesaid provisions of the IGST Act read with the SEZ Circular, it is clear that with the introduction of GST, the benefit of zero-rated supplies will be available on all supplies as per GST provisions and may be restricted to those supplies of services/goods which are received for the authorised operations of SEZs.
- (xi) Under the provisions of the IT Act, 1961, Section 29 provides the method for computation of Income under head 'Profits and Gains of business and Profession'. Further, Section 36 allows for deduction of certain business expenditure while

calculating income under head 'PGBP'. The expenditure related to leasing of motor vehicles is allowed as business expenditure in terms of IT provisions.

Optum has prayed for the intervention of the BoA and requested to provide necessary guidance to the UAC to approve Motor Vehicle leasing services required for the authorised operations of the company in the facts and circumstances of the case.

The company has also requested for condonation of delay in filing the appeal as the management was not aware of the procedures and time limits for filing the appeal. Further that due to current pandemic situation, limited staff and operational constraints, there was an unavoidable delay in filing the appeal.

The cases are placed before the Board of Approval for consideration.

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