No. F.2/5/2018-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 25th October, 2018

**OFFICE MEMORANDUM**

**Subject:** 5th Meeting (2018 Series) of the Board of Approval (BoA) for Export Oriented Units (EoUs) and 85th Meeting of the BoA for Special Economic Zones (SEZs) – Reg.

In continuation of this Department's O.M. of even numbers dated 11th October, 2018 and 24th October, 2018 it is informed that the 5th Meeting (2018 Series) of the Board of Approval for EoUs and the 85th Meeting of the Board of Approval for SEZs, under the Chairmanship of Commerce Secretary, Department of Commerce have been scheduled on **2nd November, 2018 at 11.00 A.M and 11.30 A.M. respectively in Room No. 108, Udyog Bhawan, New Delhi.** Soft copy of the agenda is also being 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.


**(G. Srinivasan)**
Under Secretary to the Government of India
Tel: 2306 2496
Email: 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, 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. 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, 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, Bhubaneshwar – 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) / PA to DS (SNS).

**Agenda for the 85th meeting of the Board of Approval to be held on 2nd November, 2018 in Room No. 108, Udyog Bhawan, New Delhi.**

**Item No. 85.1: Requests for extension of validity of formal approvals (one proposal)**

**85.1(i) Request of M/s. Mayar Infrastructure Development Pvt. Ltd. for further extension of the validity of formal approval, granted for setting up of Biotechnology Sector Specific SEZ at Village Rahka and Nimoth, Tehsil Sohna, Gurgaon (Haryana) beyond 13.07.2018.**

| | |
|---|---|
| **Name of the developer** | : M/s. Mayar Infrastructure Development Pvt. Ltd. |
| **Sector** | : Biotechnology sector |
| **Location** | : Village Rahka and Nimoth, Tehsil Sohna, Gurgaon (Haryana) |
| **Extension** | Formal approval to the developer was granted on 14.07.2008. The developer has been granted 07 extensions, last extension was granted on 19.07.2017 which was upto 13.07.2018. The developer has requested for further extension of one year i.e. upto 13.07.2019. The SEZ stands notified on dt. 09.09.2008. |

**Present Progress:**

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

| S. No. | Type of Cost | Proposed Investment (Rs. in Crore) |
|---|---|---|
| 1 | Land Cost | 130.00 |
| 2 | Construction Cost | 428.10 |
| 3 | Plant & Machinery | 75.00 |
| 4 | Other Overheads | 130.95 |
| | **Total:** | **764.05** |

**(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) |
|---|---|---|---|
| (i) | Land Cost | 51.30 | 0.00 |
| (ii) | Material Procurement | 113.93 | 0.00 |
| (iii) | Service Cost | 3.20 | 0.19 |
| (iv) | Other Overheads | 121.75 | 15.85 |
| | Total: | 290.18 | 16.04 |

- Details of Other Overheads:

| S. No. | Type of Cost | Total Investment made so far (Rs. in Crore) | Incremental investment since last extension (Rs. in Core) |
|---|---|---|---|
| (i) | Employment Remuneration and Benefits | 26.07 | 1.55 |
| (ii) | Office and Administration Expenses | 4.52 | 0.22 |
| (iii) | Repair and Maintenance charges | 3.84 | 0.17 |
| (iv) | Travelling & Conveyance | 1.77 | 0.01 |
| (v) | Rent, Rates & Taxes | 1.59 | 0.01 |
| (vi) | Finance charges | 82.15 | 13.66 |
| (vii) | Miscellaneous Expenditure | 1.83 | 0.04 |
| (viii) | Audit fees | 0.17 | 0.00 |
| | Total: | 121.94 | 15.66 |

(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 |
|---|---|---|---|---|
| (i) | Road with Street lighting, Signals and Signage. | 100% | 0% | NA |
| (ii) | Water treatment plant, water supply lines (dedicated lines up to source), sewage lines, storm water drains and water channels of appropriate capacity | 100% | 0% | NA |
| (iii) | Sewage and garbage disposal plant, pipeline and other necessary infrastructure for sewage and garbage disposal, Sewage treatment plants. | 100% | 0% | NA |
| (iv) | Electrical, Gas and Petroleum Natural Gas Distribution Network including necessary sub-stations of appropriate capacity, pipeline network etc. | 100% | 0% | NA |
| (v) | Effluent treatment plant and pipeline and other infrastructure for effluent treatment. | 100% | 0% | NA |
| (vi) | Telecom and other communication facilities including internet connectivity. | 100% | 0% | NA |
| (vii) | Rain water harvesting plant | 100% | 0% | NA |

| | | | | |
|---|---|---|---|---|
| (viii) | Landscaping and water bodies | 100% | 0% | NA |
| (ix) | Wi Fi and / or Wi max Services | 100% | 0% | NA |
| (x) | Drip and Micro irrigation systems | 100% | 0% | NA |
| (xi) | Boundary wall | 100% | 0% | NA |
| (xii) | Factory sheds in processing area | NA | NA | NA |
| (xiii) | Office space for customs and security staff not exceeding 500 sqm. | 100% | 0% | NA |

M/s. Mayar Infrastructure Development Pvt. Ltd. for extension of the validity for one year beyond 13.07.2018 in respect of formal approval granted for setting up of Biotechnology sector was placed before the BoA in its 83rd meeting held on 19.06.2018. DC, NSEZ had then recommended as under:-

As regards compliance with Rule 5(7) of SEZ Rules, 2006 by developer it is mentioned that the said SEZ was notified on 09.09.2008 for an area of 12.4928 hectare and additional area of 2.59 hectare was notified on 06.01.2010. In this regard, it is mentioned that as per Rule 5(7) of SEZ Rules, 2006, *"The Developer or; Co-developer shall have to construct the minimum built up area (40000 Sqmt. in case of Biotechnology SEZ) within a period of ten years from the date of notification of the Special Economic Zone (i.e. by 08.09.2018) in which at least fifty percent of such area to be constructed within a period of five years from the date of such notification"*. In the instant case the developer has constructed Bioport building for a built-up area admeasuring 23702 Sqmt. within approx. 9½ years from the date of SEZ Notification. The developer has informed that they are in process to leasing out 15 plots to interested parties and several parties have expressed keen interest in taking the plots on lease. The developer has stated that they hope to complete this entire process in the next two years, upon which the compliance of the provisions of Rule 5(7) of SEZ Rules, 2006 regarding construction of minimum built-up processing area in SEZ will be fulfilled. Therefore, DOC may consider extension of time lines for next two years for construction of minimum built-up area by the developer after making enabling provision in said Rule 5(7) empowering BoA for consideration of such extension as under :-

(i). Suitable provision may be incorporated in SEZ Rules, empowering BoA for considering request of extension after 5 years, in case of 50% of work is not completed and after 10 years, when 100% work is not completed.

(ii). This request may be considered after such enabling provision.

The Board, after deliberations, decided to recommend the proposal for approval of Hon'ble CIM in relaxation of the provisions of Rule 5(7) of SEZ Rules, 2006.

Thereafter, DoC's vide letter dated 27.07.2018, it had been conveyed that the recommendation of the BoA in respect of item no. 838(i) of the minutes of meeting held on 19.06.2018 (regarding proposal of M/s. Mayar Infrastructure Development Pvt. Ltd. for extension of the validity of formal approval granted for setting up of Biotechnology SEZ at Village Rakha & Nimoth, Tehsil Sohna, Distt. Gurgaon, Haryana & extension in timeline for construction of minimum builtup area (40000 sqmt.) has not been approved by the Competent Authority. DoC had requested that DC, NSEZ may take suitable action accordingly.

Now, the has submitted its representation in the validity period of formal approval beyond 13.07.2018 on an urgent basis due to the following reasons:-

(i) An existing unit Optimum Therapeutics Ltd. is already approved in the zone and the said unit is ready to export but cannot export the services in the absence of extension of validity period of developer.

(ii) A new applicant unit Bio-Rad, a California based company has submitted an application for setting up unit in the SEZ. If they do not get immediate approval as a unit, there will be irreparable loss to the SEZ and the unit.

In this regard as per Rule 6(2)(a) "The letter of approval of a developer granted under clause (a) of sub-rule (1) shall be valid for a period of three years within which time at least one unit has commenced production and the SEZ become operational from the date of commencement of such production:

Provided that the Board may on an application by the developer or the co-developer as the case may be for reasons to be recorded in writing extend the validity period.

From the above, it may be seen that under Ruc 6, there is no limitation on BoA for providing extension in LoA. Rule 6 is independent of requirement of area under Rule 5. The request is for extension of LoA under Rule 6 of SEZ Rules and is not for relaxation under Rule 5(7) of SEZ Rules. Since SEZ developer has already created infrastructure, one unit is already approved and developer has stated that another California based company has made application for one more unit.

**Recommendation by DC:**

DC, NSEZ recommends for extension of formal approval for a period of one year i.e. upto 13.07.2019.

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

**Item No. 85.2: Requests for extension of LoP beyond 3rd Year onward (7 proposals)**

- As per Rule 18(1) of the SEZ Rules, the approval Committee may approve or reject a proposal for setting up of Unit in a Special Economic Zone.
- Cases for consideration of extension of Letter of Permission (LoP)s i.r.o units in SEZs are governed by Rule 19(4) of SEZ Rules.
- Rule 19(4) states that an LoP shall be valid for one year. First Proviso grants power to DCs for extending the LoP not exceeding 2 years. Second Proviso grants further power to DCs for extending the LoP for one more year but subject to the condition that two-thirds of activities including construction, relating to the setting up of the

Unit is complete and a Chartered Engineer's certificate to this effect is submitted by the entrepreneur.

- Extensions beyond 3rd year (*in cases where two-third activities are not complete*) and 4th year are granted by BoA.
- BoA can extend the validity for a period of one year at a time.
- There is no time limit up to which the Board can extend the validity.

**85.2(i) Request of M/s. Omni Lens Private Limited, Plot No. 17 & 18 in the Electronic Park SEZ, Sector-26, Kolavad Road, Gandhinagar developed by M/s Gujarat Industrial Development Corporation for extension of Letter of Permission (LOP) beyond 02-09-2018 for 01 (one) year more upto 01-09-2019.**

- LOP issued on (date): 04-09-2015
- Nature of business of the Unit:- 1) Electronic Equipment used in Opthalmic & Dental Industries; and 2) Medical Devices like IOL (Intra Ocular Lens) & Lens Delivery Systems etc.
- No of Extensions: 02 (two) by DC, Kandla-SEZ
- LOP valid up to: 02-09-2018
- Request: For further extension for 01 (one) year, up to 01-09-2019.

**Present Progress:**

**(a) Details of Business plan:**

| Sl. No. | Type of Cost | Proposed Investments (Rs. in crores) |
|---|---|---|
| 1. | Land | 2.75 |
| 2. | Factory Building | 5.00 |
| | Total | 7.75 |

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

| S. No. | Type of Cost | Total Investment made so far (Rs. in crores) | Incremental investment since last extension (Rs. in crores) |
|---|---|---|---|
| 1. | Land | 2.75 | 0 |
| 2. | Factory Building | 0.67 | 0.67 |
| | Total | | |

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

| S. No. | Activity | % completion | % completion during last one year | Deadline for completion of balance work |
|---|---|---|---|---|
| 1. | Factory Building | *30% | 30% | May,2019 |
| Total | *as informed by applicant unit and as per current business planning. | | | |

**Detailed Reasons for delay:**

The Developer of Electronic Park SEZ, i.e. Gujarat Industrial Development Corporation, had approved the plan of M/s Omni Lens Pvt. Ltd. on 17.07.2017 and therefore, the construction of the building was delayed.

**Recommendation by DC**

DC, Kandla-SEZ has recommended the request of extension of LOP for a period of one year up to 01-09-2019.

The request is placed before BOA for its consideration.

**85.2(ii) Request of M/s Neogen Chemicals Limited, unit in the Dahej SEZ for extension of Letter of Approval (LOA) beyond fourth year for two years upto 15.10.2019.**

- LoA issued on (date) : 16th October, 2014
- Nature of business of the Unit : Pharma and Agro Intermediate, Specialty Chemicals and Electronic Chemicals
- No. of Extensions: two by DC Dahej SEZ Nil by BOA.
- LoA valid upto (date): 15/10/2017
- Request: For further extension for two year, up to (date) 15/10/2019.

**Present Progress:**

(a) Details of Business plan:

| Sl.No. | Type of Cost | Proposed Investment (Rs. in crores) |
|---|---|---|
| 1 | Land | 10.00 |
| 2 | Building | 18.00 |
| 3 | Machinery | 27.50 |
| | Total | 55.50 |

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

| Sl.No. | Type of Cost | Total investment made so far (In Rs. crores) | Incremental Investment since last extension (in Rs crores) |
|---|---|---|---|
| 1 | Land | 8.85 | 5.43 |
| 2 | Building | - | - |
| 3 | Machinery | - | - |
| | Total | 8.85 | 5.43 |

(c ) Details of physical progress till date:

| S.No. | Activity | % Completion | % Completion during last one year | Deadline for completion of balance work |
|---|---|---|---|---|
| 1 | Land filling | 80% | - | - |
| 2 | Boundary Wall | 100% | - | Completed |
| Total | | | | |

**Detailed reasons for delay:-**

- Was awaiting approval of larger tract of land by way of plot exchange to meet their estimated project requirement
- Awaiting CTE NOC from GPCB

The unit informed that they have two manufacturing sites for making the same products which they planned to make in Dahej SEZ unit. Currently they export to 27 countries and their export turnover in F.Y. 2017-18 was 55 crs.

**Recommendation by DC:**

The case is recommended to Board of Approval for extension in validity of LOA dated 16/10/2014 for a further period of two years i.e. upto 15/10/2019 in terms of Rule 19(4) of SEZ Rules, 2006.

The request is placed before BOA for its consideration.

**85.2(iii) Request of M/s Essentia Advanced Sciences Pvt. Ltd. in the APSEZ, Visakhapatnam for extension of Letter of Permission (LoP) beyond 20.10.2018 for 5th extension upto 20.10.2019.**

- LoA issued on (date) : 20th October, 2013
- Nature of business of the Unit : Manufacture of APIs/Bulk Drugs/Intermediates
- No. of Extensions: 3 by DC APSEZ and 1 by BoA.
- LoA valid upto (date): 20.10.2018
- Request: For further extension for one year, up to (date) 20.10.2019.

**Present Progress:**

(a) Details of Business plan:

| Sl.No. | Type of Cost | Proposed Investment (Rs. in crores) |
|---|---|---|
| 1. | Manufacture of Pharmaceuticals APIs/Bulk Drugs/Intermediates | 200.00 |

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

| Sl.No. | Type of Cost | Total investment made so far (In Rs. lakhs) | Incremental Investment since last extension (in Rs lakhs) |
|---|---|---|---|
| 1 | Building, Plant and Machinery | 176.51 | 16.69 |

(c ) Details of physical progress till date:

| S.No. | Activity | % Completion | % Completion during last one year | Deadline for completion of balance work |
|---|---|---|---|---|
| 1. | Trail batches for testing and stabilization of the products are | -- | -- | -- |

| | | | | |
|---|---|---|---|---|
| | under process | | | |

**Detailed reasons for delay:**

The unit started trial batches for testing and stabilization of the products. A number of trial batches of the same product needs to be prepared for study purpose and for filing DMFs with USFDA. The site qualification and product qualification process by USFDA may happen in the last quarter of 2018-19 and thereafter, they are expecting to go for commercial batches in the second/third quarter of 2019-20. Extension is being sought keeping in view of the ongoing trial batches for stabilization process and inspection of the USFDA.

**Recommendation by DC:**

DC APSEZ has recommended the request of extension of LoP for a period of one year upto 20.10.2019.

The request is placed before BOA for its consideration.

**85.2(iv) Request of M/s. Natco Pharma Ltd, unit in M/s. Ramky Pharma City SEZ, Parawada Mandal, Visakhapatnam District for extension of Letter of Approval beyond 18.11.2018 for a period of one year upto 18.11.2018.**

LOA issue on : 19.11.2018
Nature of Business of Unit : Manufacture of Pharmaceutical Formulations (Tablets/Capsules)

No of extension : Fourth extension excluding initial one year
LOA valid upto (date) : 19.11.2018

Present progress:

(a) Details of Business Plan:

| S. No. | Type of cost | Proposed investment (Rs. In crores) |
|---|---|---|
| 1. | Building | 60.00 |
| 2. | Plant & Machinery | 150.00 |
| 3. | Project related cost | 20.00 |
| 4. | Total | 230.00 |

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

| S. No. | Type of cost | Total investment made so far (In Rs. Crores) | Incremental investment since last extension (Rs. in crores) |
|---|---|---|---|
| 1. | Land cost | Rs. 24.52 | Nil |
| 2. | Material procurement invluding others | Rs. 108.76 | Rs. 52.11 |

| | | | |
|---|---|---|---|
| 3. | Construction | Rs. 57.79 | Rs. 10.28 |
| 4. | Total | Rs. 191.07 | Rs. 62.39 |

(c) Details of physical progress till date.

| S. No. | Authorised activity | % overall completion | %completion | %completion during last one year | Deadline for completion of balance work |
|---|---|---|---|---|---|
| 1. | Land cost | 100% | 100% | Nil | NA |
| 2. | Procurement (capital) | 100% (150.00 cr) | 72.50% | 34.74 | 31.03.2019 |
| 3. | Construction | 100% (60.00 cr) | 96.31% | 17.78 | 31.03.2019 |

**Detailed Reasons for delay:**

After the initial statutory approvals, Unit started ground levelling and other civil works in the month of April, 2015. However, due to heavy unscheduled rains in June/July, 2014 with water oozing from the ground, the earth work got abnormally delayed. This delay has continued and created hurdles in faster implementation. As per their schedule of implementation, they have completed the first phase of implementation with all facilities. The civil, mechanical, HVAC, utilities etc. were completed in June, 2017. The unit started validation of Machines and testing of equipment. Unit has stated that in the last extension request, trial batches shall commence in January, 2018. However, at the time of validation of Machines, hiccups in the water supply system arose. Even till now, the soft water system was not stabilized as per required norms and the Unit is trying with different water systems to arrive at required specifications. Unit has stated that this is very critical aspect for passing of products and facility by USFDA.

Only in July, 2018, the water treatment system got stabilized giving desired results after a continuous struggle of more than six months. Now they planned to start trial batches after equipment and machineries qualification getting ready to charge samples for stability after its testing. It is mandatory to provide stability data for period of six months with requisite no. of batches of the product and prepare for ANDA filing with USFDA. After the approval by USFDA in the first quarter of 2019, Unit is expecting to go for commercial batches in the second/third quarter of 2019-20.

**Recommendation by DC:**

DC, VSEZ has recommended the request of extension of LoA for a period of one year upto 18.11.2019.

The request is placed before BOA for its consideration.

**85.2(v) Request of M/s. Moser Baer Solar Ltd. (Unit-II), a unit in Non-Conventional Energy sector specific SEZ of M/s. Moser Baer India Ltd. at 66B, Udyog Vihar, Greater Noida (U.P.) for extension of first block of five years from 09/09/2011 for a further period of two years i.e. upto 08/09/2020 for monitoring of NFE Under Rule 72 of SEZ Rules, 2006.**

| | | |
|---|---|---|
| LOP issued on (Date) | : | 24.06.2010 |
| Nature of business of the Unit | : | Manufacturing of 'Crystalline silicon based high efficiency solar cells & solar modules and parts thereof |
| No. of Extensions | : | Unit commenced production on 09/09/2011 and & LOA has been extended by the Approval Committee upto 08/09/2021. |
| LOA valid upto (Date) | : | 08/09/2021 |

Board of Approval in its meeting held on 18.09.2017 had approved the request of the unit for extension of 1st Block of five years effective from 09.09.2011 for two year beyond 08.09.2016 i.e. up to 08.09.2018. The unit has submitted proposal for grant of extension of 1st Block period for monitoring of NFE for two more year i.e. upto 08.09.2020, under Rule 72 of the SEZ Rules, 2006.

**Year-wise performance of unit as per APRs**:

(Rs. In lakhs)

| Year | FOB Value of Export | Net foreign exchange earnings | DTA Sale | Pending Foreign Exchange |
|---|---|---|---|---|
| 2011-12 | 8956.75 | (-)6315.77 | 1496.27 | 0.00 |
| 2012-13 | 13932.06 | 1149.54 | 2117.09 | 0.00 |
| 2013-14 | 9500.12 | (-)1359.77 | 1792.00 | 0.00 |
| 2014-15 | 8451.43 | (-)2559.52 | 638.45 | 0.00 |
| 2015-16 | 5415.58 | (-)533.52 | 9.46 | 812.86 |
| 2016-17 | 6575.76 | 1645.72 | 1.12 | 0.00 |
| **Total:** | **52831.70** | **(-)7973.32** | **6054.39** | |

Unit has earned negative NFE of Rs.(-)7973.32 lakhs upto 31.03.2017.

The unit has stated that now they hope to turn around because of following two developments:-

a) **Proceedings under Insolvency and Bankruptcy Code (IBC):** Unit has mentioned that they have got admitted into National Company Law Tribunal under Section 7 of Insolvency & Bankruptcy Code, 2016 on 14.11.2017. Unit has enclosed copy of Order dated 14.11.2017 passed by Hon'ble NCLT. The unit has stated that even while they are going through the IBC Proceedings, they have been able to get reasonable business – despite adverse conditions in the Solar industry because of continued onslaught with dumping by the Chinese and keep their factory running.

Further the unit has informed that Hon'ble NCLT has granted time till 03.10.2018 for completing the Resolution process. Post Resolution, with cash infusion in the business, the operations will surely bounce back.

b) **Safeguard duty:** Unit has informed that on 30.07.2018, Government of India has issued Notification No. 1/2018-Customs dated 30.07.2018 announcing a modest 25% Safeguard duty in the first year. However, immediately after the issuance of this notification, the developers have approached the Courts resulting that this notification has been stayed by the Hon'ble High Court of Orissa. Absence of any tariff barrier continues to plague the entire solar industry in India. The unit has stated that they are very positive to its turned round to post positive NFE soon by 2019 fiscal.

The matter was placed before the Approval Committee in its meeting held on 07.09.2018. The Approval Committee observed that Rule 72(1) of SEZ Rules, 2006 *prescribes as under:-*

*"A unit which has been declared sick by the appropriate authority shall submit a revival package through Development Commissioner to Board for consideration and the Board shall consider the extension in the period for fulfilment of Positive Net Foreign Exchange for a further period up to a maximum of five years at the prevalent norms".*

The unit submitted that National Company Law Tribunal have admitted the company under Section 7 of Insolvency & Bankruptcy Code, 2016 on 14.11.2017. The unit has stated that even while they are going through the IBC Proceedings, they have been able to get reasonable business – despite adverse conditions in the Solar industry because of continued onslaught with dumping by the Chinese and keep their factory running. Further the unit has informed that Hon'ble NCLT has granted time till 03.10.2018 for completing the Resolution process. Post Resolution, with cash infusion in the business, the operations will surely bounce back.

Keeping in view the conditions of this sector, BoA had granted two years extension in the block period i.e. upto 08.09.2018 in its meeting held on 18.09.2017 for monitoring of NFE. The unit explained that they have got admitted into NCLT under Section 7 of Insolvency and Bankruptcy Code (IBC), 2016. Keeping in view the circumstances of the unit, problem faced by the unit and admission of the unit into IBC, Approval Committee decided to recommend the request of the unit for further extension of the last block year by two more year i.e. upto 08.09.2020 for monitoring of NFE, to BoA for their consideration in terms of Rule 72 of SEZ Rules, 2006.

**Recommendation by DC / Approval Committee:**

In view of the circumstances of the unit, the proposal for further extension of 1st Block year by two more year i.e. upto 08.09.2020 for monitoring of NFE is forwarded for consideration of BoA. DC, NSEZ in the light of foregoing facts and circumstances recommends this proposal.

The request is placed before BOA for its consideration.

**85.2(vi) Request of M/s. Tech Mahindra Ltd. in MIDC SEZ at Plot No. 4, Rajiv Gandhi Infotech Park, MIDC SEZ, Hinjewadi, Phase III, Pune, Maharashtra for extension of Letter of Permission (LOP) beyond 21.10.2018 upto 20.10.2019**

- LoP issued on: 21.10.2014
- Nature of business of the Unit: IT/ITES
- No of Extensions: 3 extensions
- LOP valid upto: 21.10.2018
- Request: For further extension for one year, upto 20.10.2019

**(a) Investment details:**

| S. No. | Investment | Amount invested |
|---|---|---|
| 1. | Towards land allotment from MIDC | Rs. 10.37 crores |
| 2. | Towards preconstruction activities, design consultants of Architects and consultants | Rs. 0.60 crores |

**Investments after the last extension:-**

| S. No. | Investment | Amount invested |
|---|---|---|
| 1. | Towards civil shell and core construction works | Rs. 13.88 crores |

Hence the unit has invested Rs. 24.85 crores till date out of the total planned investment of Rs. 80.35 crores.

The unit has submitted the Chartered Engineer Certificate for the physical progress of the construction at the site. The details of the Chartered Engineer Certificate are as follows:-

(i) The construction work of the main IT block has progressed to 3rd floor level
(ii) Foundation level work in progress for utility block
(iii)The unit has completed 20% of the overall work in the last three months.

**Specified Officer Report:-**

The specified officer also submitted a report on the progress of construction after the physical inspect ion of the site. The Specified Officer has declared that on visiting the site it was found that the slab laying for ground plus two floors is complete and slab laying for the third floor was in progress. The Specified Officer has also submitted the copies of the pictures taken at the time of the inspection of the site.

**Recommendation by DC:**

DC, SEEPZ SEZ has recommended the proposal.

The request is placed before BoA for its consideration.

**85.2(vii) Request of M/s. Steam Equipment Pvt. Ltd. in MIDC SEZ at Satara Maharashtra for extension of Letter of Permission (LOP) beyond 15.05.2018 upto 14.05.2019**

- LoP issued on: 15.05.2015
- Nature of business of the Unit: For manufacturing of steam and water analysis system, CEMS, AAQMS, Gas sampling System, Chillars, Sample Coolers, Presure Reducing & Desuper Heating Station (PRDS)
- No of Extensions: 2 extensions
- LOP valid upto: 15.05.2018
- Request: For further extension for one year, upto 14.05.2019

(a) **Investment done till last extension:**

| S. No. | Particulars | Investment made (in rupees) |
|---|---|---|
| 1. | Land | 1,07,10,000.00 |
| 2. | Ground Leveling | 3,12,900.00 |
| 3. | SEZ online registration | 28,625.00 |
| 4. | SEZ Annual online maintenance fee & Top up amount | 17,175.00 |
| 5. | SEZ Administrative & Service Charges | 5,15,000.00 |
| 6. | Professional consulting fees for various services | 2,00,000.00 |
| 7. | Scrutiny charges for plan approval | 23,753.00 |
| 8. | Building development charges | 4,08,653.00 |
| 9. | Water charges for MIDC | 49,667.00 |
| 10. | MPCB consent charges | 15,000.00 |
| 11. | NSDL online charges | 11,500.00 |
| | **Total** | **1,22,93,273.00** |

**Investments made since last extension:-**

| S. No. | Particulars | Investment made (in Rupees) |
|---|---|---|
| 1. | Expenses related to construction of boundary | 6,38,142.00 |
| 2. | Expenses incurred in construction of water storage, foundation of factory shed, pillars etc | 23,05,150.00 |
| 3. | NSDL online charges | 10,000.00 |
| 4. | Fees to civil engineer | 1,00,000.00 |
| | **Total** | **30,53,292.00** |

The total cost of the project is Rs. 489.52 lacs. Out of which the unit has already incsted Rs. 153.46 lacs from their own funds. Further the unit has received loan sanction of Rs. 250 lacs, and the same was disbursed by the bank in August 2018. The balance amount of Rs. 86.06 lacs will be borne by the unit from its own funds.

**Reason for delay:**

(a) Delay in getting approvals from MIDC
**(b) Change of Contractor** – The unit has changed their contractor as the price from earlier contractor was loaded with excess margin and also they were at that time under financial crunch due to which they were unable to switch contractor immediately
(c) **Change of Banker** – The unit has change their banker from Bank of India to Yes Bank due to some loan disbursement matter with bank of India.

**Recommendation by DC:**

DC, SEEPZ SEZ has recommended the proposal.

The request is placed before BoA for its consideration.

**Item no. 85.3: Proposals for renewal of LoP for plastic units (6 proposals).**

**85.3(i) Request of M/s. Kkalpana Industries (India) Ltd. for renewal of its LOA dated 26.03.1997.**

M/s. Kkalpana Industries (India) Ltd., a plastic re-cycling unit in Falta SEZ holding LOA dated 26.03.1997 for manufacture and export of Plastic/PVC Granules/garbage bags/films, polymer compounds etc. , has requested vide their letter dated 17.07.18 for renewal of LOA, which will be expiring on 30.11.2018, for a further period of 5 years. The unit had commenced production on 01.12.2000.

The matter was placed in the Unit Approval Committee held on 27.09.2018. After deliberations, the Committee advised the unit to submit the updated data on export performance, investment, employment for the last 5 years and projected export performance, investment and employment for the next 5 years, utilization of production capacity etc.

As per direction of Unit Approval Committee held on 27.09.2018, the factual information as submitted by the unit are furnished as follows :

(a) The export performance of the unit as per as per Plastic Policy dated 17.09.2013 is as follows:

(Rs. In crores)

| Year | Total Annual Turnover | Physical Export | DTA Sale u/r 53A(n)(b)(EEFC) | Total | Percentage |
|---|---|---|---|---|---|
| 01.02.2013 to 31.03.2014 | 63.58 | 0 | 63.46 | 63.46 | 100% |
| 2014-15 | 62.94 | 0 | 62.83 | 62.83 | 100% |
| 2015-16 | 25.70 | 0 | 25.65 | 25.65 | 100% |
| 2016-17 | 74.15 | 0 | 74.03 | 74.03 | 100% |
| 2017-18 | 64.25 | 1.70 | 62.47 | 64.17 | 97% |

As per revised plastic Policy dated 13.02.2018, the export performance of the unit is as follows :

(Rs. In lakhs)

| Period | Total Turnover | Physical Export | DTA Sale u/r 53A(n)(b)(EEFC) | Total | Total % of export |
|---|---|---|---|---|---|
| 13.02.2018 to 31.07.2018 | 2216.44 | 181.42 | 2032.49 | 2213.91 | 8.18% |

(b) The unit has confirmed that they have imported virgin plastic waste/scraps as per approved capacity of LOA. The total production vis-à-vis capacity utilization is as follows:

| Financial Year | Annual Production(MT) | Annual Capacity (MT) | Utilisation in % terms |
|---|---|---|---|
| 2013-14 | 8942 | 16000 | 55.88 |
| 2014-15 | 12250 | | 76.56 |
| 2015-16 | 13103 | | 81.89 |
| 2016-17 | 15644 | | 97.77 |
| 2017-18 | 15169 | | 94.80 |

(c)The unit has declared vide letter dated 30.08.2018 that they are importing virgin plastic scrap which can be recycled in to viable commercial products and that same are free from any kind of toxic/non-toxic contamination, for which they have furnished Test Report issued by CIPET.

(d)The unit has submitted a sample certificate from the factory which was accompanied with each consignment of plastic waste/scrap imported by them.

(e) The unit has submitted copy of Consent to Operate issued by West Bengal Pollution Control Board for the period from 01.04.2014 to 31.03.2018 and copy of online renewal application for Consent to operate for the next five years.

(f) The unit has confirmed vide letter dated 30.08.2018 that they are not importing any solid Plastic waste falling under Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008.

(g) The unit has no rental dues on account of Lease Rent to FSEZ Authority as on date.

(h) Investment made and employment generated by the unit during the last 5 years are as follows:

| | | Investment | Employment | | |
|---|---|---|---|---|---|
| Sl.No. | Financial Year | Amount (Rupees in lakhs) | Male | Female | Total |
| 1 | 2013-14 | 38.49 | 81 | 201 | 282 |
| 2 | 2014-15 | 49.64 | 83 | 218 | 301 |
| 3 | 2015-16 | 75.51 | 82 | 327 | 409 |
| 4 | 2016-17 | 13.06 | 98 | 321 | 419 |
| 5 | 2017-18 | 342.49 | 93 | 326 | 419 |

(i)Project physical Export for the next 5 years is Rs.194.25 crores

(j) Projected investment for the next 5 years is Rs.1902.85 crores.

(k) Projected employment generation for the next 5 years is 1000.

**Recommendation by DC:**

DC FSEZ has recommended that in terms of Rule 18(4)(a) of the SEZ Rules, the proposal for extension of the LOP of M/s. Kkalpana Industries (India) Ltd. be placed before the BOA for consideration.

The request is placed before BOA for its consideration.

**85.3(ii) Request of M/s. Precision Polyplast Private Limited for renewal of its LOP dated 18.12.1997**

M/s. Precision Polyplast Private Limited, a plastic re-cycling unit in Falta SEZ holding LOP dated 18/12/1997 for manufacture and export of Plastic Flour/Reprocessed Plastic Lay Flat Tubes/Reprocessed Floor Sweeping has requested vide letter dated 19.07.2018 & 19.09.2018 for renewal of LOA, which will be expiring on 30.11.2018, for a further period of 5 years. The unit had commenced production on 02.06.1998.

The matter was placed before the Unit Approval Committee Meeting held on 27.09.2018. After deliberation, the committee advised the unit to submit the updated data on export performance, investment, employment for the last 5 years and projected export performance, investment and employment for the next 5 years.

The factual information as submitted by the unit are furnished as follows :

(A) The export performance of the unit as per Plastic Policy dated 17.09.2013 is as follows :

(Rs. In Crore)

| Year | Total Annual Turnover | Physical Export | DTA Sale u/r 53A(n) | Total | Percentage |
|---|---|---|---|---|---|
| 1-12-2013 to 31-3-2014 | 31.14 | Nil | 31.14 | 31.14 | 100% |
| 2014-15 | 114.37 | 0.10 | 89.83 | 89.93 | 78.63% |
| 2015-16 | 116.36 | NIL | 89.23 | 89.23 | 76.68% |
| 2016-17 | 99.75 | NIL | 85.04 | 85.04 | 85.25% |
| 2017-18 | 88.84 | 0.37 | 0.17 | 0.54 | 0.60% |

That as per revised Plastic Policy dated 13.02.2018, the export performance of the unit is as follows:

(Rs. In Crore)

| Period | Annual Turnover | Physical Export | DTA SALE in EEFC) | Total | Total % of Export |
|---|---|---|---|---|---|
| 13/2/2018 to 24/09/2018 | 56.92 | 5.76 | 51.16 | 56.92 | 100% |

(B) The unit has also confirmed that they have imported virgin plastic waste/scrap as per approved capacity of LOP. The total production vis-à-vis capacity utilization is as follows :

| Financial Year | Annual production in M/T | Annual Capacity in M/T | Utilisation in % terms |
|---|---|---|---|
| 1.12.13 to 31.3.2014 | 4639.596 | 36000 M/T per Annum | 12.88% |
| 2014-15 | 28129.998 | | 78.13% |
| 2015-16 | 23430.840 | | 65.08% |
| 2016-17 | 22473.837 | | 62.42% |
| 2017-18 | 23562.530 | | 65.45% |

(C) The unit has declared vide letter dated 26/9/2018, that they are importing virgin plastic scrap which can be recycled into viable commercial products and that same were free from any kind of toxic/non toxic contamination, for which they have furnished Test report issued by CIPET.

(D) The unit has submitted a sample certificate from factory which was accompanied with each consignment of Plastic Waste/Scrap imported by them.

(E) The unit has submitted copy of NO OBJECTIOPN CERTIFICATE NO.147146 vide Memo No.83/30/WBPCB/R(123)/99 dated 19.06.2017 i.e. Consent to Operate issued by the West Bengal Pollution Control Board in terms of provision of Water(Prevention Control of Pollution) Act, 1974 & submitted copy of number of Fire Licenses in respect of various space occupied by them which is valid upto 20/6/2018 to 19/6/2019, 27/05/2018 to 26/05/2019, 27/05/2018 to 26/05/2019 & 29/06/2018 to 28/6/2019.

(F) The unit has confirmed vide letter dated 19/9/2018 that they are not importing any Soild Plastic Waste falling under Hazardous Waste (Management, Handling and Trans-boundary Movement) Rules, 2008.

(G) The unit has no rental dues on account of Lease Rent to the FSEZ Authority as on date.

(H) Investment made and employment generated by the unit during the last 5 years are as follows :

[Rs.in Lakhs ]

| | | Investment | | | Employment | | |
|---|---|---|---|---|---|---|---|
| Sl. No. | Financial Year | Building | Plant & Machinery | Cumulative | Male | Female | Total |
| 1. | w.e.f.1/12/2013 to 31/03/2014 | 176.82 | 368.19 | 545.01 | 104 | 117 | 221 |
| 2. | 2014-15 | 5.46 | 112.30 | 662.75 | 186 | 354 | 540 |
| 3. | 2015-16 | 0.93 | 75.96 | 739.64 | 213 | 414 | 627 |
| 4. | 2016-17 | 0.00 | 0.00 | 739.64 | 207 | 432 | 639 |
| 5. | 2017-18 | 0.00 | 70.74 | 810.38 | 188 | 465 | 653 |
| 6. | 2018-19 [As on 30th Sept,.2018 | 0.00 | 0.00 | 810.38 | 193 | 465 | 658 |

(I) Projected physical export for the next 5 years is Rs.44364.00 lakhs

(J) Projected investment is Rs.627.17 lakhs in Plant & Machinery for the next 5 years.

(K) Projected employment generation for the next 5 years is more than 700 per annum including contractual.

**Recommendation by DC:**

DC FSEZ has in terms of Rule 18(4)(a) of the SEZ Rules, 2006, recommended that the proposal for extension of the LOP of M/s. Precision Polyplast Private Limited be placed before BOA for consideration.

The request is placed before BOA for its consideration.

**85.3(iii) Request of M/s. Sukhi India Private Limited for renewal of its LOP dated 18.10.1996**

M/s. Sukhi India Pvt. Ltd., a plastic re-cycling unit in Falta SEZ holding LOP dated 18.10.1996 for manufacture and export of Plastic Granules/Lay Flat tubing & Reprocessed Plastic Agglomerates Agglomerates, has requested vide letter dated 30.05.2018, & 13.09.2018 for renewal of LOA, which will be expiring on 30.11.2018, for a further period of 5 years. The unit had commenced production on 13.07.1999.

The matter was placed before the Unit Approval Committee Meeting held on 27.09.2018. After deliberation, the committee advised the unit to submit the updated data on export performance, investment, employment for the last 5 years and projected export performance, investment and employment for the next 5 years.

The factual information as submitted by the unit are furnished as follows :

(A) The export performance of the unit as per Plastic Policy dated 17.09.2013 is as follows :

(Rs. In Crore)

| Year | Total Annual Turnover | Physical Export | DTA Sale u/r 53A(n) | Total | Percentage |
|---|---|---|---|---|---|
| 1.12.2013 to 31-3-2014 | 4.04 | Nil | 3.98 | 3.98 | 98.51% |
| 2014-15 | 28.25 | 4.29 | 23.57 | 27.86 | 98.61% |
| 2015-16 | 24.47 | 2.73 | 20.61 | 23.34 | 95.38% |
| 2016-17 | 15.58 | 3.75 | 10.33 | 14.08 | 90.37% |
| 2017-18 | 17.95 | 3.75 | 13.64 | 17.39 | 96.88% |

That as per revised Plastic Policy dated 13.02.2018, the export performance of the unit is as follows:

(Rs. In Crore)

| Period | Annual Turnover | Physical Export | DTA SALE in EEFC) | Total | Total % of Export |
|---|---|---|---|---|---|
| 13/2/2018 to 31/07/2018 | 9.14 | 3.35 | 3.28 | 6.63 | 36.59% |

(B) The unit has also confirmed that they have imported virgin plastic waste/scrap as per approved capacity of LOP. The total production vis-à-vis capacity utilization is as follows :

| Financial Year | Annual production in M/T | Annual Capacity in M/T | Utilisation in % terms |
|---|---|---|---|
| 1.12.13 to 31.3.2014 | 824.98 | 6000 M/T per Annum | 13.74% |
| 2014-15 | 5346.83 | | 89.11% |
| 2015-16 | 4684.11 | | 78.06% |
| 2016-17 | 3989.95 | | 66.49% |
| 2017-18 | 3825.20 | | 63.75% |
| 1.4.2018 to 31.08.2018 | 1936.996 | | 32.28% |

(C) The unit has declared vide letter dated 30/8/2018, that they are importing virgin plastic scrap which can be recycled into viable commercial products and that same were free from any kind of toxic/non toxic contamination, for which they have furnished Test report issued by CIPET.

(D) The unit has submitted a sample certificate from factory which was accompanied with each consignment of Plastic Waste/Scrap imported by them.

(E) The unit has submitted copy of Consent to Operate issued by the West Bengal Pollution Control Board in terms of provision of Water(Prevention Control of Pollution) Act, 1974 for the period upto 24.02.2022.

(F) The unit has confirmed vide letter dated 30/8/2018 that they are not importing any Soild Plastic Waste falling under Hazardous Waste (Measurement Handling and Trans-boundary Movement) rules, 2008.

(G) The unit has no rental dues on account of Lease Rent to the FSEZ Authority as on date.

(H) Investment made and employment generated by the unit during the last 5 years are as follows :

[Rs.in Lakhs ]

| | | **Investment** | | | **Employment** | | |
|---|---|---|---|---|---|---|---|
| Sl. No. | Financial Year | Building | Plant & Machinery | Cumulative | Male | Female | Total |
| | Closing balance as on 1.12.2013 | 48.51 | -- | 48.51 | | | |
| 1. | 2013-14 | Nil | 104.82 | 153.33 | 100 | 200 | 300 |
| 2. | 2014-15 | 1.59 | 0.08 | 155.00 | 100 | 200 | 300 |
| 3. | 2015-16 | Nil | Nil | 155.00 | 100 | 200 | 300 |
| 4. | 2016-17 | 0.38 | 3.50 | 158.88 | 100 | 200 | 300 |
| 5. | 2017-18 | 1.21 | Nil | 160.09 | 100 | 200 | 300 |
| 6. | 2018-19 [As on 30th Sept,.2018 | -- | 9.48 | 169.57 | 100 | 200 | 300 |

(H) Projected physical export for the next 5 years is Rs.4872.65 lakhs.

(I) Export in hand Rs.800.00 lakhs

(J) Projected investment is Rs.200.00 lakh in Plant & Machinery and Building Rs.20.00 lakhs for the next 5 years.

(K) Projected employment generation for the next 5 years is 1000 per annum including contractual.

**Recommendation by DC:**

DC FSEZ has recommended that in terms of Rule 18(4)(a) of the SEZ Rules, 2006, the proposal for extension of the LOP of M/s. Sukhi India Private Limited may be placed before the BOA for consideration.

The request is placed before BOA for its consideration.

**85.3(iv) Request of M/s. Amarnath Enviroplast Limited for renewal of LOA beyond 30.11.2018**

M/s. Amarnath Enviroplast Ltd.,, a plastic re-cycling unit in Falta Special Economic Zone, Falta, West Bengal for manufacture and export of 'LDPE/HDPE/PP Granules/Plastic Sheets/Films and strips, Plastic Lay Flat Tube'. The Unit has requested for Extension of its LOA for further period of 05 years which will be expiring on 30.11.2018.

In this connection, it is brought to notice that on the basis of 'Plastic Policy' dated 17.09.2013, the LOP of the unit was revalidated in the BoA w.e.f. 01.12.2013 for a period of 05 years vide this office's letter dated 13.12.2013 .

The matter was placed in the Unit Approval Committee held on 27.09.2018. After deliberations, the Committee advised the unit to submit the updated data on export performance, investment, employment for the last 5 years and projected export performance, investment and employment for the next 5 years, utilization of production capacity etc. As per direction of Unit Approval Committee held on 27.09.2018, the factual information as submitted by the unit are furnished as follows :

| | |
|---|---|
| No. and Date of grant of original LOP | No.FEPZ/LIC/P-7/1996/3758 dated 07.03.1996 |
| Date of Commencement of Production | 24/04/1997 |
| Items of manufacture/export | Plastic Granules/Film/Bags/Agglo/Fibre Board/Lay Flat Tube |
| Annual Capacity | 7500 MT |
| Date of last extension of LOP | w.e.f. 01.12.2013 for a period of 5 years |
| Date of Validity of LOP | Upto 30.11.2018 |

| | | | | | |
|---|---|---|---|---|---|
| Investment in Zone (In crore) | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
| | 6.51 | 0 | 0.01 | 0 | 0.18 |
| Employment by the unit in Zone. | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
| | 250 | 250 | 250 | 250 | 250 |

In this regard, attention is invited to clause (ix) and clause (x) of the Plastic Policy and DoC's letter No. C6/10/2009-SEZ dated 17.09.2013 regarding minimum physical export obligation of plastic re-cycling units.

The details of the export & DTA sale made by the unit for the last 05 years i.e. FY 2013-14 to 2017-18 as per the Annual Performance Report submitted by the unit are as follows :-

(Rs. in Crore)

| Period | Total Annual Turn-over | Physical Export | Sales against EEFC A/c u/s 53A(n) | Total FOB value of export | NFE |
|---|---|---|---|---|---|
| 01.12.13 to 31.3.14 | 6.92 | 00 | 6.92 | 0.89 | (-)5.97 |
| 2014-15 | 18.00 | 00 | 18.00 | 00 | 1.73 |
| 2015-16 | 18.04 | 00 | 18.04 | 00 | 2.79 |
| 2016-17 | 14.40 | 00 | 14.40 | 00 | 1.29 |
| 2017-18 | 19.01 | 1.36 | 19.01 | 1.36 | 2.57 |

The unit has no rental dues on account of Lease Rent to FSEZ Authority.

The unit has also submitted the details of Annual Capacity of Utilization as follows :-

| Period | Qty (MTS) |
|---|---|
| 13.12.2013 to 31.03.2015 | 5021.701 |
| 01.04.15 to 31.03.2016 | 3483.76 |
| 01.04.16 to 31.03.2017 | 2901.88 |
| 01.04.17 to 31.03.2018 | 4430.75 |

The unit has also submitted copy of 'Consent to Establish'(NOC) and 'Consent to Operate' obtained from 'West Bengal Pollution Control Board, Kolkata'. They have also submitted a copy of requisite permission of Grant of Registration under the provision of the Plastic Waste Management, 2016 issued by West Bengal Pollution Control Board.

**ESTIMATED PROJECTION FOR 5 YEARS**

| | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---|---|---|---|---|
| FOB Exports (Rs.in crores) | 19.50 | 20.05 | 21.50 | 22.60 | 23.70 |
| Investment (Cumulative Rs.in crores) | 6.70 | 7.05 | 7.35 | 7.76 | 8.15 |
| Employment (Nos.) | 262 | 275 | 290 | 300 | 320 |

**Recommendation by DC:**

DC NSEZ has recommended that in terms of Rule 18(4)(a) of the SEZ Rules, the proposal for extension of the LOP of M/s. Amarnath Enviroplast Ltd. Ltd. be placed before the BOA for consideration.

The request is placed before BOA for its consideration.

**85.3(v) Request of M/s. Nara Exim Pvt. Ltd. for renewal of its LOA dated 18.12.1996**

M/s. Nara Exim Pvt. Ltd., a unit in Falta SEZ holding LOP dated 18.12.1996 for manufacture and export of Plastic Granules / Agglomerates/Lay Flat Tube has requested vide letter dated 30.05.2018 for renewal of LOA, which will be expiring on 30.11.2018, for a further period of 5 years. The unit had commenced production on 12.02.1999.

The matter was placed in the Unit Approval Committee held on 27.09.2018. After deliberations, the Committee advised the unit to submit the updated data on export performance, investment, employment for the last 5 years and projected export performance, investment and employment for the next 5 years, utilization of production capacity etc.

The factual information as submitted by the unit are furnished as follows :

(a) The export performance of the unit as per as per Plastic Policy dated 17.09.2013 is as follows :

(Rs. In crores)

| Year | Total Annual Turnover | Physical Export | DTA Sale u/r 53A(n)(b)-EEFC A/C | Total | Percentage |
|---|---|---|---|---|---|
| 01.12.2013 to 31.03.2014 | 8.44 | 2.12 | 16.49 | 18.61 | 100% |

| | | | | | |
|---|---|---|---|---|---|
| 2014-15 | 28.47 | 2.91 | 24.47 | 27.38 | 96.17% |
| 2015-16 | 23.67 | 0.28 | 23.33 | 23.60 | 99.70% |
| 2016-17 | 14.71 | | 12.66 | 12.66 | 86.06% |
| 2017-18 | 17.98 | | 17.38 | 17.38 | 96.66% |

That as per revised plastic Policy dated 13.02.2018 , the export performance of the unit is as follows :

(Rs. In lakhs)

| Period | Physical Export | DTA Sale (in EEFC A/C) | Total | Total % of export |
|---|---|---|---|---|
| 13.02.2018 to 31.07.2018 | 268.07 | 547.64 | 815.71 | 28.74% |

(b) The unit has confirmed that they have imported virgin plastic waste/scraps as per approved capacity of LOA. The total production vis-à-vis capacity utilization is as follows:

| Financial Year | Annual Production(MT) | Annual Capacity (MT) | Utilisation in % terms |
|---|---|---|---|
| 2013-14 | 5304.02 | 9000 | 58.93 |
| 2014-15 | 4926.891 | | 54.74 |
| 2015-16 | 3804.699 | | 42.27 |
| 2016-17 | 3562.31 | | 39.58 |
| 2017-18 | 3591.805 | | 39.90 |

(c) The unit has declared vide letter dated 30.08.2018 that they are importing virgin plastic scrap which can be recycled in to viable commercial products and that same are free from any kind of toxic/non-toxic contamination, for which they have furnished Test Report issued by CIPET.

(d) The unit has submitted a sample certificate from the factory which was accompanied with each consignment of plastic waste/scrap imported by them.

(e) The unit has submitted copy of Consent to Operate issued by West Bengal Pollution Control Board for the period from 01.04.2014 to 31.03.2018 and copy of online renewal application for Consent to operate for the next five years.

(f) The unit has confirmed vide letter dated 30.08.2018 that they are not importing any solid Plastic waste falling under Hazardous waste (Mesurement Handling and Trans-boundary Movement) Rules, 2008.

(g) The unit has no rental dues on account of Lease Rent to FSEZ Authority as on date.

(h) Investment made and employment generated by the unit during the last 5 years are as follows:

| | | Investment | Employment | | |
|---|---|---|---|---|---|
| Sl.No. | Financial Year | Amount (Rupees in lakhs) | Male | Female | Total |
| 1 | 2013-14 | 54.67 | 100 | 200 | 300 |
| 2 | 2014-15 | 60.61 | 100 | 200 | 300 |
| 3 | 2015-16 | 60.61 | 100 | 200 | 300 |
| 4 | 2016-17 | 67.67 | 100 | 200 | 300 |
| 5 | 2017-18 | 67.67 | 150 | 200 | 350 |

(i) Project physical Export for the next 5 years is Rs.18498.37 lakhs.
(j) Projected investment for the next 5 years is Rs.175 lakhs.
(k) Projected employment generation for the next 5 years is 1000 (approx.).

**Recommendation by DC:**

DC NSEZ has recommended that in terms of Rule 18(4)(a) of the SEZ Rules, the proposal for extension of the LOP of M/s. Nara Exim Pvt. Ltd. be placed before the BOA for consideration.

The request is placed before BOA for its consideration.

**85.3(vi) Request of M/s. Alps Overseas Pvt. Ltd. for renewal of LOA beyond 30.11.2018.**

M/s. Alps Overseas Pvt. Limited, a plastic re-cycling unit in Falta Special Economic Zone, Falta, West Bengal for manufacture and export of 'LDPE/HDPE/PP Granules/Plastic Sheets/Films and strips, Plastic Lay Flat Tube'. Their LOP is requested for Extension of its LOA for further period of 05 years which will be expiring on 30.11.2018.

In this connection, it is brought to notice that on the basis of 'Plastic Policy' dated 17.09.2013, the LOP of the unit was revalidated in the BoA w.e.f. 01.12.2013 for a period of 05 years vide this office's letter dated 13.12.2013. However, the LOP was cancelled vide this office Order dated 07.04.2016 in terms of Section 16 of SEZ Act 2005 as well as SEZ Authority Rules 8(XII) for occupying the Govt. Premises, being a huge defaulter of rent. The unit appealed to the BOA against the said Order dated 07.04.2016. In their 83rd Meeting held on 19.06.2018, the BOA decided to uphold their appeal.

The factual information of the unit is as furnished below :-

| | |
|---|---|
| No. and Date of grant of original LOP | No.FEPZ/LIC/A-24/1997/1001 dated 09.05.1997 |
| Date of Commencement of Production | 16/12/1998 |
| Items of manufacture/export | LDPE/HDPE/PP Granules/Plastic Sheets/Films |

| | |
|---|---|
| | and strips, Plastic Lay Flat Tube |
| Annual Capacity | 8600 MT |
| Date of last extension of LOP | w.e.f. 01.12.2013 for a period of 5 years |
| Date of Validity of LOP | Upto 30.11.2018 |
| Investment as per APR (In crore) | 2013-14: 1.70; 2014-15: 1.70; 2015-16: 1.70; 2016-17: 1.70; 2017-18: 1.70 |
| Employment as stated by the unit in the APRs. | 2013-14: M-8 F-0; 2014-15: M-8 F-0; 2015-16: M-8 F-0; 2016-17: M-8 F-0; 2017-18: M-8 F-0 |

In this regard, attention is invited to clause (ix) and clause (x) of the Plastic Policy and DoC's letter No. C6/10/2009-SEZ dated 17.09.2013 regarding minimum physical export obligation due to cancellation of LOA..

The details of the export & DTA sale made by the unit for the last 05 years i.e. FY 2013-14 to 2017-18 as per the Annual Performance Report submitted by the unit and report submitted by the Firm are as follows :-

(Rs. In crores)

| Period | Total Annual Turn-over | Physical Export | Sales against EEFC A/c u/s 53A(n) | DTA Sale in Non-EEFC A/c | Total FOB value of export | NFE | % of export |
|---|---|---|---|---|---|---|---|
| 01.12.13 to 31.3.14 | 00 | 00 | 00 | -- | 00 | (-)0.03 | 0% |
| 2014-15 | 00 | 00 | 00 | --- | 00 | 00 | 0% |
| 2015-16 | 00 | 00 | 00 | 00 | 00 | 00 | 0% |
| 2016-17 | 00 | 00 | 00 | 00 | 00 | 00 | 0% |
| 2017-18 | 00 | 00 | 00 | 00 | 00 | 00 | 0% |

The unit has no rental dues on account of Lease Rent to FSEZ Authority.

The unit has further clarified the following vide its letter dated 24/09/2018 :

**(a) Details of Raw Materials/import items etc :**

The unit has informed that the main import item is virgin polymer waste and scrap. The LOP was not renewed in different spells and was actually in operative during May 2009 to 2013 and was finally renewed on 2nd July, 2018 and hence the imports were irregular after the initial period. On peak utilization of capacity, the average import of virgin polymer scrap is 800 MT per month.

**(b) Pollution control certificate** : NOC from State Pollution Control Board & certificate of 'Consent to Operate' initially issued in favor of the unit. As the unit was non operational, the same was not renewed. However, the unit has applied for clearance from the State Pollution Control Board as per the current norms.

(c) Regarding permission from M/o Environment & Forests, the unit has clarified that the same is not applicable as very little solid waste is generated.

**<u>(d) ESTIMATED PROJECTION FOR 5 YEARS IN USD</u>**

| | 1ST | 2ND | 3RD | 4TH | 5TH | TOTAL |
|---|---|---|---|---|---|---|
| FOB value of exports in first 5 years | 35,45,000 approx. | 35,45,000 approx. | 35,45,000 approx. | 35,45,000 approx. | 35,45,000 approx. | 1,77,25,000 approx. |
| Foreign Exchange outgo on for first five years | 32,55,000 approx. | 32,55,000 approx, | 32,55,000 approx. | 32,55,000 approx. | 32,55,000 approx. | 1,62,75,000 approx. |
| Net Foreign Exchange Earning for first five years | 2,91,000 approx. | 2,91,000 approx. | 2,91,000 approx. | 2,91,000 approx. | 2,91,000 approx. | 14,55,000 approx. |

(e) **FRESH FIXED CAPITAL INVESTMENT** : Civil Construction, Electric Installations, Plant & Machinery : 10 CRORES APPROX.

(f) WORKING CAPITAL : 15 CRORES APPROX.

(g) MANAGERIAL,ADMINISTRATIVE AND SUPERVISORY STAFF : 20 – 25 PERSONS.

(h) SKILLED LABOUR : 70 – 75 PER DAY

(i) UNSKILLED LABOUR : 550 – 600 PER DAY

**Recommendation by DC:**

DC FSEZ has in view of the facts mentioned above, recommended that the case of M/s. Alps Overseas Pvt. Ltd. for renewal of their LOP, which is expiring on 30.11.2018 may be placed before BOA for consideration.

The request is placed before BOA for its consideration.

**Item No. 85.4: Proposals for setting up of SEZs (2 proposals)**

**85.4(i) Request of M/s. Highland Valley Corporation Private Limited for setting up of a sector specific SEZ for IT/ITES at Tirunelveli, Tamil Nadu over an area of 27.425 hectares.**

| S. No | Name of the Developer | Location | Sector | Area (in ha) | Land Possession | State Govt. Recommen-dation | Status of application |
|---|---|---|---|---|---|---|---|
| (i) | M/s. Highland Valley Corporation Private Limited | Tirunelveli, Tamil Nadu | IT/ITES | 27.425 | Yes | Yes (20.08.2018) | New |

(i) Proposed Investment : Rs. 10000 Lakhs
(ii) Projected employment of the project : Direct 2000 and indirect 500 (approx)
(iii) Foreign Investment : Yes

DC MEPZ SEZ has recommended the proposal.

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

**85.4(ii) Request of M/s. Delta Electronics India Private Limited for setting up of a sector specific SEZ for Electronic Hardware and Software including IT/ITES at Plot No. 1, Industrial Park, Kurubarapalli, Krishnagiri District, Tamil Nadu over an area of 10.96 hectares.**

| S. No | Name of the Developer | Location | Sector | Area (in ha) | Land Possession | State Govt. Recommen-dation | Status of application |
|---|---|---|---|---|---|---|---|
| (i) | M/s. Delta Electronics India Private Limited | Plot No. 1, Industrial Park, Kurubarapalli, Krishnagiri District, Tamil Nadu | Electronic Hardware and Software including IT/ITES | 10.96 | Yes (10.09.2018) | Yes (10.09.2018) | New |

(i) Proposed Investment : Rs. 24,81,46,400.00
(ii) Projected employment of the project : Direct – 1609 Indirect - 689
(iii) Foreign Investment : Yes

**Rule position:** As per proviso to Rule 5(2)(b)(ii) an SEZ for Electronic Hardware & Software in category 'C' city can be setup on 10 hectares land and minimum built up area of 25,000 sqm.

**Recommendation by DC:-**

The proposal for setting up of sector specific SEZ for Electronic Hardware and Software including IT/ITES in SIPCOT Industrial Park, Kurubarapalli, Krishnagiri, Tamil Nadu is placed before BoA for consideration.

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

**Item No. 85.5. : Cancellation of Co-developer status (one proposal)**

**85.5(i) Request of M/s. Access Healthcare Services Private Limited in Coimbatore, Hitech Infrastructure private Limited SEZ (CHIL-SEZ), Coimbatore for cancellation of co-Developer status approved by BoA.**

M/s. Access Healthcare services Private Limited, had submitted an application for grant of co-Developer status in the Coimbatore Hitech Infrastructure Private Limited SEZ (CHIL-SEZ), Coimbatore for development of IT/ITES facility and Electronic Hardware and software.

The proposal of M/s. Access Healthcare Services Private Limited, was approved by the BoA in its 82nd meeting held on 04.04.2018. Since the Co-Developer Agreement was not submitted by the company. LOA was not issued.

M/s. Access Healthcare Services Private Limited has now requested for withdrawal of Co-Developer status in CHIL-SEZ. The reason stated for withdrawing the Co-Developer status was the delay in project allocation from their prospective clients due to which they are not in a position to ascertain an exact date to commence the construction activities. They have further submitted that considering the indefinite timeline on the commencement of operations, it would be deemed appropriate to have the application cancelled mutually thereby avoiding any operational blockades. They have also submitted NOC obtained from M/s. CHIL-SEZ, the Developer, vide Developer's letter dated 27.06.2018 for withdrawal/cancellation of the Co-Developer Status.

**Recommendation by DC**

DC, MEPZ has recommended the cancellation of Co-Developer status given to M/s. Access Healthcare Services Private Limited in CHIL SEZ, Coimbatore.

The request is placed before BOA for its consideration.

**Item No. 85.6: Change of Shareholding Pattern /merger/de-merger (one proposal)**

**85.6 (i) Request of M/s. Kumar Builders Township Ventures Pvt. Ltd. in the sector specific SEZ for IT/ITES at Village Hinjewadi & Mann, Taluka - Mulshi, Pune, Maharashtra for change in shareholding pattern.**

The above mentioned SEZ was notified on 12th December, 2008, over an area of 10.968 hectares.

The details of shareholding pattern of the company are given below:-

**Shareholding Pattern before change:**

| Name of shareholding (Equity shares with voting rights) | No. of shares held | Face Value of shares held | Percentage |
|---|---|---|---|
| Kumar Urban Development Pvt. Ltd. | 1,46,19,380 | 10 | 61.33 |
| Lalitkumar Kesrimal Jain | 65,00,000 | 10 | 27.27 |
| LSO Subco no 4 Company | 23,54,158 | 10 | 9.88 |
| LREF Subco no 4 | 3,63,234 | 10 | 1.52 |
| **Total** | **2,38,36,772** | | **100** |

**Shareholding Pattern after change:**

| Name of shareholding (Equity shares with voting rights) | No. of shares held | Face Value of shares held (INR) | Percentage |
|---|---|---|---|
| Atul Ashok Chordia (nominee shareholder of Classic Hotel Management (India) Pvt. Ltd. | 1 | 10 | 0.01 |
| Classic Hotel Management (India) Pvt. Ltd. | 2,38,36,771 | 10 | 99.99 |
| **Total** | **2,38,36,772** | | **100** |

Earlier, a proposal for change in Shareholding Pattern of the developer was considered in the 84th BoA meeting held on 12th September, 2018. The amended shareholding intimated by DC, SEEPZ was as under:-

| Name of shareholding (Equity shares with voting rights) | No. of shares held | Face Value of shares held (INR) | Percentage |
|---|---|---|---|
| Atul Ashok Chordia (nominee shareholder of Classic Hotel Management (India) Pvt. Ltd. | 1 | 10 | 0.01 |
| Classic Hotel Management (India) Pvt. Ltd. | 2,11,19,379 | 10 | 88.59 |

| | | | |
|---|---|---|---|
| LSO Subco no 4 Company | 23,54,158 | 10 | 9.88 |
| LREF Subco no 4 | 3,63,234 | 10 | 1.52 |
| **Total** | **2,38,36,772** | | **100** |

However, a letter dated 5.9.2018 was received from the developer indicating the changed shareholding pattern as under:-

| **Name of shareholding (Equity shares with voting rights)** | **No. of shares held** | **Face Value of shares held (INR)** | **Percentage** |
|---|---|---|---|
| Atul Ashok Chordia (nominee shareholder of Classic Hotel Management (India) Pvt. Ltd. | 1 | 10 | 0.01 |
| Classic Hotel Management (India) Pvt. Ltd. | 2,38,36,771 | 10 | 99.99 |
| Total | 2,38,36,772 | | 100 |

The present proposal certifies that the final shareholding pattern is as under:-

| **Name of shareholding (Equity shares with voting rights)** | **No. of shares held** | **Face Value of shares held (INR)** | **Percentage** |
|---|---|---|---|
| Atul Ashok Chordia (nominee shareholder of Classic Hotel Management (India) Pvt. Ltd. | 1 | 10 | 0.01 |
| Classic Hotel Management (India) Pvt. Ltd. | 2,38,36,771 | 10 | 99.99 |
| Total | 2,38,36,772 | | 100 |

**Recommendation by DC.**

DC, SEEPZ SEZ has recommended the proposal for change in shareholding pattern of the company.

The request is placed before BoA for its consideration.

**Item No. 85.7 : Miscellaneous Cases (5 proposals)**

**85.7(i) Proposal of M/s. Brandix India Apparel City Private Limited for revision in Land Extent and for amendment in the co-developer approval.**

M/s Brandix India Apparel City Pvt. Ltd. was notified as a sector specific SEZ for textile at Duppituru, Moturupalem, Maruturu and Gurujaplen Villages in Visakhapatnam District in the State of Andhra Pradesh was notified on 10th April, 2007 over an area of 404.70 hectares. DoC vide letter dated 3rd May, 2007 conveyed its approval for authorised operations including development of office space/shopping arcade/retail space/multiplex upto 40,000 sqm.; Housing, Hostel/service apartments upto 20,000 sqm. and School, Technical institution/educational institution upto 8000 sqm.

M/s Adhisthan Investments India Pvt. Ltd. was given formal approval as a co-developer for providing infrastructure facilities in the Textile Special Economic Zone at Atchutapuram Mandal, Visakhapatnam Distt., Andhra Pradesh proposed to be developed by M/s Brandix India Apparel (Private) ltd. on 20th August, 2009 in an area of 99.62 Ha. The Co-developer agreement dated 9th July, 2009.

Subsequently, M/s. Brandix India Apparel City Private Limited has proposed to induct a co-developer M/s. Adhisthan Investment India Private Limited and entered into an Authorisation Agreement for co-development on 9th July, 2009. As per the agreement the co-developer has to develop the facilities in an area of 99.62 hectares. The co-developer was approved on 20th August, 2009 for undertaking the construction and sub-leasing of residential housing together with the construction and management of recreational facilities over an area of 99.62 hectares in the SEZ.

The above land of 99.62 hectares is inclusive of the 4.86 hectares which the developer has already developed earlier.

Now, the developer intend to delineate the 4.86 hectares from the 99.62 hectares as the developer has developed the infrastructure facilities in an area of 4.86 hectares from their own funds earlier before induction of the co-developer.

As per the Authorisation Agreement entered between the developer and co-developer, the co-developer has to create infrastructure facilities in an area of 99.62 hectares, since the developer has already created infrastructure facilities in an 4.86 hectares out of 99.62 hectares for which the developer intend to delineate the same and accordingly amended and executed a revised Authorisation Agreement between the developer and co-developer by reducing the area from 99.62 hectares to 94.76 hectares.

**Recommendation by DC**

DC VSEZ has recommended the proposal.

The request is placed before BOA for its consideration.

**85.7(ii) Request of M/s. RGA Infrastructure a setting up of sector specific SEZ for IT/ITES at Chikkankannelli Vilage, Varthur Hobli, Bangalore East, for increase an area of 1.18 hectares.**

The above mentioned SEZ stands notified over an area of 1.59 hectares.

The developer has requested for addition of an area of 1.18 hectares, thereby making the total area of SEZ after addition will be increased to 2.77 hectares (more than 10% original area).

The Government of Karnataka vide order no. CI 170 SPI 2018, Bengaluru dated 04.09.2018 has given approval which is valid for a period of 2 years from the date of issue of the order.

**Recommendation by DC**

DC, CSEZ has recommended the proposal.

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

**85.7(iii) Request of M/s. Trustone Wegmans Developers Pvt. Ltd., Co-developer for increase in super built-up area from 38000 Sqmt to 42500 Sqmt. to be developed by them in the Electronics Hardware & Software including IT/ITES SEZ of M/s. Artha Infratech Pvt . Ltd. at Plot No. 21, Sector- Techzone-IV, Greater Noida.**

The above mentioned SEZ stands notified over an area of 10.006754 hectares.

M/s. Trustone Wegmans Developers Pvt. Pvt. Ltd. was granted approval on 28.09.2015 for co-developer status in the aforesaid SEZ for Constructing one tower of approximately 38000 Sqmt. super built up area over 0.4450 hectares of land in the processing area for International Financial Services Centre (IFSC) and IT/ITES including Electronic Hardware and Software. Now the co-developer has requested for increase in built-up area from 38000 sqmt. To 42500 sqmt of Tower No. 1 and modified co-developer agreement dated 28.09.2018.

**Recommendation by DC:**

DC, NSEZ has recommended the proposal.

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

**85.7(iv) Request for revoking/de-notification of SEZ status given to M/s. Ansal IT City & Parks Ltd. & Co-developer M/s. Earth Iconic Infrastructure Pvt. Ltd. at Tech Zone 06, Greater Noida.**

M/s Ansal IT City & Parks Ltd. was granted formal approval vide LoA dated 7th April, 2006. The SEZ was notified on 29.08.2006 and is in operation w.e.f. 22.04.2014. Presently, two units namely; (i) Vidya Mantra Edusystems Pvt. Ltd. & (ii) Hanu Software Pvt. Ltd. are in operation in the SEZ.

A request of M/s. Ansal IT City & Parks Ltd. for grant of extension in timeline for construction of minimum built area in the IT/ITES at Plot No. TZ-06, Sector Tech Zone, Gr. Noida, Uttar Pradesh was taken up by the 73rd BoA in its meeting held on 9th November, 2016. The Board, after deliberations, observed that as per Rule 5(7) of SEZ Rules, 2006, the developer or co-developer shall have to construct the minimum built up area (100000 sqmt.) within a period of ten years from the date of notification of the SEZ in which at least fifty percent of such area to be constructed within a period of five years from the date of notification." In instant case 10 years of SEZ notification has already been completed on 28.08.2016 and approx. 15000 sqm (1,65,000 sqft.) of built up area have been constructed in the processing area of SEZ. However, the Developer has not completed 50% of construction work even after lapse of 10 years.

Complaints have been received from Shri Harsh Thapar and Shri Suman Malik requesting for de-notification of SEZ status given to M/s. Ansal IT City and Parks Limited & Co-developer M/s. Earth Iconic Infrastructure Pvt. Ltd at Tech Zone-06, Greater Noida for not constructing the minimum built up area (100000 sqmt) within a period of ten years.

The petitioners have informed that as per Rule 5(7), the developer or co-developer shall have to construct the minimum build up area (100000 sqmt.) within a period of ten years from the date of notification of the SEZ in which at least fifty percent of such area to constructed within a period of five years from the date of notification. However, in the instant case 10 years of SEZ notification has already been completed on 28.08.2016 and only approx. 15000 sqm of built up area have been constructed in the processing area of the SEZ.

The second allegation of the applicants are that though M/s. Earth Iconic Infrastructure Pvt. Ltd. was allowed to become co-developer in the M/s. Ansal IT City SEZ but at first place it was not qualified to become a co-developer for the reason that it actually sub-divided the plot TZ-06 through a Tripartite Sub-Lease Deed dated 01.05.2013 through which all the rights of the developer from the land transferred to the co-developer were extinguished. Once the main developer would be left with no legal interest in the land transferred to the co-developer it would be illegal to say that M/s. Earth Iconic Infrastructure could be allowed to become a co-developer of the same SEZ. The applicant has informed that once M/s. Ansal IT City & Parks Limited had got approval from BoA for setting an SEZ at plot No. TZ-06 at Greater Noida City admeasuring around 30 acres then neither developer nor Greater Noida Industrial Development authority had any right to sub-divide the plot TZ-06 and transfer around 13.5 acres of land to M/s. Earth Inconic Infrastructure Pvt. Ltd and get its rights extinguished from the land through tripartite sub-lease deed dated 01.05.2013. Further when the M/s. Ansal IT City & Parks Limited being developer has no role, authority or power to regulate M/s. Earth Iconic Infrastructure Pvt. Ltd then there can be no relationship of being developer and co-developer between these two companies. Both stand restricted to their territory of land allotted to them by GNIDA. They had no control over each other once the sub-lease was executed for plot TZ-06 and independent rights were given to M/s. Earth Iconic Infrastructure Pvt. Ltd.

That a letter dated 06.09.2016 was written to CEO, GNIDA, by the developer wherein it has inter alia recommended to GNIDA to take necessary action for cancellation of Tripartite Lease Deed dated 01.05. 2013 for violation of lease condition and SEZ rules. Further, in view of the above letter Greater Noida Authority has issued a show cause notice dated 05.10.2016 to the co-developer for alleged non-payment of assured returns and non-possession of flat to allottees under the residential scheme launched by the said co-developer.

Third reason for filing the petition by the applicants is because the applicants have been duped of around Rs. 80 lacs by the co-developer M/s. Earth Iconic Pvt. Ltd by selling an apartment in the SEZ area. The developer and co-developer are required to construct and develop the SEZ by commercial borrowings only however, they approached general public like the applicant and started retail selling of apartment to general public. The developer and co-developer hatched conspiracy to dupe retail investors and buyers like applicant but somehow they were not able to complete the project any their conspiracy got revealed.

In light of above fact, circumstances and grounds the petitioner had requested CIM to:-

- Direct BoA to revoke letter of extension dated 17.05.2017 and not to give any further time extension to the developer M/s. Ansal IT City and Parks Limited for grounds mentioned in this.
- Direct BoA to revoke/de-notify the LoA dated 07.04.2006 and 17.07.2012 granted to developer M/s. Ansal IT City and Parks Limited & Co-developer M/s. Earth Iconic Infrastructure Pvt Ltd.
- Direct for construction audit of the SEZ by the NSEZ and recommend for financial audit of the developer and co-developer by Companies by M/o Corporate Affairs.
- Take steps under law to do justice to the hundreds of investors who have lost their hard earned money for purchasing studio apartment in the SEZ and sol through misrepresentation by the developer and co-developer. The money invested by the applicant be refunded by the co-developer.

The Board, examined the matter in its 76$^{th}$ meeting held on 28.04.2017 deliberated on the issue and observed that as per Rule 5(7) of SEZ Rules, 2006, the developer or co-developer shall have to construct the minimum built up area (100000 sqmt.) within a period of ten years from the date of notification of the SEZ in which at least fifty percent of such area to be constructed within a period of five years from the date of notification." In instant case 10 years of SEZ notification has already been completed on 28.08.2016 and approx. 15000 sqm (1,65,000 sqft.) of built up area have been constructed in the processing area of SEZ. However, the Developer has not completed 50% of construction work even after lapse of 10 years.

The, Board authorized DC, NSEZ to issue notice to the developer as to why the letter of approval should not be cancelled and the SEZ denotified. Thereafter, DC, NSEZ will bring a fresh proposal for consideration of the BOA.

A Notice No. 10/18/2012-SEZ/Vol.II/9401 dt.30.08.2018 was issued to the Developer M/s Ansal IT City & Parks Ltd. and the Co-developer M/s Earth Iconic Infrastructure Pvt. Ltd. along with its directors, Mr. Vikas Gupta, Mr. Rajneesh Mittal and Mr. Atul Gupta vide which they were requested to submit their statements/replies to this office positively within 10 days from date of receipt of said notice for further necessary action.

DC, NSEZ has stated that **no reply** to the Notice dt. 30.08.2018, has been received from **M/s Earth Iconic Infrastructure Pvt. Ltd.** or its directors.

The developer i.e. M/s. Ansal IT City & Parks Limited vide letter dated 18.09.2018 has made the following submissions:

1. That In the year 2006, Ansal IT City & Parks Limited (AITCPL) was allotted an area of 75 Acres of land in shape of IT Plot NO.6 at Techzone in Greater Noida by GNIDA and a lease Deed was executed for a term of 90 years w.e.f. 10.02.2006 in favour of AITCPL. In addition thereto, AITCPL approached the DOC for approval of setting up of IT/ITES SEZ in pursuant to SEZ Act 2005. The Board of Approval, vide letter of Approval No. F2/28/2006-EPZ dated 07.04.2006 accorded approval and the Project was notified as SEZ in Govt. gazette on 29.08.2006 vide Notification No.S.O.1375(E).

2. Thereafter, "Co-Developer" status was granted to M/s Earth Iconic Infrastructure Pvt. Ltd. (EIIPL) by BOA as per the Letter of Approval dated 17th July, 2012 vide letter No. F2/28/2006-SEZ. In addition, GNIDA has given its consent on appointment of SUB-LESSEE as Co-Developer vide its letter dated 4th, July, 2012.

3. Subsequently, a Tripartite Sub-Lease Deed was signed between Greater Noida Authority (LESSOR, who are the 'Principal' in the contract), Ansal It City & Parks Limited (Developer, who is the "Agent" in the Contract) & (Co-Developer who is the "Co-Agent" in the Contract). Herein, EIIPL being a "Sub Lessee" is granted permission as per the provisions of SEZ Act and Rules and is given all rights at par with the Developer, who himself shall be responsible for his acts and omissions. The "LESSOR" has also given its consent on appointment of SUB-LESSEE as Co-Developer vide its letter dated 4th July, 2012.

4. That as per the Tripartite Sub-Lease Deed, EIIPL was required to develop 50,000 sq. mtrs. built up area in processing area, besides developing non-processing area comprising of commercial and residential space.

5. That EIIPL (Co-Agent) was selected by GNIDA (Principal) as per the provisions provided under Chpt.-2, rule 3; rule 3(a) and rule 4 of the SEZ Rules. Hence, legally as per the provisions of Sec.194 of Indian Contract Act, 1872 EIIPL (Co-Agent) enjoys the same rights & authority as to that enjoyed by AITCPL. Moreover, vide Clause No. 2 of "Tripartite Sub-Lease Deed" EIIPL (Co-Agent) was granted complete autonomy & authority by GNIDA (Principal) to directly approach them and other government bodies for any issue related to the said sub-leased area. Hence, 135113.866 sq. mtr. Lands were sub leased to EIIPL as per terms and conditions mentioned therein. However no construction of built up area or residential area have been done by EIIPL since the Tripartite Lease Deed except some excavation and setting up of its site office.

6. That as per the Indian Contract Act, 1872, It is important to note that:

   Co-Agent is under direct control of the Principal.

   There is a privity of contract between the Co-Agent and the Principal.

   The Co-Agent is responsible for his/her acts only to the Principal.

For all the acts of the Co-Agent, the Principal is liable to the third party.

7. That so far as development in leased area of AITCPL is concerned (except area sub leased to EIIPL under approval of Ministry of Commerce, Govt. of India, vide our letter dated 08.03.2018 to Dy. Development Commissioner, Noida SEZ), AITCPL has duly conveyed that third party interest has already been created in the SEZ being developed by M/s. AITCPL.

8. That M/s. Hanu Software Solution Pvt. Ltd., M/s. Vidya Mantra Edusystems Pvt. Ltd. & Agami Technologies Pvt. Ltd. are already operating over an area of 19469 Sq. ft., which has generated export of more than approx. 55 Cr. Till date. Another unit in favour of M/s. Vidya Mantra Edusystems Pvt. Ltd for 5473.85 Sq. ft. has been granted LOA for which he will start the operations soon. Apart from these units, one more unit in favour of M/S. Gyro Web Services LLP has signed term sheet with us for 1000 Sq mtr plot and are in process of applying for issuance of LOA from SEZ authority for starting their operations.
9. That AITCPL came to know that EIIPL started receiving money/ deposits from General Public which is against the SEZ Act/ Rules and without constructing any IT/ITES built up or residential area as was obligatory for sub-leased area. However being a responsible developer, AITCPL has been watchful and vigilant from the very beginning and has been highlighting and bringing the same violations into the notice of this office about such issues/irregularities, which, resulted in violation of SEZ rules from time to time, the details of which, are given below:

    (i) Notice dt. 14.04.15 to EIIPL with copy to NSEZ office.
    (ii) Notice dt. 18.04.15 to EIIPL with copy to NSEZ office.
    (iii) Letter dt. 11.08.15 to DC, NSEZ (Ref no IT/ITES/SC/01-15A), wherein, information w.r.t action being taken against EIIPL was sought.

    *Here it is mentioned that w.r.t. above mentioned developer's communication against the co-developer, the co-developer had been requested to submit details of construction activities already completed as well as completion schedule of the built up area of 50000 sq.m. in Processing Area of SEZ vide this office letters dt. 03.06.15 and 21.09.15. Besides, subsequently developer, in its letter dt. 27.06.16, on its as well as Co-developer's behalf, appealed for extension of construction timelines. Accordingly review of development work of SEZ was placed before Approval Committee held on 02.09.16 wherein developer's representative did not raise any issue of irregularities allegedly being committed by Co-Developer and requested for extension of timelines for construction of minimum built up area required u/r 5(7) of SEZ Rules. Accordingly as per decision of Approval Committee held on 02.09.16 proposal of developer and co-developer was forwarded to DOC for consideration vide this office letter dt. 05.10.16.*

10. That due to such violation by EIIPL and failure to rectify the same, AITCPL has also been subjected to unnecessary questioning and explanations by authorities due to no fault of AITCPL.
11. That CEO of GNIDA has also issued show cause notice to EIIPL on 05.10.2016 asking them to show cause as to why the Tripartite Sub Lease Deed in their favour not be

terminated and revoked. Further due to gross violations and illegalities on part of EIIPL, who was acting as independent Co-Developer under approval of SEZ Authority, the entire SEZ has been subjected to very bad publicity and in this regard an FIR No. 113/2016 has also been filed by several investors before Economic Offence Wing, Mandir Marg. Notices have also been issued to directors of AITCPL too and AITCPL has also been questioned, interrogated and scrutinized due to unlawful acts on part of EIIPL.

12. That AITCPL has been continuously informing all these illegalities and irregularities on part of EIIPL and has requested from time to time to the SEZ Authority, GNIDA & DC of Noida Special Economic Zone to initiate and take all corrective and coercive measures against EIIPL to rectify all illegal acts including termination of Tripartite Lease Deed dated 01.05.2013 and returning the sub-leased land to AITCPL. It was duly conveyed and intimated to the SEZ authorities that AITCPL is ready and willing to overtake the responsibilities of EIIPL and it shall develop the 50,000 Sq. mtrs. which was the obligation of EIIPL. However, AITCPL is still awaiting for initiation of corrective measures on the part of the concerned authorities and is yet to receive any response/ status of its several notices and communications letters sent to several authorities w.r.t. illegalities on part of EIIPL.

13. That as per the Indian Contract Act, 1872, all the components of contract i.e. "Proposal"; "Promise"; "Consideration"; "Agreements" & "Contract" were executed between the distressed complainants (Allottees) and. EIIPL (Co-Developer). Hence, AITCPL is not a party in the contract and AITCPL never allowed/authorized EIIPL to advertise/promote/sell properties AITCPL as the developer of the boondoggle project.

14. That none of the distressed complainants (Alottees) contacted OR asked for any clarification from AITCPL (oral/written/face-to-face meetings) before and during the period of booking the disputed property of EIIPL. Hence, it shows that the intention of distressed complainants (Allottees) is to frame false allegations on a reputed company like AITCPL and exploit the services of AITCPL without executing any formal/ colloquial communication.

15. That although, we have outmost sympathy for the loss/damage caused to the aggrieved complainants. However, AITCPL can't be held liable for the fraudulent acts and omission committed by EIIPL.

16. That in view of the above contentions and replies, such extraneous complaints against AITCPL should be dropped. Allegations contained therein are false, baseless and unfounded.

17. That the intimation of action at this end is also necessary as these documents and agreements have been done and accorded upon due approval from Board of Approval, Ministry of Commerce, Govt. of India through this office.

18. Besides, the developer has also enclosed copies of its correspondence with EIIPL, GNIDA & EOW.

DC NSEZ has stated that based on the facts mentioned in the Show Cause Notice(SCN) issued by the Greater Noida Industrial Development Authority dt. 28.12.2017 specifically paragraph 7,8,9, of the SCN, it seems that the Co-developer has launched a scheme thereby selling the residence flats. Paragraph 9 of the SCN says "and whereas, by your reply letter dt. 25.10.16, you admitted that in your scheme you had assured 12% return to the flat buyers". This seems to be a clear violation of proviso to Rule 11(10) of the SEZ Rules, this proviso specifically states *"Provided that the developer or co-developer may lease the completed infrastructure along with the vacant land appurtenant thereto for the purposes."* Hence, the developer or co-developer can give the completed infrastructure only on lease basis and cannot sell it. Even Rule 11(9) also categorically provides that the developer shall not sell the land in a SEZ. Hence, Greater Noida Industrial Development Authority has issued the SCN for cancellation of the sub-lease deed executed with the co-developer. Since the land has been allotted by the Greater Noida Industrial Development Authority to the Co-developer the action for cancellation of such lease/sub-lease has to be taken by the Greater Noida Industrial Development Authority only . It has to take a view on the adjudication of the SCN issued by it on 28.12.17.

It has also been stated that NSEZ that, further, in terms of Section 10(c) of the SEZ Act if at any time the Board is to the opinion that a developer had violated the terms & conditions of the Letter of Approval (LOA) then it can take action in terms of Section 10 of SEZ Act. Such action can be taken by the Board of Approval only after providing opportunity of Personal Hearing.

**Recommendation by DC:**

In view of above, DC NSEZ has forwarded the reply received from the SEZ Developer – M/s Ansal IT City & Parks Ltd. with the recommendation that the case may be placed with complete facts before BOA for taking a view for appropriate action under Section 10 of the SEZ Act.

The matter is placed before the BOA for consideration.

**85.7 (v) Request to include management consultant services as a default authorized service for SEZs**

M/s. E&Y had vide their letter dated 17.05.2018 represented that certain issues/difficulties w.r.t. supply of services to SEZ developers/units, due to ambiguity created by the provisions of GST Law and introduction of default list of authorized serviced to be received by SEZs as such related vide Department of Commerce letter dated 02.01.2018 were being faced and had sought clarification in the matter.

Pursuant to the introduction of GST in July 2017, supplies to SEZ units/Developers qualify as zero rated supplies in terms of Section 16 of the IGST Act, 2017. It is to be noted that there is no requirement to obtain approved list of services issued from the jurisdictional SEZ office for providing IGST exemption under the IGST Act. However, the Department of Commerce issued a letter dated 2nd January, wherein it has conveyed the Board of Approvals' reiteration of default list of 66 services, which may be permitted by the unit Approval Committee ('UAC's') as Default authorized services.

Though the intention for introduction of the above letter was to direct the states to grant appropriate GST exemption to SEZ units where it was not being provided and accordingly ease out the process for the states to grant exemptions. However, the same has resulted in wide ambiguity which is likely to result in litigation and inconvenience to the units and its suppliers in near future. Also due to the introduction of the referred list it appears that any services availed by a SEZ unit/ developer which are not included in the default list, may not be considered for authorized operations and hence may not be eligible for zero rating unless SEZ's are able to obtain the approval such services from the UAC.

Under the erstwhile services tax regime, "Management or business Consultant" was defined as any person who was engaged in providing any service, either directly or indirectly, in connection with the management of any organization or business in any manner and would include any person who rendered any advice, consultancy or technical assistance, in relation to financial management, human resources management, marketing management, production management, logistics management, procurement and management of information technology resources or other similar areas of management. Accordingly, the definition was wide enough to cover almost all kinds of services offered to an organization for improving working system. Such services are classified under the heading 9983 as 'Other professional, technical and business services' under the GST regime.

Taking an inference of the definition as was provided under the earlier regime, such services are absolutely essential for any organization for its smooth functioning. Accordingly, such services should be included in the default list of services like other services mentioned in the list.

They have also informed that in the past, Development Commissioner in various regional SEZ's have invariably approved Management or Business Consultancy related services in all the Unit Approval Committees wherever a request for approval was made. The approval of such services in UAC's in itself indicates that such services are essential for the authorized operations of the SEZ Unit/Developer and as such, merit inclusion in the default list of approved services.

Considering that such services would always be utilized for authorized operations of the company, not requiring SEZ Units/Developers to apply for an approval every time they wish to avail such services from domestic vendors would cause undue hardship and operational delays to the organization since SEZ's would have to separately approach the office of the Development Commissioner in order to take an approval of these services. Also, in the event of a delay in obtaining such approval, the vendors may then charge GST to the SEZ Unit/Developer instead of zero rating the services, which would lead to unnecessarily tax burden to the SEZ's which was never the intention of the Government.

M/s. E&Y has therefore, requested to include management or Business Consultant services as default authorized services for SEZs. These are typically services in the nature of advice, consultancy or technical assistance, which are required by the SEZ unit/developer for management of its operations, pertaining to various functions such as supply chain, finance, HR, Tax, IT etc.

Comments from all Zonal DCs were sought reply received is as below:-

| Zone | Comments |
|---|---|
| MEPZ | MEPZ has stated that where the SEZ entity also has unit(s) in STPI or DTA, "Management and business consultant services" could be availed of by the company commonly for SEZ, STPI and DTA entities, while the SEZ entity could be billed for the entire value of services, which would be misuse of the exemption. Therefore, while granting such an exemption, a condition needs to be imposed that the exemption for "Management and business consultant services" would be limited to the value of services availed of/consumed by the SEZ entity only and that the unit shall produce evidence to that effect to the satisfaction of the authorities concerned. |
| Falta SEZ | Falta SEZ has suggested to revisit the matter of keeping default list of services as the same is not required under GST. |
| Noida SEZ | NSEZ while supporting has suggested that the DoR may be consulted. |
| Kandla SEZ | Recommends for inclusion of management and business consultancy services to be included in the default list of services for SEZs. |
| Cochin SEZ | Recommends for inclusion of management and business consultancy services to be included in the default list of services for SEZs. |
| Visakhapatnam SEZ | Recommends for inclusion of management and business consultancy services to be included in the default list of services for SEZs. |
| SEEPZ SEZ | Recommends for inclusion of management and business consultancy services to be included in the default list of services for SEZs. |

With the approval of BoA instructions for default services to be availed by SEZ units with the approval of Unit Approval Committee have been issued from time to time by this Department. Accordingly, consequent to implementation of GST Laws a default list of services was last circulated vide this Department's letter dated 02.01.2018 (**Annexure -1**).

The proposal to include Management Consultant Services as a default authorized service for SEZs is placed before the BoA for consideration.

**Item no. 85.8: Appeals before BoA (One Appeal).**

**85.8(i) Appeal of M/s. Textile Hub against the order dated 28.08.2018 of UAC/KASEZ rejecting their application for setting up a unit for service activity of segregation/sorting/operation of imported used clothing on behalf of foreign clients.**

**<u>Gist of order appealed against</u>**

The proposal of M/s. Textile Hub for setting up of unit for service activity of segregation/sorting/operation of imported used clothing on behalf of foreign clients was placed before the 133rd UAC meeting held on 16.08.2018. The proposal was rejected by the UAC as it was noted that the proposed activity comes under the preview of Rule 18(4) of SEZ Rules, 2006 as import items included second hand materials such as old and used clothes which is not permissible for setting up of any new unit in SEZ and that Rule 18(5) does not permit such processing amounting to manufacture of goods as well.

**<u>Contents of Appeal</u>**

The Appellant has stated that the proposed project is for activity of import for the purpose of export as a service unit of segregation/sorting/operation of imported used clothing on behalf of foreign clients. The unit will re-process the imported old and used clothes on behalf of foreign clients and will 100% export the same, hence should be allowed.

**<u>Rule Position</u>**

**Rule 18 of SEZ Rules, 2006: consideration of proposals for setting up of unit in a Special Economic Zone:**

Rule 18(4)(c) of SEZ Rules, 2006 provides that no proposal shall be considered for reprocessing of garments or used clothing or secondary textile materials and other recyclable textile materials into clipping or rags or industrial wipers or shoddy wool or yarn or blankets or shawls.

Provided that extension of Letter of Approval for an existing unit shall be decided by the Board.

**Rule 18 (5) of SEZ Rules, 2006:**

The Units in Free Trade and Warehousing Zones or Units in Free Trade and Warehousing Zone set up in other Special Economic Zone, shall be allowed to hold the goods on account of the foreign supplier for dispatches as per the owner's instructions and shall be allowed for trading with or without labelling, packing or re-packing without any processing:

Provided that refrigeration for the purpose of storage and assembly of Completely Knocked Down or Semi Knocked Down kits shall also be allowed by the Free Trade and Warehousing units undertaking the said activities:

Provided further that these Units may also re-sell or re-invoice or re-export the goods imported by them:

Provided also that all transactions by a Unit in Free Trade and Warehousing Zone shall only be in convertible foreign currency.

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

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