

No. F.2/6/2012-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 11th January, 2013

OFFICE MEMORANDUM

Subject: Supplementary Agenda for the (56th) Meeting of the Board of Approval on Special Economic Zones (SEZs) scheduled to be held on 18th January, 2013 at 10.30 A.M. in Room No.47 Udyog Bhawan, New Delhi – Reg.

In continuation to this Department's O.M of even number 5th January, 2013, forwarding the agenda of the 56th BoA meeting, the undersigned is directed to forward herewith the **Supplementary Agenda** of the 56th meeting of the Board of Approval for information and necessary action. Soft copy of the supplementary agenda has also been hosted on the website: www.sezindia.nic.in. The addresses located outside Delhi are requested to download the supplementary agenda from the above mentioned website.


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To

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4. Department of Industrial Policy and Promotion (Shri Talleen Kumar, Joint Secretary).
5. Ministry of Science and Technology (Dr. G.J. Samathanam, Sc 'G' & Head (TDT), Technology Bhavan, Mehrauli Road, New Delhi. (Telefax: 26862512)
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18. Dr. Rupa Chanda, Professor, Indian Institute of Management, Bangalore, Bennerghata Road, Bangalore, Karnataka
19. Development Commissioner, Falta Special Economic Zone, Kolkata.
20. Development Commissioner, Dahej Special Economic Zone, Fadia Chambers, Ashram Road, Ahmedabad, Gujarat
21. Development Commissioner, Madras Special Economic Zone, Chennai
22. Development Commissioner, Mihan Special Economic Zone, Nagpur, Maharashtra.
23. Development Commissioner, Cochin Special Economic Zone, Cochin.
24. Government of Manipur, Department of Information Technology, Imphal (Commissioner, IT) – Fax: 0385-2450029
25. Government of Tamil Nadu, Principal Secretary (Industries), Fort St. George, Chennai – 600009 (Fax: 044-25370822).
26. Government of Maharashtra [Principal Secretary (Industries)], Energy and Labour Department, Mumbai – 400 032.
27. Government of Gujarat (Shri Maheshwar Sahu, Principal Secretary) Industries and Mines Department Sardar Patel Bhawan, Block No. 5, 3rd Floor, Gandhinagar – 382010. (Fax: 079-23250844).
28. Government of Kerala, Principal Secretary (Industries)), Government Secretariat, Trivandrum – 695001 (Fax: 0471-2333017).

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**Supplementary Agenda for the 56th meeting of the Board of Approval to be held on
18th January 2013 at 10.30 A.M. in the Room No. 47, Udyog Bhawan**

Item No. 56.13: Proposals for setting up of SEZs

S. No	Name of the Developer	Location	Sector	Area (in ha)	Land Possession	SGR*	Status of application
(i)	Manipur IT SEZ Project Development Company Limited, an SPV of Department of Information Technology, Government of Manipur	Imphal, Manipur	IT/ITES	10.85	Yes	Yes	New

**State Government Recommendation.*

Item No. 56.14: Requests for extension of LoP of units beyond 4th & 5th year

(i) Request of M/s. Comtech Exports Ltd., a unit in the sector specific SEZ for Electronics/Telecom Hardware and Support services, including Trading and logistics activities being developed by SIPCOT Ltd. at Sriperumbudur, Tamil Nadu, for extension of Letter of Permission (LOP) beyond 04.12.2011 (beyond 4th year & 5th year)

M/s. Comtech Exports Limited, was granted LoP for setting up a unit in the above mentioned SEZ, vide LoP dated 05.12.2007. Subsequently, the validity period was extended up to 04.12.2011.

The unit has requested for further extension/regularization for the period from 05.12.2011 of LoA stating that they have obtained consent/clearance letter from the Tamil Nadu Pollution Control Board only on 07.12.2012. They have also sought condonation for not applying extension of LoA beyond 4th year in time.

DC SEEPZ has informed that Authorised Officer of the SEZ has inspected the unit and submitted a status report vide his letter dated 27.12.12. The Authorised Officer has informed that main factory building (6000 sq. ft.) is complete in all respects and also machineries are available to start their commercial production. The unit has also committed that they would start the commercial production with immediate effect.

DC SEEPZ has, in view of above, recommended for extension of LoA for a period of one year and six months i.e. up to 04.06.2013 after regularizing the one year period from 05.12.2011.

In terms of Rule 19(4) of SEZ Rules, DC came grant extension of LoP up to three years. The present proposal has, therefore, been forwarded by DC SEEPZ SEZ to be placed before BoA

The request is placed before the BoA for consideration.

(ii) Request of M/s. Tata Consultancy Services Limited, a unit in MIHAN SEZ, Nagpur, Maharashtra for extension of Letter of Permission (LOP) beyond 23rd April, 2013 (beyond 5th year)

M/s. Tata Consultancy Services Limited was granted LoP for setting up an IT/ITES unit in MIHAN SEZ, vide LoP dated 24th April, 2008. The unit has been given two extension by DC MIHAN SEZ and two extensions by BoA up to 23rd April, 2013.

The unit has requested for extension of the validity period of its LoP for one year i.e. up to 23rd April, 2014.

DC MIHAN SEZ has recommended the request stating that TCS is prestigious project for MIHAN SEZ. On 19th December 2011, Hon'ble Chief Minister of Maharashtra laid the foundation stone for Phase 1 of the project. Further, delay in implementation of project is due to global slowdown and now the company is serious above project. It has already started construction and invested approx 240 crores in the project. They expect to start operation in 2014.

In terms of Rule 19(4) of SEZ Rules, DC came grant extension of LoP up to three years. The present proposal has, therefore, been forwarded by DC MIHAN SEZ to be placed before BoA

The request is placed before the BoA for consideration.

Item No. 56.15: Request for reconsideration of the decisions of BoA

(i) Request of M/s. Meghmani Unichem LLP, a unit in Dahej SEZ for reconsideration of the decision of the BoA rejecting its request for extension of Letter of Permission (LOP) beyond 25th September, 2012 (beyond 4th year)

M/s. Meghmani Unichem LLP, was granted LoP for setting up a unit in Dahej SEZ, vide LoP dated 26th September, 2008. Subsequently, the unit was granted two year extensions by the O/o DC, KASEZ and 3rd year of extension by BoA of i.e. up to 25th September, 2012.

Subsequently, the request of the unit for granting 4th year of extension beyond 24th September, 2013 was rejected by BoA in its meeting held on 23rd November, 2012 with following observations:-

*"The Board after deliberations **rejected** the request of the unit for further extension of its LoP. The unit was free to apply for a fresh LOA and fresh allotment of plot once it is ready to set up a unit for its proposed manufacturing activities".*

The unit has now requested to reconsider the above decision of his rejection by BoA on the following grounds:-

- (i) Developer could not provide all promised infrastructure on time, a necessary condition in LoA for commencing any development activities.
- (ii) There was delay in getting environmental clearance

- (iii) O/o DC Dahej SEZ directed not to start any production activity till fencing/boundary wall of the processing area of SEZ is completed by developer in terms of Rule 11 of SEZ Rule.
- (iv) In any case the unit has performed following effective steps:-
 - (a) Fencing work is completed – letter and photographed
 - (b) 24x7 Security Guard is appointed in proper temporary lighting arrangement
 - (c) Bond Cum Legal Undertaking is executed on 16.09.2011 prior to addendum
 - (d) Service Tax Exemption Certificate from DC Office is recd on 30.11.11.
 - (e) Environmental Clearance is recd on 29.12.11
 - (f) Appointment of Consulting Engineering
 - (g) Development and Building Plan application to GIDC
 - (h) Order of Machinery and Construction Material

The request is placed before the BoA for re-consideration.

Item No.56.16: Request of M/s. Smart City (Kochi) Infrastructure Private Limited for addition of land in the sector specific SEZ for IT/ITES at Kanayanoor Taluk, Ernakulam District, Kerala

The above mentioned SEZ was notified on 1st March, 2011 over an area of 53.1809 hectares. The developer has requested to add a part of land admeasuring 46.3773 hectares to the already notified SEZ, thereby making the total area of the SEZ as 99.5582 hectares.

The proposal by the developer involves annexing of two parcels of land separated by water bodies with the existing notified SEZ. This proposal was earlier considered in the Board of Approval (BoA) for SEZs in its meeting on 22nd July, 2011 and on 28th November, 2011. Subsequently, the matter was again placed before the BoA meeting held on 14th September, 2012.

The State Government and the developer have submitted that the land proposed to be added is connected with the notified SEZ by an existing road and bridge. Additional bridges are proposed to be constructed in the next 2-3 years to take care of the growth in traffic as the project progresses. It has been requested that the additional land of 46.3773 hectares be notified immediately without insistence on the construction of new bridges since as per Rule 7(2) proviso of the SEZ Rules, 2006 the BoA is empowered to relax the conditions regarding contiguity on a case to case basis on merits.

The Developer has undertaken to ensure, to the satisfaction of the Revenue department, that the additional land areas would be properly bonded and would be made fully secured in conformity with the requirements of the SEZ Act and Rules, pending creation of infrastructure ensuring contiguity between these land parcels. It has further submitted that, since it is a case of an IT/ITES SEZ, the revenue concerns in terms of leakage of dutiable goods are significantly less as compared to a manufacturing SEZ.

State Government has submitted that Kerala is a small State with the high percentage of fertile land and has a number of water bodies. This makes the scope for developing large SEZs extremely limited. State Government has on a number of occasions reiterated that this

project is of special importance to the State of Kerala and, therefore requires special consideration which may not be cited as a precedent given the special set of circumstances of the instant case.

The request of the developer for addition of area admeasuring 46.3773 hectares by relaxing contiguity was placed before 54th BoA for its consideration and the BoA decided that the request will be examined on file by Department of Commerce after receipt of comments from CBEC. Subsequently, a meeting under the Chairmanship of Additional Secretary (DoC) was held on 8th January, 2013 in which DGEP, Principal Secretary, IT Government of Kerala and the developer of Smart City Kochi SEZ also participated. As per decision of the meeting a visit to the SEZ site was undertaken by a Joint Team of DoC and DGEP officers on 10.01.2013. The developer has submitted another proposal dated 11.01.2013 which is being placed before the BoA for a decision in light of the above deliberations.
