

No. F.2/6/2016-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)

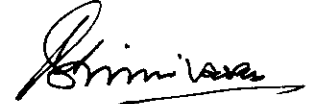
Udyog Bhawan, New Delhi
Dated the 27th October, 2016

OFFICE MEMORANDUM

Subject: Supplementary Agenda for the (73rd) Meeting of the Board of Approval on Special Economic Zones (SEZs) scheduled to be held on 3rd November, 2016 at 11.00 A.M in Room No. 47 Udyog Bhawan, New Delhi – Forwarding supplementary agenda thereof.

In continuation of this Department's O.M of even number dated 29th September, 2016 the undersigned is directed to forward herewith the **Supplementary Agenda** for the 73rd meeting of the Board of Approval for SEZs scheduled to be held on 3rd November, 2016, for information and necessary action. Soft copy of the supplementary agenda has also been hosted on the website: www.sezindia.nic.in. The addressees located outside Delhi are requested to download the supplementary agenda from the above mentioned website.

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



(G. Srinivasan)

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To

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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)
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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)
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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. Government of Andhra Pradesh, Principal Secretary and CIP, Industries and Commerce Department, A.P. Secretariat, Hyderabad – 500022. (Fax: 040-23452895).

41. Government of Telangana, Special Chief Secretary, Industries and Commerce Department, Telangana Secretariat Khairatabad, Hyderabad, Telangana.
42. Government of Karnataka, Principal Secretary, Commerce and Industry Department, Vikas Saudha, Bangalore – 560001. (Fax: 080-22259870)
43. Government of Maharashtra, Principal Secretary (Industries), Energy and Labour Department, Mumbai – 400 032.
44. Government of Gujarat, Principal Secretary, Industries and Mines Department Sardar Patel Bhawan, Block No. 5, 3rd Floor, Gandhinagar – 382010 (Fax: 079-23250844).
45. Government of West Bengal, Principal Secretary, (Commerce and Industry), IP Branch (4th Floor), SEZ Section, 4, Abanindranath Tagore Sarani (Camac Street) Kolkata – 700 016
46. Government of Tamil Nadu, Principal Secretary (Industries), Fort St. George, Chennai – 600009 (Fax: 044-25370822).
47. Government of Kerala, Principal Secretary (Industries), Government Secretariat, Trivandrum – 695001 (Fax: 0471-2333017).
48. Government of Haryana, Financial Commissioner and Principal Secretary), Department of Industries, Haryana Civil Secretariat, Chandigarh (Fax: 0172-2740526).
49. Government of Rajasthan, Principal Secretary (Industries), Secretariat Campus, Bhagwan Das Road, Jaipur – 302005 (0141-2227788).
50. Government of Uttar Pradesh, Principal Secretary, (Industries), Lal Bahadur Shastri Bhawan, Lucknow – 226001 (Fax: 0522-2238255).
51. Government of Punjab, Principal Secretary Department of Industry & Commerce Udyog Bhawan), Sector -17, Chandigarh- 160017.
52. Government of Puducherry, Secretary, Department of Industries, Chief Secretariat, Puducherry.
53. Government of Odisha, Principal Secretary (Industries), Odisha Secretariat, Bhubaneshwar – 751001 (Fax: 0671-536819/2406299).
54. Government of Madhya Pradesh, Chief Secretary, (Commerce and Industry), Vallabh Bhavan, Bhopal (Fax: 0755-2559974)
55. Government of Uttarakhand, Principal Secretary, (Industries), No. 4, Subhash Road, Secretariat, Dehradun, Uttarakhand
56. Government of Jharkhand (Secretary), Department of Industries Nepal House, Doranda, Ranchi – 834002.
57. Union Territory of Daman and Diu and Dadra Nagar Haveli, Secretary (Industries), Department of Industries, Secretariat, Moti Daman – 396220 (Fax: 0260-2230775).
58. Government of Nagaland, Principal Secretary, Department of Industries and Commerce), Kohima, Nagaland.
59. Government of Chattishgarh, Commissioner-cum-Secretary Industries, Directorate of Industries, LIC Building Campus, 2nd Floor, Pandri, Raipur, Chhattisgarh (Fax: 0771-2583651).

Copy to: PSO to CS / PPS to AS (AVC) / PA to Dir (AK) / US(AN) / US(GS)

Supplementary Agenda for the 73rd meeting of the Board of Approval to be held on 3rd November, 2016, at 11.00 A.M. in Room No. 47, Udyog Bhawan, New Delhi

Item No. 73.8 : Requests for extension of LoP beyond 3rd Year onwards

- 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

(i) Request of M/s. Tech Mahindra Ltd. (Unit-IV), a unit in NSEZ for extension of LoP beyond 22nd September 2016

- **LoP issued:** 23rd September, 2011 for Software Development and ITES.
- **Extensions:** 4 (four) up to 22nd September, 2016
- **Request:** For further extension.

The unit has requested for further extension so as to implement the project.

The unit has made the following investment/plans:-

(a) Details of business plan:-

S. No.	Type of Cost	Proposed Investment (Rs. In crore)
1.	Land cost	97
2.	Construction cost	
3.	Plant & Machinery	50
4.	Other overheads	10
	Total	157

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

S. No.	Type of cost	Total investment made so far (Rs. In crore)	Incremental investment since last extension (Rs. In crore)
1.	Land cost	25.351	0.00

2.	Material Procurement	0.000	0.00
3.	Service cost	0.448	0.085
4.	Other overheads	0.000	0.296
	Total	25.799	0.381

(c) **Details of Physical progress till date:-** The unit has stated that they are awaiting the approval of building plan from Noida Authority so that construction work can be commenced.

DC NSEZ has recommended the proposal for extension by one year.

The request is placed before BoA for its consideration.

(ii) Request of M/s. Webel Ltd., an IT unit in M/s. M.L. Dalmia & Co. IT/ITES SEZ at Bangala, Kolkata for extension of LoP beyond 22.04.2016

- **LoP issued:** 22.04.2013
- **Extensions:** The validity of the LoP was extended up to 22.04.2016.
- **Request:** For further extension.

The unit has requested for further extension so as to implement the project.

However, further extension for 3rd years has not been granted since two-thirds of activities including construction, relating to setting up of the unit has not been completed and no Chartered Engineer Certificate to this effect was submitted by the unit on account of litigation which was beyond the control of the applicant i.e. the order dated 13.06.2016 issued by Ld. Sub Divisional Magistrate, Baruipur, South 24 Pgs. Against MP Case No. 89/2016 u/s 144 (2) cr. P.C.

DC FSEZ has recommended the proposal for extension even though two-thirds construction has not been completed.

The request is placed before BoA for its consideration.

(iii) Request of M/s. NKB Hardware, a unit in NSEZ for extension of LoP beyond 27.10.2012

- **LoP issued:** 28.10.2010 for manufacture and export of builders hardware
- **Extensions:** The validity of the LoP was extended up to 27.10.2012.
- **Request:** For further extension beyond 4th year.

The unit has requested for further extension so as to implement the project.

However, the unit has not commenced manufacturing and export activities till date. The UAC meeting held on 25.11.2014 has observed that the unit had neither started export production nor requested for extension of validity of LoA beyond 27.10.2012. The UAC/DC NSEZ has issued a Show Cause Notice on 29.01.2015 and the representative of the units had explained the circumstance under which the unit could commence its activities in the UAC meeting held on 22.06.2015. Further, the UAC directed to the promoter of the unit to submit credible business plan for next five years and clear the outstanding lease rent against the plot no. 129G/13. Again the proposal i.r.o. extension of LoA beyond 4th year was considered in the UAC meeting held on 07.10.2015 and the unit again requested to submit the credible business plan for next five years, wherein, the unit has admitted that due to certain family and financial problems, his not able to submit the business plan and requested for extension of approval.

Due to ongoing circumstances cited above the UAC has rejected the request of unit for extension of validity of LoA as per Rule 19(4) of SEZ Rules, 2006 and DC NSEZ has referred the matter for the consideration of BoA.

DC UAC/NSEZ has not recommended the proposal.

The request is placed before BoA for its consideration.

Item No. 73.9 : Proposals for setting up of SEZs

(i) Request of M/s. Information Technology Park Limited for setting up of a sector specific SEZ for IT/ITES at Whitefield, Bengaluru, Karnataka, over an area of 1.51 hectares.

S. No	Name of the Developer	Location	Sector	Area (in ha)	Land Possession	State Govt. Recommendation	Status of application
(i)	M/s. Information Technology Park Limited	Whitefield, Bengaluru, Karnataka	IT/ITES	1.51	Yes	Yes (26.10.2016)	New

DC CSEZ has recommended the proposal.

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

Item No. 73.10 : Requests for duty paid dual usages in the non-processing area

(A) Request of M/s. Persipina Developers Pvt. Ltd. a sector specific SEZ for Services at District Raigad, Maharashtra for dual usage in the non-processing area

M/s. Persipina Developers Pvt. Ltd. (formerly M/s. Sunny Vista Realtors Pvt. Ltd.) was granted formal approval on 15th October, 2007 for setting up of sector specific SEZ for services in Distt. Raigad, Maharashtra. The SEZ was notified on 19th February, 2009 over an area of 139.83 ha.

Since the validity of Formal Approval of SEZ has already expired on 14.10.2012, the request of the new developer i.e. M/s. Persipina Developers Pvt. Ltd for extension of the

validity of the formal approval was considered by the Board in its 68th meeting held on 30th December, 2015 and same was extended by the Board up to 14th October, 2016.

BoA in its 65th meeting had approved the proposal of change of ownership from M/s. Sunny Vista to M/s. Persipina Developers. However, the proposal for grant of permission for dual usage of infrastructure was not approved and directed the developer to denotify the total area of 1,00,094 sq.mtr. in the NPA wherein 1012 residential units have been built from the SEZ subject to payment of duty benefits availed after obtaining NOC from State Government.

Now, the developer has requested for the approval of dual use in the NPA of social infrastructure of notified SEZ subject to payment of exemption/benefit of central levies that has been claimed which shall be refunded back.

The developer has furnished following submission approved by the Ministry dated 20.08.2009 in the processing area as its present status at (Annexure-1)

(b) Authorized operations in non-processing area dated 19.02.2010

S. No.	Authorized operations	Quantum approved (sq. mtr.)	Status of development as on date
1.	Residential apartment	100395	Under construction

The developer has submitted the infrastructure plan for dual usage for the following:-

S. No.	Description	Permissible		Proposed	
		%	Area (sq mtr.)	%	Area (sq. mtr.)
1.	Total non-processing area		699100.00		699100.00
2.	Residential area	25-Max	174775.00	7.04	49238.30
3.	Commercial area	10-Max	699100.00	2.69	18784.28
4.	Social & Infra	20	139820.00	1.96	13711.94
5.	Open area & circulation	45 Min	314595.00	88.31	617365.49
	Total		69100.00		69100.00

The developer has also obtained the in-principle No objection from State Government for dual usage of social or commercial infrastructure and other facilities both in SEZ and DTA area. The final No objection certificate will be issued only after submission of certificate issued by the concerned Competent Authorities stating that the developer has refunded/not availed/not availed & refunded from State Government local bodies and No Due Certificate from the Development Commissioner (Industries), Government of Maharashtra.

The developer had requested for permitting them to use residential building in the non-processing area being developed for SEZ and DTA as per Rule 11A of the SEZ Rules, 2006.

They had also conveyed that they would refund back the exemption/refund claimed on demand to the concerned authorities.

It may be mentioned that the flat owners in the NPA have been representing before the Hon'ble CIM and Commerce Secretary that the NPA may be de-notified as per the decision of the BoA in its 65th meeting held on 19th May, 2015.

The DC SEEPZ was accordingly requested to send a proposal for BoA including representations from the flat owners.

DC SEEPZ has informed that with reference to the representation of flat owners the developer, was asked to furnish a copy of the lease agreement which are yet to be received.

DC SEEPZ has recommended the proposal for the consideration of BoA.

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

(B) Request of M/s. Persipina Developers Pvt. Ltd. for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Services sector at Village Talegaon, and Panshil, Taluka Khalapur and village Bhokarapada, Taluka Panvel, Dist. Raigad Maharashtra, beyond 14th October, 2016

Name of the developer: M/s. Persipina Developers Pvt. Ltd.

Location: Village Talegaon, and Panshil, Taluka-Khalapur, and village Bhokarapada, Taluka-Panvel, Dist. Raigad Maharashtra

Extension: The developer has been granted three extensions, validity of Formal Approval was upto 14th October, 2016.

Basic facts: Formal approval issued to M/s Sunny Vista Realtors Pvt. Ltd. vide letter dated 15.10.2007 for setting up of a sector specific SEZ for services located at above site. The SEZ stands notified as on date. There was change of ownership in favour of M/s. Persipina Developers Pvt. Ltd. which was approved by BoA in its 65th meeting held on 19th May, 2015.

The new developer has requested for further extension so as to implement the project.

The developer has made following investments/plans.

(i) **Details of business plan:-** The developer notified land area of 139.83 ha out of which they have started developing work in the processing area of 69.92 ha and non-processing area of 69.91 ha. The developer has stated that they are anticipating total investment approx. 7000 crores with direct employment of 1 lakh people and indirect employment of about 10 to 12 thousand people. They are planning to provide world class infrastructure facilities for both the processing and non-processing areas, which is most essential requirement for achieving expected foreign exchange revenue from multi services SEZ.

(ii) **Incremental Investment since last extension(incurred till 31.08.2016):**

(i) Investment for infrastructure and development- Rs. 139.62 Crores.

- (ii) Cost of land acquisition:- Rs. 585.56 Crores
- (iii) Estimated Project Cost :- Rs.7641.82 Crores.

(iii) Details of current physical progress:-

Physical Status of SEZ Development as on 3rd October, 2016.

Processing Area.

- (i) Edinburgh – The work is substantially completed with RCC, finishing, MEP works etc. for core and shell and part OC for two floors is received. The entrance lobby work and other minor works are in progress. The entire completion is anticipated by December, 2016.
- (ii) New Castle – the RCC works are completed and finishing works are in progress. The anticipated completion of the building is June, 2017.
- (iii) Infrastructure works – The storm water drain and RCC approach road of about 300M length is under construction. The main receiving station construction is in progress and shuttering & reinforcement works for first floor slab was in progress.

Non-processing area:- Around 1 million sq.fts. RCC, Brick work, plaster, MEP work partially completed and occupation certificate for 2 residential buildings are obtained balance completion is anticipated by December, 2016.

DC SEEPZ SEZ has recommended the request of the developer for further extension for a period of one year beyond 14.10.2016.

The request is placed before BoA for its consideration.

(ii) Request of M/s. TRIL Infopark Ltd. a sector specific SEZ for IT/ITES at Ramanujan IT City, Rajiv Gandhi Salai (OMR), Taramani, Chennai, Tamilnadu, for dual usage in the non-processing area

The above mentioned SEZ was notified on 23.01.2009 over an area of 10.24.225 hectares. Subsequently, vide letter dated 27.02.2009, the BoA approved residential services apartment (total 400 units) in the non-processing area (NPA) and further BoA vide letter dated 05.08.2010 granted approval for construction of integrated convention center (1500 seater) in the non-processing area.

Now, the developer has requested for dual use of said two infrastructures both by the SEZ and DTA entities consequent to the amendment in Rule 11A of SEZ Rules, 2006. Further, the developer requested for the approval of dual use of the social & commercial infrastructure viz. convention center and serviced apartments in the NPA under the provision of Rule 11A (3)(b) of SEZ Rules, 2006 over an area of 25269 sq.mtr.

In terms of Rule 11A(3) (c) (ii) and (iv) of SEZ Rules, 2006 the commercial and social infrastructure in NPA which can be put to dual use is 30% of NPA 20% - social + 10% - commercial and social infrastructure of NPA.

DC MEPZ should certify whether it is fulfill the Rule 11A(3) (c) (ii) and (iv) of SEZ Rules, 2006.

DC MEPZ has recommended the above proposal.

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

(iii) Request for Telecom and Infrastructure facility to be created by M/s. Bharti Airtel Limited to facilitate IT and ITES units set up in IT/ITES SEZ being developed by M/s. Ganesh Housing Corporation Limited and units located outside in the DTA m/r.

The above mentioned functional SEZ stands notified over an area of 32.71 hectares and has two approved and functional units. Total investment of Rs. 195.10 crores (land cost of Rs. 191.50 crores and Rs. 3.60 crores site investment) has been intimated by developer as on 30.04.2016. Total employment of 181 persons has been generated so far.

The developer has allotted land admeasuring 53000 sq.ft. (4924 sq. mtr of land) on lease basis to M/s. Bharti Airtel Limited to set up Mobile switching centre (mobile exchange) facility in built up area of 60000 sq.ft. (5575 sq. mtr. Built up area) in non-processing area of IT/ITES SEZ for telecommunication services to enable them to provide facility of telecommunication services as per license under the policy framed by the Government of India for providing telecommunication services for the units set up in IT/ITES SEZ and other units located outside in DTA. Proposed land of 4924 sq.mtrs. is part of land of survey No. 191/1 having total land of 8771.92 sq.mtr.

As per arrangement between the developer M/s. Ganesh Housing Corporation Limited and M/s. Bharti Airtel Limited, M/s. Bharti Airtel Limited would be providing basic requirement of voice and data service to all units in the SEZ as well as other unit located outside the SEZ in the DTA.

As per the provision of Rule 11A(1) for creating such facilities for utilisation by SEZ units as well as units of DTA, no exemptions, concession or drawback shall be admissible, utilisation of such land would be as per the regulations of the State Government or local bodies.

Ground plan of the said SEZ showing proposed area to be given on lease to M/s. Bharti Airtel Limited has been submitted. The Specified Officer has certified that no exemption from payment of stamp duty has been availed by the applicant for the land belonging to Survey No. 191/A in non processing area where proposed set up is intended. Since, the stamps branch of Government of Gujarat has already verified payment of stamps duty and Registration fees as well as no Central Excise, Customs and Service Tax exemptions have been availed by the developer for the land to be used where the facility is to established, the proposal of the developer for dual use of part of land in NPA for installation of mobile tower is duly recommended.

In terms of Rule 11A(3) (c) (ii) of SEZ Rules, 2006 the commercial infrastructure in NPA which can be put to duty paid dual use is 10% of NPA.

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

Item No. 73.11 : Miscellaneous Cases

(i) Request of M/s. Aequs SEZ Private Limited for sectoral broad banding in sector specific SEZ for precision engineering products at Belgaum, Karnataka to IT/ITES, Electronic Components and hardware manufacturing energy BPO (including Legal, medical and similar services) KPO and R&D Services

The above mentioned SEZ was granted formal approval on 7th January, 2008. The SEZ stands notified over an area of 106.33 hectares and the SEZ became operational on 28.07.2009. There are 20 units in the SEZ and out of which 14 units commenced operations. As on date 33.21 hectares of area has been utilized in the SEZ and 73.12 hectares of area is lying vacant.

The developer has submitted the proposal for broad-banding to IT/ITES, Electronic Components and hardware manufacturing energy BPO (including Legal, medical and similar services) KPO and R&D Services. The unit to construct built up area of 4.50 sq.ft. for this purpose.

Vide letter dated 13.09.2013, clarifications to the amendments made to the provisions of the SEZ Rules, 2006 issued vide GSR (540(E) dated 12.08.2013 were issued by the DoC. Para 6 of the clarification relating to Broad-banding provides the following:-

“Sectoral broad-banding provisions have been introduced for categories of sectors to encompass similar / related areas with each broad-banded sector treated as a single sector for the purposes of minimum land area criteria. The principle of broad-banding would be applied taking into account the fact that no additional environmental externalities be required for the additional units which would come up on account of such broad-banding. Some illustrative example of such broad-banded category comprising a sector would include:

- Textile, apparel, hosiery, fashion garments, wool and carpet
- Leather, leather handicrafts, leather garments and sports goods
- Auto components / parts, light engineering
- Biotechnology, Pharmaceuticals and chemicals
- IT, ITES, Electronic components and hardware manufacturing, non-conventional energy, BPO (including legal, medical and similar services), KPO and R&D related ancillary services of the sector and R&D services will be included and treated as an integral part of the sectoral broad-banding. Board of Approval will have the discretion to allow additional categories to be broad-banded into a sector based on compatibility of area requirement etc.

As per clarification on SEZ Amendment issued by DoC on 13.09.2013, broad-banding provisions for categories of sectors to encompass similar / related areas with each broad-banded sector is treated as a single sector for the purpose of minimum land criteria.

DC CSEZ has noted that no additional environmental externalities be required for the additional units which would come up on account of such broad-banding.

The request is placed before BoA for its consideration.

Item No. 73.12 : Cancellation of Formal Approvals

Sr. No.	Name of the Developer/co-developer	Sector	Date of formal approval	Zone	Remarks
1.	M/s. Karanja Infrastructure (P) Ltd. (vill. Chanje, Tal. Uran, Raigad)	FTWZ	31.10.2006	SEEPZ	<p>The SEZ was notified on 18.08.2009. The formal approval granted to the developer has expired on 31.10.2012. DC SEEPZ vide letter dated 25.10.2013 and subsequently letter dated 20.12.2013 asked the developer to up to date the steps initiated for the implementation of SEZ, however, no reply has been received. Further, on 28.08.2014 the developer was informed for the personal hearing however the developer did not come for hearing. Again on 31.05.2016 the developer was asked to submit details of the implementation of the SEZ and on 09.06.2016 and 22.07.2016 the developer was requested to submit the details of the financial closure, however the developer vide letter dated 04.08.2016 has stated that they had spoken to PNB, however, the sanction could not be confirmed through a communication as the approval was subject to the extension/validity of formal approval. Therefore, the DC SEEPZ SEZ has recommended formal approval for cancellation.</p>
2.	M/s. Gitanjali Gems Ltd. (Panvel Village, Raigad)	Gems & Jewellery	25.10.2006	SEEPZ	<p>The SEZ was notified on 9th June, 2008. The formal approval granted to the developer has expired on 24th October, 2011.</p> <p>The SEZ applied MMRDA for converting land area from green zone to industrial zone. In the absence of zone change they are delayed in executing the development of SEZ. Thereafter, DC SEEPZ SEZ vide letter dated 04.02.2015 requested to the Principal Secretary, Industries, Energy and Labour Department Government of Maharashtra to intimate the status of grant of permission to the developer for converting the land for the proposed SEZ for green zone to industrial zone. The Director of Industry, Government of Maharashtra has informed that the matter w.r.t. conversion of green zone to industrial zone is closed.</p> <p>A final letter dated 18.05.2016 was sent to the developer stating that they had been not able to procure the land, therefore, the proposal would be recommended for cancellation to the BoA; to which the developer replied that the approval for conversion of zone would granted in 6-8 months time and also asked for a personal hearing.</p> <p>The developer was granted personal hearing on 07.06.2016 and was asked to submit the requisite documents within 25 days. However, this office has not received any communication from the developer in this regard till date.</p> <p>Therefore, the DC observed that the developer could not able to get green zone converted to industrial zone even after lapse of 8 years from notification.</p>

					Therefore, the extension of formal approval of the developer has not recommended and formal approval may be cancelled.
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Item No. 73.13 : Appeals before BoA

(i) Appeal of M/s. Jai Bharat Plastics a unit in FSEZ against order dated 07.09.2016 passed by UAC, FSEZ.

The Unit was issued LOA F.No.FSEZ/LIC/J-22/Trading/2005/6420 dated 04.01.2006 to set up an unit under the SEZ Scheme for Trading activity (All items other than Restricted and prohibited items). Further, DC, FSEZ has stipulated following conditions:

- (i) The Unit shall export its entire production service excluding rejects and sales in the domestic tariff area as per provisions of SEZ scheme for a period of 5 years from the date of commencement of production. For this purpose the unit shall furnish the requisite legal undertaking as prescribed in SEZ Scheme to the DC concerned.
- (ii) The unit would be required to achieve positive Net Foreign Exchange (NFE) as prescribed in the SEZ scheme for a period of 5 years from the commencement of production failing which it would be liable for penal action.
- (iii) Import/local purchase will be permitted of all items except those listed in prohibited list for Import/export will be permitted.
- (iv) The LoP is valid for 3 years from the date of issue within which the unit should implement the project and commence commercial production and would automatically lapsed if an application for the extension of validity is not make before the end of the said period. Date of commencement of production shall be intimated to the DC concerned.

Further, DC, FSEZ vide letter dated 04.03.2011 had renewed/amended the trading activity of (i)Ready Garments,(ii)Agglomerates/ Granules & Plastics Bags and iii) Gold Jewellery .On 18.02.2016, the appellant submitted an application for the renewal of above LoA before its expiry date i.e. 22.02.2016 wherein, it was mentioned that the appellant have achieved negative NFE of Rs.7.62 crores during the last 5 years block due to the ban on export os gold jewellery which was permitted to them on the Original LoA issued on 04.01.2016 as well as renewal of LoA on 01.03.2011(for all items other than restricted and prohibited items) and afterwards vide amended letter 04.03.2011 the items of trading activity was reduced and restricted to three items Ready Garments,(ii)Agglomerates/ Granules & Plastics Bags and iii) Gold Jewellery.

Further, the DC, FSEZ vide letter dated 07.04.2016 has issued a SCN for Negative NFE and poor performance of to the Unit stating that why penalty should not be imposed and LoP should not be cancelled for violation of LoA and LUT. Subsequently, the DC, FSEZ vide letter dated 07.09.2016 has informed that on basis of the UAC meeting held on 15.06.2016, it has decided not to renew the LoA and which was valid up to 22.02.2016 and cancelled the unit.

Thus, the appellant has filed the instant appeal (**Annexure-2**) against the above cancellation.

(ii) Appeal of M/s. Jagdamba Impex, against the condition imposed by the Approval Committee in their LoA.

The appellant has vide application dated 19.04.2016 proposed to set up a unit for manufacture and export of Electrical Lamination, Core Oil Assembly, Electrical Transformer, Copper Wire/Strips, Aluminum Wire/ Strips and other parts in the Noida SEZ.

The above proposal of the appellant to set up a SEZ unit was taken up for consideration by the UAC/DC NSEZ in the meeting held on 02.06.2016 and the UAC has stipulated some conditions comes under the SEZ Act 2005 and Rules, 2006:-

- (i) You shall 100% export the goods manufactured as per provisions of the SEZ Act, 2005 and Rules made there-under for a period of five years from the date of commencement of production. For this purpose, you shall executive the Bond-cm-Legal Undertaking as prescribed under the SEZ Rules, 2006.
- (ii) You shall import/purchase only prime CRGO for export production.
- (iii) You shall not be permitted to import non-prime, mills left over, scrap and spurious CRGO material.
- (iv) You shall fulfill the pollution control requirements, as may be prescribed by the Pollution Control authorities.

Thus, the appellant has filed the instant appeal (**Annexure-3**) before the BoA for modification/removal of conditions stipulated in (i)(ii) & (iii) of LoA No. 02/02/2016-Proj/5915 dated 20.06.2016 issued to the applicant;

or alternatively.

- (i) Modify the condition of the LoA to permit the appellant to undertake sales to DTA alongside exports to be made by the unit;
- (ii) Modify the condition (ii) and (iii) of the LoA of import of only prime CRGO for production to read as import of Fresh CRGO steel other than core coil assemblies of old and de-commissioned transformers:

(iii) Appeal of M/s. Kamal Deep Jewellers a unit in NSEZ against order dated 05.09.2016 passed by UAC/NSEZ.

The Unit was issued LoP on 21.12.2005 to set up a unit in NSEZ for export. The said unit vide letter dated 02.08.2016 requested the O/o Jaipur SEZ/ NSEZ for the renewal of LoA for next five years. The UAC in its meeting held on 02.09.2014 has cancelled the LoA dated 03.07.2006 and directed to Customs Division to recover all duties and interest etc. before completing de-bonding formalities. Again the unit had applied DC vide letters dated 18.07.2016 and 01.08.2016 for renewal of LoA after recovery of market and getting the export orders. The unit also stated that they have maintained the NFE during the past 5 years and no foreign payment is pending. However, the O/o Jaipur SEZ/NSEZ vide letter dated 05.09.2016 has denied for extension of LoA for further five years.

Thus, the appellant has filed the instant appeal (**Annexure-4**) against the above decision.

(iv) Appeal of M/s. Dr. Reddy's Laboratories Ltd. CTO SEZ Process Unit-1 a unit in Dr. Reddy's Laboratories Ltd. at Sy. N. 53-80, Devunipalavalasa village, Ranasthalam Mandal, Srikakualm District against order dated 11.05.2016 passed by UAC/VSEZ.

The Unit was issued LoP on 31.01.2010 for manufacture of Pharmaceuticals & APIs at Sy. N. 53-80, Devunipalavalasa village, Ranasthalam Mandal, Srikakualm District, Andhra Pradesh. Now, the unit had submitted an application for inclusion of service activity of QA/QC services for the existing CTO SEZ process unit-1 with the intention to extend QA/QC related services like analytical method validation for other SEZ units and other units in DTA. The proposed facility can undertake all type of test which includes analytical method validation for CTO-SEZ and other DRL CTO units, work on pharmacopial deficiencies which are QC and QA related services. The testing and analysis process requires a no. of steps with highly qualified and skilled man power. The establishment of laboratory requires a no. of laboratory equipment and lab scale manufacturing facilities to get the end results.

UAC/DC VSEZ vide letter dated 11.05.2016 has rejected the proposal without citing any reasons for the rejection. Thereafter, the unit approached the DC VSEZ to know the reasons for rejection as nothing has been mentioned either in the minutes of the meeting or in the letter conveyed to the unit. DC has advised to the unit to submit a revised/fresh proposal under broad banding for consideration and accordingly the unit submitted fresh and revised application on 02.06.2016 to the DC for consideration. The DC vide letter dated 21.06.2016 has informed that the proposal shall only considered in the UAC and grant approval if the said services are exclusively to the rendered to the unit and not to other SEZ or other DTA unit.

Thus, the appellant has filed the instant appeal (**Annexure-5**) against the above decision.

**OFFICE OF THE DEVELOPMENT COMMISSIONER,
GOVT. OF INDIA, MINISTRY OF COMMERCE & INDUSTRY,
SEEPZ (SPECIAL ECONOMIC ZONE)
MUMBAI**

AGENDA NOTE FOR CONSIDERATION OF BOARD OF APPROVAL

a) Proposal:-

Application for approval of Dual usage in the non-processing area of M/s. Persipina Developers Pvt. Ltd.

b) Specific Issue on which decision of BOA is required:-

Permission for Dual Use of Residential Bldg. in the non-processing area of SEZ admeasuring 69.91 hectares.

c) Relevant provisions of SEZ Act, 2005 & Rules:-

Rule 11 A (3) of SEZ Rules, 2006.

d) Other Information:-

M/s. Persipina Developers had submitted their proposal for dual usage in the non-processing area of social infrastructure of the Notified SEZ subject to payment of exemption/benefit of Central levies that has been claimed which shall be refunded back.

The Developer has furnished the following submissions :-

A. Authorized operation approved by MOC&I dt. 20.08.2009 and its status :-

Sr. No	Authorized operations	Processing area	Non-Processing area	Quantum approved	Status of the work
1	Residential Housing	-	200790 sq. mtr. (1500 units)	Not approved	-
2	Parking including Multi-level vehicle parking	57595 sq. mtr.	55813 sq. mtr.		-

	transportation stands			proposed	
12	First Aid centre/dispensary with tools and equipments	100 sq. mtr.	-	Approved for processing area	Not developed
13	Facilities management office	25 sq. mtr.	25 sq. mtr.	Approved as proposed	Not developed
14	Power station	-	6900 sq. mtr.	Approved as proposed	Partly Developed
15	Telephone Exchanges	360 sq.mtr.	-	Approved for processing area	Not developed
16	Worker Canteen	500 sq. mtr.	500 sq. mtr.	Approved as proposed	Not developed
17	Project Office	-	2000 sq. mtr.	Approved for non-processing area	Not developed

B. Authorized operations in Non-processing Area dt. 19.02.2010

Sr. No	Authorized Operation	Quantum Approved (sq. mtr.)	Status of Development as on date
1	Residential Apartment	100395	Under Construction

The Developer has submitted the infrastructure plan for dual usage for the following :-

Sr. No.	Description	Permissible		Proposed	
		%	Area (Sq. mtr.)	%	Area (Sq. mtr.)
1	Total non-processing area		699100.00		699100.00

2	Residential area	25-Max	174775.00	7.04	49238.30
3	Commercial area	10-Max	699100.00	2.69	18784.28
4	Social & Infra	20	139820.00	1.96	13711.94
5	Open area & Circulation	45 Min	314595.00	88.31	617365.49
6	Total		699100.00		699100.00

They have also obtained the In-principle No objection from State Govt. for dual usage of social or commercial infrastructure and other facilities both in SEZ and DTA area. The final No objection certificate will be issued only after submission of certificate issued by the concerned Competent Authorities stating that the Developer has refunded/not availed / not availed & refunded from State Govt. local bodies and No Due Certificate from the Development Commissioner (Industries), GoM

In addition to the above, the following submissions are made :-

- (a) MOC&I vide letter dt. 20.08.2009 had granted approval for authorized operation in the processing and non-processing area.
- (b) Subsequently the Zone Administration vide communication dt. 09.12.2009 and 29.01.2010 had forwarded M/s. Sunny Vista's request for construction of office space, residential housing and parking to MOC&I
- (c) BOA in its 38th meeting held on 11.02.2010 had approved residential apartment of about 1500 units in the non-processing area admeasuring 1,00,395 sq. mtr.
- (d) Discreet enquiries revealed that the developer viz. M/s. Sunny Vista had leased the residential apartment in the non-processing area of SEZ to persons outside SEZ thereby violating the provisions of SEZ Act and Rules and the same was intimated to MOC&I vide communication dt. 30.06.2012 & 12.12.2012.
- (e) Subsequently Sunny Vista vide letter dt. 05.02.2015 had applied for :-
 - i. notifying M/s. Persipina as developer in the Formal Approval dt. 15.10.2007 granted to M/s. Sunny Vista **AND**
 - ii. dual usage of residential bldg. admeasuring 1,00,094 sq. mtr. for 1042 units in the non-processing area and the same was forwarded to MOC&I

vide letter dt. 03.03.2015. Subsequent clarification was sent vide letter dt. 22.04.2015

- (f) BOA in its 65th meeting had approved the proposal of change of ownership from M/s .Sunny Vista to M/s. Persipina Developers. However, the proposal for grant of permission for dual usage of infrastructure was not approved and directed the developer to denotify the total area of 1,00,094 sq. mtr. in the non-processing area wherein 1012 residential units have been built from the SEZ subject to payment of duty benefits availed after obtaining NOC from State Govt.
- (g) The Developer vide their communication dt. 10.04.2015 had requested for permitting them to use residential bldg. in the non-processing being developed for SEZ and DTA as per Rule 11 A of the SEZ Rules 2006. They had also conveyed that they would refund back to the concerned authorities the exemption/refund thus claimed on demand.
- (h) This office vide letter dt. 26.10.2015 had requested the developer to furnish the documents, infrastructure plan, NOC from State Govt. and No dues certificate from S.O. etc.
- (i) Also this office vide letter dt. 25.01.2016, 28.04.2016 and 07.06.2016 had requested the developer to follow the directions of the BOA of its 65th meeting w.r.t. denotification of the total area of 1,00,094 sq. mtr. in the non-processing area

e) DC's recommendation:-

The proposal of M/s. Persipina Developers Pvt. Ltd. in terms of Rule 11 A of SESZ Rules 2006 for dual usage is submitted to the Board of Approval for consideration.

FORM -J
FORM FOR APPEAL
(See Rule 55)
FOR OFFICIAL USE

1. Name of the Appellant : M/S. JAI BHARAT PLASTICS
2. Address : 54/1, B.R.B. Basu Road, 3rd Floor,
Room No.13, Kolkata-700001.
3. Name and address of the authority, whose decision or order is brought up in appeal : Development Commissioner,
Chairman of UAC, Government of India, Ministry of Commerce & Industry, Falta Special Economic Zone, 2nd MSO Building, 4th Floor, Nizam Palace, 234/4, A.J.C. Bose Road, Kolkata-700020.
4. Brief of the decision against which Appeal is made :

The LOA No. FSEZ/LIC/J-22/Trading/2005/6420 dated 04.01.2006 of the appellant was going to be expired on 22.02.2016, prior to that on 18.02.2016 the appellant submitted prayer for renewal of the said LOA before Ld. Development Commissioner, FSEZ, wherein it was mentioned that the appellant have achieved negative NFE of ₹ 7.62 crores during last 5 years block due to the ban on exports of gold jewellery which was permitted to them in the Original LOA No. FSEZ/LIC/ J-21/Trading/05/6420/ dated 04.01.2006 as well as renewal LOA No. FSEZ/LIC/ J-22/Trading/05/5331 dated 01.03.2011 (For all items other

10/02/2016

SoB
So (K/S)

than restricted and prohibited items) and afterwards vide amended letter No.FSEZ/LIC/J-22/Trading/05/5440 dated 04.03.2011 the items of trading activity was reduced and or restricted to three items viz. i) Readymade Garments, ii) Agglomerates/Granules & Plastic Bags & iii) Gold Jewellery.

(Copy of the original LOA dated 04.01.2006 and renewed LOA dated 01.03.2011 along with amended letter dated 04.03.2011 are attached as per Annexure "A" , "B" , "C" respectively which is self explanatory)

The appellant also mentioned in the said letter that they have achieved positive NFE in three years out of five years block and the negative NFE of ₹ 10.60 crores recorded in the year 2012-13 due to suddenly ban of export of gold Jewellery and the same was adjusted with positive NFE of last two years and resulted of net negative NFE of ₹ 7.62 crores in the five years. But in the order passed by the unit approval committee wherein it is shown that the appellant has achieved negative NFE of ₹ 34.40 crores which is contrary to the fact.

(Copy of the prayer for renewal letter dated 18.02.2016 along with affidavit copy summary of 5years annual performance report is attached as per Annexure - "D").

During the pendency of that proposal a separate show cause notice (SCN) No. FSEZ/LIC/J-22/Trading/2005/91 dated 07.04.2016 was issued to the appellant proposing penalty for violation of the condition of the LOA and

LUT under section 9 & 11 of FT (D&R) Act, 1992, R/W FT (D& R) Amendment Act, 2010, Rule 10 of Foreign Trade (Regulation) Rules, 1993 and violation of provisions in terms of section 16 of currently enacted SEZ' Act 2005 & SEZ Rules, 2006 by occupying space in SEZ without achieving positive NFE.

(Copy of the said show cause notice no. FSEZ/LIC/J-22/Trading/2005/91 dated 07.04.2016 attached mark with Annexure - "E")

The appellant submitted the reply against SCN on 30.5.2016 which was not considered and no personal hearing was allowed.

(Copy of the said reply submitted on 30.05.16 is attached and mark with Annexure- "F")

The proposal of the appellant for renewal of LOA and adjudication of SCN dated 07.04.2016 was placed before the Unit Approval Committee in its meeting held on 15.06.2016, wherein the Approval Committee, decided for non-renewal/ canceling of Trading LOA from the date of Lapse of LOA i.e. 22.02.2016 in view of the fact that unit was negative NFE. The appellant was also directed vide order no. FSEZ/LIC/J-22/Trading/05/1824 dated 07.09.2016 to submit APR for the year 2015-16 within 15 days time and the complete NFE position for the block period i.e. 2011-16 which will be placed before UAC in terms of Rule 54 of SEZ Rules, 2006 for taking further course of action. The appellant submitted

the APR for the year 2015-16 on 22.09.2016 in compliance of the said order.

(Copy of the said order no. FSEZ/LIC/J-22/Trading/05/1824 dated 07.09.2016 is attached as per Annexure - "G". and also copy of APR for the year 2015-16 is enclosed as per Annexure "H" in compliance to the said order issued by Unit Approval Committee.)

5. Reason as to why the decision
needs review :

- i) The decision has been given on predetermined set of mind without considering the facts and also it is not mentioned in the order that under which provision of law the LOA was not renewed/cancelled.
- ii) The natural justice was grossly denied as the appellant was not put to any notice for confrontation and allowed any personal hearing. Though it is mentioned in the order that personal hearing was given to the promoter but it will be evident that no formal intimation letter was even issued to the appellant by the adjudicating authority in this regard.
- iii) The order was issued based on wrong observation of APR. The appellant in his reply to the SCN mentioned the same which was not considered.

- iv) The order is inconclusive, arbitrary and suffers from legal infirmity; it cannot be treated as speaking order.
 - v) In absence of any personal hearing the appellant could not submit documentary evidence in favour of their defence.
 - vi) The appellant was not allowed to export Gold Jewellery as was permitted in their Trading LOA which was the main reason for achieving negative NFE of ₹ 7.62 crores where as during the 1st block of 5 years they had good volume of exports of gold jewellery and achieved positive NFE on the basis of which LOA was renewed.
 - vii) In the present situation huge stocks are lying at the unit therefore the appellant prayed in their reply to SCN to extend the LOA for a short period so that they can fulfill the export obligation and can achieve cumulative positive NFE which was also not considered.
6. Any other remarks: Admittedly only on 14.06.2016 per telephone the appellant was asked to attend before the UAC for discussion which he complied and explained the position of the company. The appellant was not told that the said meeting was to defend their case and hence he had failed to take adequate step in order to defend their case before UAC. At the end the appellant had realized that the same is for personal hearing but in fact he was not put to any show cause notice to defend nor was he able

to submit his reply. The order is ex-party. The order is fallible on this count itself.

It is clear from the above that though the appellant has faced negative NFE but there is no allegation of revenue loss of the department as the appellant has paid full rate of duty while removing goods from SEZ to DTA (i.e. Basic Customs Duty, CVD and all kinds of CESS).

P R A Y E R

The appellant accordingly prays that the order of the UAC, FSEZ may kindly be set-aside and/or renew the LOA for five years or for shorter period as deem fit by UAC so that the appellant can resume their business at earliest.

And, for this act of kindness, the appellant, as in duty bound, shall ever pray.

Place. Kolkata

Date. 03/10/2016

Signature of the Appellant

FOR JAI BHARAT PLASTICS

Ratan Ladha

Proprietor

Name in Block Letters RATAN LADHA

Designation PROPRIETOR

Tel. No. 9831028758

E-mail Address : vikashladha.vl@gmail.com

FORM J
FORM OF APPEAL
FOR OFFICIAL USE

BEFORE THE HON'BLE BOARD OF APPROVAL,
DEPUTY SECRETARY, MINISTRY OF COMMERCE AND INDUSTRY,
DEPARTMENT OF COMMERCE,
UDYOG BHAWAN, NEW DELHI - 110011

Date.....

1. Name of the Appellant: Jagdamba Impex

2. Address: 10, Sandesh Vihar,
Pitam Pura, New Delhi - 110034.

3: Name and address of the authority, whose decision or order is brought up in appeal

Assistant Development Commissioner,
O/o The Development Commissioner
Noida Special Economic Zone
Noida Dadri Road, Phase-II, Noida - 201305

4. Brief of the decision against which Appeal is made: LOA No. 02/02/2016-PROJ/5915
dated 20.06.2016

5. Reason as to why the
decision needs review

1. Appeal for modification of certain
conditions imposed on the appellant
in the LOA.

2. -

3. -

6. Any other remarks

For JAGDAMBA IMPEX

Signature of the appellant:

Name in Block Letters: Amit Aggarwal,

Designation: Proprietor

Tel. No. : 9811991377

E-mail Address: jagdambaimp@gmail.com

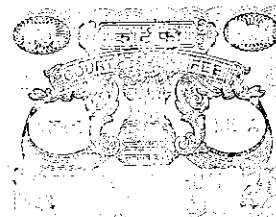
Fax : ...N.A.....

Place: Noida

Date:

Documents to be enclosed with the appeal:

1. Copy of the decision/rejection letter Demand Draft of Rs. 2,500/- in favour of Pay and
Accounts Officer, Department of Commerce, New Delhi.



FORM FOR APPEAL

[Refer rule 55]

FOR OFFICAL USE

Date 17.10.2016

1. Name of the Appellant : **KAMALDEEP JEWELLERS**
2. Address : **H1-123, SEZ – II, Sitapura Industrial Area, Jaipur – 302022**
3. Name and address of the authority, whose decision or order is brought up in appeal : **Decision of Development commissioner communicated vide enclosed letter no. 2-77-SEZ-II(JO Proj)/587 dated 05.09.2016 that renewal of LOA for further 5 years has been not allowed by the Unit Approval Committee in its meeting held on 02.09.2014.**
4. Brief of the decision against which Appeal is made: **UAC in its meeting held on 02.09.2014 has cancelled our LOA dated 03.07.2006 and directed to Customs Division to recover all duties & interest etc. before completing de-bonding formalities. Further we have applied to Development Commissioner vide letters dated 18.07.2016 & 01.08.2016 for renewal of LOA after recovery of market and getting the export orders but Development Commissioner vide letter dated 05.09.2016 has denied for extension of LOA for further 5 years.**
5. Reasons as to why the decision needs review :
 1. **We have export orders & demands and willing to do the export from the unit. The few names of the buyers are as under :**
 - a. **REAL GEMS INC., 6 East, 45th Street, Suite #1110, New York, USA**
 - b. **ANIL KUMAR INC., 45055, Pawnee Dr. Freemount, CA, USA**
 - c. **RAINBOW RATAN COMPANY INC., 48th West, 48th Street, Suite #603, New York, USA**
6. Any other remarks: **We have requested for renewal of LOA for further 5 years. Our NFE during the past 5 years was positive and no Foreign Payment is pending.**

Signature of the appellant: *Kamal*

Name in Block Letters: **KAMAL KISHOR GUPTA**

Designation: **Proprietor**

Place: **Jaipur**

Tel No.: **9829055333**

Date : **17.10.2016**

Email Address : **sarafjewel@gmail.com**

Fax :



Dr. Reddy's Laboratories Ltd.
CTO SEZ Process Unit-01
Sectors 28 & 34,
Devunipalavalasa Village,
Ranastalam Mandal,
Srikakulam Dist-532 409,
Andhra Pradesh, India.
Tel : 91 8942 304141

13th August, 2016

To,
The Director (SEZ Section)
Department of Commerce
Ministry of Commerce & Industry
Udyog Bhawan
New Delhi - 110 011

CP-31892/US/HM
22/08/16

Sub: Submission of appeal in terms Rule 55 of SEZ rules for consideration by BOA against the rejection of our proposal for inclusion of service activity in the LOA - proposal for broad banding the LOA in terms of Rule 19(2) to include extension of QA/QC related services with the addition of new Analytical Method validation lab - request for broad banding of LOA - reg
Ref : LOA F.No.24/DRL-SKL-1/SSEZ/2010, 13/01/2010

Sir,

We would like to bring to your kind notice that, we have submitted an application for inclusion of service activity of QA & QC services under the LOA as part of broad banding vide our letter, dated: 10/04/2016 and the same was placed in the UAC meeting held on 25/04/2016. We have attended the meeting and explained the requirement and importance of the proposal.

However, we have received a communication Dt: 11/05/2016 conveying the rejection of the proposal by UAC without citing any reasons for the rejection. This is a simple proposal for broad banding of the LOA to include service activity. In the minutes of meeting also, no reason has been attributed to the rejection.

Mr. P Srinivasulu, Associate Director (Finance) has approached Development Commissioner on 18th May '2016, to ascertain the reasons for rejection and for reconsideration. After hearing, the Development Commissioner has advised us to submit a revised proposal to UAC for consideration. Accordingly, we have filed revised application under broad banding on 02/06/2016. Before placing in the UAC, a letter has been issued to us on 21/07/2016 to confirm in writing that the Analytical Method Validation services are exclusively provided to the Unit (CTO SEZ Process Unit 1 LoA No:24/DRL/SKL/-1/SSS/2010 Dt.13.01.2010) and not to any other SEZ or DTA Units.

In this connection, we would like to submit that, we have submitted the proposal for inclusion of service activity in terms of Rule 19(2) for consideration by UAC as part of broad banding. The o/o the Development Commissioner or the UAC have not quoted any reasons or any SEZ rule for rejecting the proposal. We could also not understand that, why the Development Commissioner's office wanted to restrict the approval to the unit alone (which is actually not required as in any case, every Pharma unit will have a laboratory for testing and analysis).

2
3
Dr. Reddy's
BOA
Appeal
22/08/16
US/AND
SOCA/16
23/08/16

For Dr. Reddy's Laboratories Ltd.,

M. RAMAMOCHAN REDDY

Associate Director

Under these circumstances, we have no option, but to approach the Ministry for placing our appeal/proposal before the Board of Approvals in terms of Rule 55 for consideration. We understand that, we are filing the appeal after a delay of more than 30 days as prescribed in Rule 55. However, the delay in filing appeal is due to the above reasons and due to the assurance for reconsideration in the next UAC by the o/o the Development Commissioner, VSEZ. However, looking at the letter, Dt: 21/07/2016, we have decided to submit appeal to the BOA for consideration.

In view of the above stated reasons, we request you to kindly condone the delay in filing of appeal within the stipulated time.

The proposal is simple for inclusion of service activity in the existing LoA. We have also observed from other SEZs, in particular under the jurisdiction of KASEZ, ZydusPharma SEZ had issued broad banding permissions for a no. of services to the units in the SEZ. Extracts of the minutes of the meeting are enclosed herewith for ready reference.

We are enclosing here with copies of the detailed proposals submitted to Development Commissioner, VSEZ for placing the same before the UAC vide our letters, dated: 10/04/2016 and 02/06/2016. The brief details of the proposal are given below.

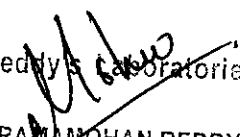
We are establishing analytical method validation lab which is an extension to the existing laboratory as part of the CTO SEZ Process Unit-1. Keeping in view of the changing FDA requirements, the Management of Dr.Reddy's has proposed to establish this facility to undertake QC & QA related services of CTO SEZ Process Unit -1 with an intention to extend QC/QA related services like Analytical method validations for other SEZ and other DRL DTA units following the SEZ rules. The investment being made on creation of this Laboratory is huge and optimum utilization of the facility can be met only through extension of services to other Units. These services may be extended for export purpose also in future.

In this connection, we would like to submit that, we started production w.e.f. **29.04.2014** and during the year 2014-15. A no. of new products are being introduced in this unit for export purpose. New filings with USFDA and other regulatory authorities are also in process.

The proposed facility can undertake all types of tests which includes Analytical method validations for CTOSEZ Process Unit 1 and other DRL DTA units, work on Pharmacopial deficiencies which are QC and QA related services. The testing and analysis process requires a no. of steps with highly qualified and skilled man power.

The establishment of laboratory requires a no. of laboratory equipment and lab scale manufacturing facilities to get the end results. This unit will maintain separate books of accounts as may be required in terms of SEZ Act/Rules for its authorized operations at both input and output stages.

For Dr. Reddy's Laboratories Ltd.,


M. RAMAMOHAN REDDY
Associate Director

List of Services:

Sl. NO.	List of /services proposed to be added to the LOA	Probable ITC (HS)	Proposed annual export turnover
1	QC/QA related services (Analytical Method Validations, Pharmacopial deficiencies w.r.t. analytical methods, Reference standard/Working standard/Impurity qualifications)	Not applicable	Rs.1000.00 lakhs

A detailed proposal with the list of equipment required for the establishment of the Method validation laboratory was also submitted.

In terms of Rule 55, we are enclosing here with the following documents with the appeal for consideration by the Board of Approvals. We shall in person appear before the Board of Approvals for presenting our case in detail.

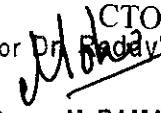
- (1) Form -J (in duplicate)
- (2) Two copies of the order of the approval committee (certified copy)
- (3) Affidavit in support of delay in submission of appeal on Rs.100/- stamp paper
- (4) Detailed proposal submitted to DC, VSEZ for placing before UAC
- (5) Extracts of the Minutes of the UAC held on 25/04/2016
- (6) Extracts of the minutes of the UAC meeting of Zyduspharma SEZ for relying on the decision to include the service activity
- (7) DD for Rs.2500/- drawn in f/o Pay & Accounts Officer, Department of Commerce, New Delhi
- (8) Copy of letter received from DC, VSEZ, 21/07/2016
- (9) Our reply letter, dated: 02/08/2016

We therefore request you to kindly consider our appeal for placing the proposal before the next Board of Approvals meeting and also request you kindly condone the delay in submission of the appeal within 30 days due to the above cited reasons and oblige.

Thanking you,
Yours sincerely,

For Dr.Reddy's Laboratories Limited

CTO SEZ Process unit-I
For Dr. Reddy's Laboratories Ltd.,


M Ram Mohan Reddy
Associate Director
Associate Director (Head -MM/PPIC)
Authorised Signatory