# No. K-43022/84/2024-SEZ Government of India Ministry of Commerce and Industry Department of Commerce (SEZ Section)

Vanijya Bhawan, New Delhi Dated the 26<sup>th</sup> September, 2024

#### **OFFICE MEMORANDUM**

**Subject:** - 123rd meeting of the Board of Approval for Special Economic Zones scheduled to be held on 04<sup>th</sup> October, 2024 - regarding.

The undersigned is directed to refer to this Department's O.M. of even no. Dated 23<sup>rd</sup> September, 2024 on the subject cited above and to forward herewith **Supplementary Agenda** for the 123<sup>rd</sup> meeting of the BoA for SEZs. The same has also been hosted on the website: www.sezindia.gov.in.

2. The meeting link of the aforesaid meeting will be shared in due course.

(Sumit Kumar Sachan)

Under Secretary to the Government of India

Tel: 011-23039829

Email: <a href="mailto:sumit.sachan@nic.in">sumit.sachan@nic.in</a>

- 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. ShriSanjiv, Joint Secretary, Department of Promotion of Industry and Internal Trade (DPIIT), UdyogBhawan, New Delhi.
- 5. Joint Secretary, Ministry of Shipping, Transport Bhawan, New Delhi.
- 6. Joint Secretary (E), Ministry of Petroleum and Natural Gas, ShastriBhawan, New Delhi
- 7. Joint Secretary, Ministry of Agriculture, Plant Protection, KrishiBhawan, New Delhi.
- 8. Ministry of Science and Technology, Sc 'G' & Head (TDT), Technology Bhavan, Mehrauli Road, New Delhi. (Telefax: 26862512)
- 9. Joint Secretary, Department of Biotechnology, Ministry of Science and Technology, 7<sup>th</sup> Floor, Block 2, CGO Complex, Lodhi Road, New Delhi 110 003.
- 10. Additional Secretary and Development Commissioner (Micro, Small and Medium Enterprises Scale Industry), Room No. 701, NirmanBhavan, New Delhi (Fax: 23062315).

- 11. Secretary, Department of Electronics & Information Technology, Electronics Niketan, 6, CGO Complex, New Delhi. (Fax: 24363101)
- 12. Joint Secretary (IS-I), Ministry of Home Affairs, North Block, New Delhi (Fax: 23092569)
- 13. Joint Secretary (C&W), Ministry of Defence, Fax: 23015444, South Block, New Delhi.
- 14. Joint Secretary, Ministry of Environment and Forests, Pariyavaran Bhavan, CGO Complex, New Delhi 110003 (Fax: 24363577)
- 15. Joint Secretary & Legislative Counsel, Legislative Department, M/o Law & Justice, A-Wing, Shastri Bhavan, New Delhi. (Tel: 23387095).
- 16. Department of Legal Affairs (Shri Hemant Kumar, Assistant Legal Adviser), M/o Law & Justice, New Delhi.
- 17. Secretary, Department of Chemicals & Petrochemicals, Shastri Bhawan, New Delhi
- 18. Joint Secretary, Ministry of Overseas Indian Affairs, Akbar Bhawan, Chanakyapuri, New Delhi. (Fax: 24674140)
- 19. Chief Planner, Department of Urban Affairs, Town Country Planning Organisation, Vikas Bhavan (E-Block), I.P. Estate, New Delhi. (Fax: 23073678/23379197)
- 20. Director General, Director General of Foreign Trade, Department of Commerce, Udyog Bhavan, New Delhi.
- 21. Director General, Export Promotion Council for EOUs/SEZs, 8G, 8<sup>th</sup> Floor, Hansalaya Building, 15, Barakhamba Road, New Delhi 110 001 (Fax: 223329770)
- 22. Dr. Rupa Chanda, Professor, Indian Institute of Management, Bangalore, Bennerghata Road, Bangalore, Karnataka
- 23. Development Commissioner, Noida Special Economic Zone, Noida.
- 24. Development Commissioner, Kandla Special Economic Zone, Gandhidham.
- 25. Development Commissioner, Falta Special Economic Zone, Kolkata.
- 26. Development Commissioner, SEEPZ Special Economic Zone, Mumbai.
- 27. Development Commissioner, Madras Special Economic Zone, Chennai
- 28. Development Commissioner, Visakhapatnam Special Economic Zone, Visakhapatnam
- 29. Development Commissioner, Cochin Special Economic Zone, Cochin.
- 30. Development Commissioner, Indore Special Economic Zone, Indore.
- 31. Development Commissioner, Mundra Special Economic Zone, 4<sup>th</sup> Floor, C Wing, Port Users Building, Mundra (Kutch) Gujarat.
- 32. Development Commissioner, Dahej Special Economic Zone, Fadia Chambers, Ashram Road, Ahmedabad, Gujarat
- 33. Development Commissioner, Navi Mumbai Special Economic Zone, SEEPZ Service Center, Central Road, Andheri (East), Mumbai 400 096
- 34. Development Commissioner, Sterling Special Economic Zone, Sandesara Estate, Atladra Padra Road, Vadodara 390012
- 35. Development Commissioner, Andhra Pradesh Special Economic Zone, Udyog Bhawan, 9<sup>th</sup> Floor, Siripuram, Visakhapatnam 3
- 36. Development Commissioner, Reliance Jamnagar Special Economic Zone, Jamnagar, Gujarat
- 37. Development Commissioner, Surat Special Economic Zone, Surat, Gujarat
- 38. Development Commissioner, Mihan Special Economic Zone, Nagpur, Maharashtra
- 39. Development Commissioner, Sricity Special Economic Zone, Andhra Pradesh.
- 40. Development Commissioner, Mangalore Special Economic Zone, Mangalore.

- 41. Development Commissioner, GIFT SEZ, Gujarat
- 42. Commerce Department, A.P. Secretariat, Hyderabad 500022. (Fax: 040-23452895).
- 43. Government of Telangana, Special Chief Secretary, Industries and Commerce Department, Telangana Secretariat Khairatabad, Hyderabad, Telangana.
- 44. Government of Karnataka, Principal Secretary, Commerce and Industry Department, VikasSaudha, Bangalore 560001. (Fax: 080-22259870)
- 45. Government of Maharashtra, Principal Secretary (Industries), Energy and Labour Department, Mumbai 400 032.
- 46. Government of Gujarat, Principal Secretary, Industries and Mines Department Sardar Patel Bhawan, Block No. 5, 3rd Floor, Gandhinagar 382010 (Fax: 079-23250844).
- 47. Government of West Bengal, Principal Secretary, (Commerce and Industry), IP Branch (4<sup>th</sup> Floor), SEZ Section, 4, Abanindranath Tagore Sarani (Camac Street) Kolkata 700 016
- 48. Government of Tamil Nadu, Principal Secretary (Industries), Fort St. George, Chennai 600009 (Fax: 044-25370822).
- 49. Government of Kerala, Principal Secretary (Industries), Government Secretariat, Trivandrum 695001 (Fax: 0471-2333017).
- 50. Government of Haryana, Financial Commissioner and Principal Secretary), Department of Industries, Haryana Civil Secretariat, Chandigarh (Fax: 0172-2740526).
- 51. Government of Rajasthan, Principal Secretary (Industries), Secretariat Campus, Bhagwan Das Road, Jaipur 302005 (0141-2227788).
- 52. Government of Uttar Pradesh, Principal Secretary, (Industries), LalBahadurShastri Bhawan, Lucknow 226001 (Fax: 0522-2238255).
- 53. Government of Punjab, Principal Secretary Department of Industry & Commerce UdyogBhawan), Sector -17, Chandigarh- 160017.
- 54. Government of Puducherry, Secretary, Department of Industries, Chief Secretariat, Puducherry.
- 55. Government of Odisha, Principal Secretary (Industries), Odisha Secretariat, Bhubaneshwar 751001 (Fax: 0671-536819/2406299).
- 56. Government of Madhya Pradesh, Chief Secretary, (Commerce and Industry), VallabhBhavan, Bhopal (Fax: 0755-2559974)
- 57. Government of Uttarakhand, Principal Secretary, (Industries), No. 4, Subhash Road, Secretariat, Dehradun, Uttarakhand
- 58. Government of Jharkhand (Secretary), Department of Industries Nepal House, Doranda, Ranchi 834002.
- 59. Union Territory of Daman and Diu and Dadra Nagar Haveli, Secretary (Industries), Department of Industries, Secretariat, Moti Daman 396220 (Fax: 0260-2230775).
- 60. Government of Nagaland, Principal Secretary, Department of Industries and Commerce), Kohima, Nagaland.
- 61. Government of Chattishgarh, Commissioner-cum-Secretary Industries, Directorate of Industries, LIC Building Campus, 2<sup>nd</sup> Floor, Pandri, Raipur, Chhattisgarh (Fax: 0771-2583651).

# Supplementary Agenda for the 123<sup>rd</sup> meeting of the Board of Approval for Special Economic Zones (SEZs) to be held on 04<sup>th</sup> October, 2024

Agenda Item No.123.7:

Request for conversion of processing area into non-processing area under Rule 11(B) [1 proposal - 123.7(i)]

#### Rule position:

- In terms of the Rule 5(2) regarding requirements of minimum area of land for an IT/ITES SEZ: -
  - (b) There shall be no minimum land area requirement for setting up a Special Economic Zone for Information Technology or Information Technology enabled Services, Biotech or Health (other than hospital) service, but a minimum built up processing area requirement shall be applicable, based on the category of cities, as specified in the following Table, namely: –

TABLE

Sl. No.	Categories of cities as per Annexure IV-A	Minimum built-up processing Area
(1)	(2)	(3)
1.	Category 'A' 50,000 square meters	50,000 square meters
2.	Category 'B' 25,000 square meters	25,000 square meters
3.	Category 'C' 15,000 square meters	15,000 square meters

- (c) The minimum processing area in any Special Economic Zone cannot be less than fifty per cent. of the total area of the Special Economic Zone.
- In terms of the Rule 11 B regarding Non-processing areas for IT/ITES SEZ:-
  - (1) Notwithstanding anything contained in rules, 5,11,11A or any other rule, the Board of Approval, on request of a Developer of an Information Technology or Information Technology Enabled Services Special Economic Zones, may, permit demarcation of a portion of the built-up area of an Information Technology or Information Technology Enabled Services Special Economic Zone as a non-processing area of the Information Technology or Information Technology Enabled Services Special Economic Zone to be called a non-processing area.

- (2) A Non-processing area may be used for setting up and operation of businesses engaged in Information Technology or Information Technology Enabled services, and at such terms and conditions as may be specified by the Board of Approval under sub-rule (1),
- (3) A Non-processing area shall consist of complete floor and part of a floor shall not be demarcated as a non-processing area.
- (4) There shall be appropriate access control mechanisms for Special Economic Zone Unit and businesses engaged in Information Technology or Information Technology Enabled Services in non-processing areas of Information Technology or Information Technology Enabled Services Special Economic Zones, to ensure adequate screening of movement of persons as well as goods in and out of their premises.
- (5) Board of Approval shall permit demarcation of a non-processing area for a business engaged in Information Technology or Information Technology Enabled Services Special Economic Zone, only after repayment, without interest, by the Developer,
  - (i) tax benefits attributable to the non-processing area, calculated as the benefits provided for the processing area of the Special Economic Zone, in proportion of the built up area of the non-processing area to the total built up area of the processing area of the Information Technology or Information Technology Enabled Services Special Economic Zone, as specified by the Central Government.
  - (ii) tax benefits already availed for creation of social or commercial infrastructure and other facilities if proposed to be used by both the Information Technology or Information Technology Enabled Services Special Economic Zone Units and business engaged in Information Technology or Information Technology Enabled Services in non-processing area.
- (6) The amount to be repaid by Developer under sub-rule (5) shall be based on a certificate issued by a Chartered Engineer.
- (7) Demarcation of a non-processing area shall not be allowed if it results in decreasing the processing area to less than fifty per cent of the total area or less than the area specified in column (3) of the table below:

**TABLE** 

Sl. No.	Categories of cities as per Annexure IV-A	Minimum built-up processing Area	
(1)	(2)	(3)	
1.	Category 'A' 50,000 square meters	50,000 square meters	
2.	Category 'B' 25,000 square meters	25,000 square meters	
3.	Category 'C' 15,000 square meters	15,000 square meters	

- (8) The businesses engaged in Information Technology or Information Technology Enabled Services Special Economic Zone in a non-processing area shall not avail any rights or facilities available to Special Economic Zone Units.
- (9) No tax benefits shall be available on operation and maintenance of common infrastructure and facilities of such an Information Technology or Information Technology Enabled Services Special Economic Zone.
- (10) The businesses engaged in Information Technology or Information Technology Enabled Services Special Economic Zone in a non-processing area shall be subject to provisions of all Central Acts and rules and orders made thereunder, as are applicable to any other entity operating in domestic tariff area.
- Consequent upon insertion of Rule 11 B in the SEZ Rules, 2006, Department of Commerce in consultation with Department of Revenue has issued Instruction No. 115 dated 09.04.2024 clarifying concerns/queries raised from stakeholders regarding Rule 11B.
- Further, as per the directions of the BoA in its 120<sup>th</sup> meeting held on 18.06.2024, there shall be a clear certification of Specified Office and the Development Commissioner that the Developer has refunded the duty as per the provisions of Rule 11B of SEZ Rules, 2006 and Instruction No. 115 dated 09<sup>th</sup> April, 2024 issued by DoC. Accordingly, DoC vide letter dated 27.06.2024 has issued one such Certificate to be provided by Specified Officer and Countersigned by Development Commissioner.
- Moreover, in the 122<sup>nd</sup> meeting of the BoA held on 30<sup>th</sup> August, 2024, the Board directed all DCs to ensure the implementation of the checklist (formulated by DoC and DoR) for all the cases including the past cases.

#123.7(i) – Proposal of M/s. Mindspace Business Parks Private Limited, for demarcation of SEZ Processing Built-up area (50,946.2sq.mtr.) as Non-Processing Area in terms of Rule 11 B of SEZ Rules, amended in 2023.

#### Jurisdictional SEZ - SEEPZ SEZ

1	Name & Address of the SEZ	M/s. Mindspace Business Parks Private Limited Plot No. 03, Kalwa TTC Industrial Area, MIDC, District Thane, Maharashtra State.
2	Letter of Approval No. and Date	F.2/94/2005-EPZ dated 23 <sup>rd</sup> October 2006

3	Date of Notification		2 <sup>nd</sup> November 2007					
4 Name of the Sector IT/ITES of SEZ for which								
	approval has been							
	given							
5	Total Notified Area	19.9	19.96 Hectares					
6	of SEZ							
6	Total area of –		** .					
	i.Processing Area		5 Hectar	e				
ii.Non Processing Area			0.71 Hectare					
7	Detail of Built-up	No.	No of towers 12 (thirteen) in the core so the					
	Area:	per	No. of towers 13 (thirteen) in the SEZ. Details BUA as per enclosed Annexure A. Summary of the BUA as					
	i. No. of towers 13	unde	er:-	January O	t the box as			
	(thirteen) in the SEZ.	Sr.	Bldg	Total No. of Floors	BUA as per			
	Details BUA as per	No	No.		Approved p			
	enclosed Annexure		/Tow		Sq.mtrs			
	A. Summary of the		er Nos.					
	BUA as under:-	1	1	Stilt + 3 Parking + 8 Office	17.000.0			
				Floors	45,300.85			
		3	2	Stilt + 3 Parking + 8 Office Floors	42,775.99			
		3	3	Stilt + 3 Parking + 8 Office Floors	45,059.51			
		4	4	Stilt + 3 Parking + 8 Office Floors	45,659.82			
		5 & 6	5 & 6	Stilt + 2 Parking + 8 Office Floors	98,408.74			
		7	7	Stilt + 3 Parking + 8 Office Floors	45,659.82			
		8	8	Stilt + 7 Office Floors	27,341.68			
		9	9, 11 and 12	Stilt + 1 Parking + 8 Office Floors	1,09,041.74			
		10	10	Stilt + Parking + 8 Office Floors	48,257.58			
		13	14	Stilt + 8 Office Floors	38,262.24			
ľ	Total built up area -	F 45 -	7617.06.0	Total	5,45,767.36			
$\dashv$	Total Built up area in i			uare meter.				
	Total Built up area in i. Processing area = 5,45,767.36 Square meter i. Non-Processing area = 50,946.20 sq. mtr.							

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9	Total number of	C.,	Т	D!1 1!	1			
9	floors in bldg.			Building	no. and ar	·ea		
	wherein demarcation		+	Bldg. No. 03 - Stilt + 3 parking + 8 O				
	of NPA is proposed :			Floors (TOTAL BUA of bldg. No. 03 is				
					Sq.mtr.)			
			Bldg. No. 08 - Stilt + 7 Office Floors (TOTAL					
				BUA of bldg. No. 08 is 27,341.68 Sq.mtr.)				
			3 Bldg. No. 09 - Stilt + Parking + 8 Office					
			(TOTAL BUA of bldg. No. 09 is 38,408					
			Sq.mtr.)					
		4				t + parking + 8 Office Floors		
				(TOTAL BUA of bldg. No. 10 is 48,257.58				
			Sq.mtr.)					
			Bldg. No. 14 - Stilt +8 Office Floors (To					
	×		1	BUA of bl	.dg. No. 14	4 is 37,657.54 Sq.mtr.)		
10		G I		'1 1'	27 00			
10	Total number of	Sr. No.		uilding	No. of fl	oors		
	floors proposed for		N		4th 0t	b Off d		
demarcation of NPA		1		ldg. No.		h Office floors [5,939.19 sq.		
	for setting up of Non	2	0;	ldg. No.	mtr.]	d Office floors [6 tot 70		
	SEZ IT/ITES units.		08		mtr.]	d Office floors [6,491.73 sq.		
		3		ldg. No.		ce floors		
			0	-	1924	2 sq. mtr.]		
		4		ldg. No.		fice floors		
			10			87 sq. mtr.]		
		5	B	dg. No.		7 <sup>th</sup> Office floors [10,083.09		
			14		sq. mtr.]	200 100 100 100 100 100 100 100 100 100		
11		S. No.		Building	g no.	Area (in sq. mtr.		
	proposed for demarcation of NPA for setting up of Non-SEZ IT/ITES units	1		Bldg. No	0.03	5,939.19 sq. mtr.		
		2		Bldg. No. 08		6,491.73 sq. mtr.		
		3		Bldg. No. 09		3,253.32 sq. mtr.		
		4		Bldg. No. 10		25,178.87 sq. mtr.		
		5		Bldg. No	0. 14	10,083.09 sq. mtr.		
$\Box$								

12	Total Built Up area already applied / approved for demarcation of NPA for setting up of Non SEZ IT/ITES Units in the IT/ITES SEZ	Nil
13	Total duty benefits and tax exemption availed on the built-up area proposed to be demarcated as NPA, as per Chartered Engineers Certificate (in Rs. Crores)	Total exemption and benefits availed and refunded is Rs. 57,89,20,149.11. Annexure I attached for reference  ***Bldg. no. 3 - total exemption and benefit availed for construction of bldg. no. 3 is Rs. 7,70,22,068.83 and refunded towards BUA of 5939.19 sq.mtr. is Rs. 4,62,85,631.60 which includes the refund of exemption and benefits availed for construction of common area of 19579.45 sq. mtr. and capital goods  ***Bldg. no. 8 - total exemption and benefit availed is Rs. 3,46,08,648.31 and refunded is Rs. 1,75,17,196.68.  ***Bldg. no. 9 - total exemption and benefit availed is Rs. 11,38,83,354.10 and refunded is Rs. 5,23,19,648.78  ***Bldg. no. 10 : total exemption and benefit availed for construction of bldg no. 10 and refunded is Rs. 12,72,13,817.91 including capital goods. They have also refunded an amount of Rs. 1,79,94,452.28 towards exemption and benefits availed on transfer of assets under Rule 38 of SEZ Rules 2006  ***Bldg. no. 11 : Stilt [ground floor parking and 1st floor parking and garden are accessible to occupants of Bldg. no. 9, 10 11 & 12. BUA of stilt area and 1st floor is 11,076.45 sq. mtr. and refunded an amount of Rs. 3,19,80,680.16 towards exemption and benefits availed for construction of the common area.  ***Bldg. no. 12 : Stilt [ground floor parking and 1st floor parking and garden are accessible to occupants of Bldg. no. 9, 10 11 & 12. BUA of stilt area and 1st floor is 8,849.96 sq. mtr. and refunded an amount of Rs.

		3,09,85,081.52 towards exemption and benefits availed for construction of the common area  ***Bldg. no. 14: total exemption and benefit availed for construction no. bldg. no. 14 is Rs. 6,57,85,357.03 and refunded is Rs. 4,05,80,919.98  **General Development including power infrastructure and club house of the entire SEZ- Open aera of SZ after considering the ground coverage of constructed IT/ITES Bldg. is 1,26,567.07 sq. mtr. Total exemption and benefit availed is Rs. 21,40,42,720
14	Whether duty benefits and tax exemptions availed has been refunded and NOC from Specified Officer has been obtained (Please enclose NPC from Specified officer	No.
15	Reasons for demarcation of NPA	The Sixteen office floors proposed or NPA demarcation are vacant due to decrease in demand for SEZ spaces. Given there is demand for Built Up Spaces from Non SEZ IT/ITES Clients, NPA demarcation shall help leasing these spaces.
16	Total remaining built up area	4,94,821.16 sq. mtr.
17	Whether total remaining built up area fulfils the minimum built up area requirement as per Rule 5 of SEZ Rules 2006	Yes
18	Purpose and usage of such demarcation of NPA	For leasing to Non-SEZ IT/ITES Clients

#### • Repayment of Tax benefits:

They have refunded an amount of Rs. 57,89,20,149.11 towards the exemption and benefits availed calculated as per principle under Rule 11B (5) (i) and 11B (5) (ii) and the clarification issued vide Instruction no. 115 dated 9<sup>th</sup> April 2006. They further undertake to pay, any additional amount, which would be found payable at a later late with respect to the current proposal for the demarcation of built up area as Non Processing Built up area.

#### Access Control Mechanism:

They shall ensure adequate control of the movement of person and goods in SEZ units operating in the processing area and non processing area. Further, they shall ensure and implement, any additional access Control measures, which may be suggested by the Development Commissioner-SEEPZ

• The Developer has conveyed that since the units would become operational in the NPA area and will not be eligible for any exemption and benefits as available and applicable to the SEZ units, all the document accompanying such goods shall be examined at the entry and exit level to ensure that all material pertaining to the units occupying the NPA area are without any exemption and benefits of taxes and duties which otherwise they would be available to an SEZ unit. They also assure that, if required, they would be open to discuss and implement any other suggestion to enhance the existing control measures.

#### • The following documents have been submitted -

- > Application in required Format
- ➤ Built Up Area Statement of all the buildings in the Processing Area, being proposed for NPA demarcation, area already applied/ approved for NPA Demarcation and balance processing Built Up Area.
- > BUA statement for the building of which floor/s are being proposed for NPA demarcation
- Diagrammatical representation of the Building within the Notified SEZ Boundary
- Copies of challans vide which total duty of Rs. 57,89,20,149.11 has been refunded.
- No Dues Certificate for the stamp duty benefits.
- Certificate from Independent Chartered Accountant Certifying the cost and exemption and benefits availed with respect to the Books of Accounts.
- Chartered Engineer Certificate certifying the area proposed for demarcation as Non-Processing area.
- Copy of the application submitted.
- Undertaking for refund of any amount found payable at a later date.

- > No dues certificate w.r.t. partial demarcation of non processing area obtained from Specified Officer.
- > Certificate of the duty refund duly certified by Specified Officer & Development Commissioner.
- Checklist formulated by DoC and DoR

## Recommendation of DC, SEEPZ SEZ:

The proposal of M/s. Mindspace Business Parks Private Limited. for demarcation of Built up Floors as Non Processing Area of a notified IT/ITES SEZ in terms of Notification No. CG-DL-E-07122023-250457 No. 698 dated 06.12.2023 and Instruction no. 115 dated 09.04.2024 of Ministry of Commerce & Industry is recommended to the BoA for its consideration.

#### Agenda Item No. 123.8:

Miscellaneous [1 proposal for cancellation of Formal Approval – 123.8(i)]

#123.8(i) - Proposal of M/s. ValueLabs Infra LLP, an IT/ITES SEZ at Sy. No. 211-213, Kokapet Village, Rajendra Nagar Mandai, Ranga Reddy District, Telangana for cancellation of their Formal Approval.

## Jurisdictional SEZ - Vishakhapatnam SEZ (VSEZ)

M/s. ValueLabs Infra LLP was granted formal approval on 05.02.2016 for setting up an IT/ITES SEZ at Sy. No. 211-213, Kokapet Village, Rajendra Nagar Mandai, Ranga Reddy District, Telangana in an extent of 3.12 Hectares. The validity of Formal Approval has expired on 04.02.2019. The Developer has neither accepted the terms and conditions of Formal Approval not submitted documents for issuance of Notification-Site verification has been done by O/o the DC, VSEZ and it is observed that, "no development activity" have been carried out by the developer. The Developer has also not sought further extension of validity of LoA. Further, O/o DC, VSEZ vide letters Dated 26.05.2017 & 03.05.2018 has requested the Developer to submit the willingness to implement the project with the requisite documents for issuance of Notification of their SEZ.

The Developer vide letter dated 18.05.2018 has stated that "due to certain changes in their business plans and considering the future requirements, they are also looking at alternate location which can cater to their future needs. In this regard, they have approached Govt. of Telangana to allot land for construction of a new campus. They got initial land allotment letter from the Government and awaiting physical handover of the allotted land. They have further stated that they are willing to implement the project for which approvals have been taken earlier, but also exploring an alternative which suits for their future requirements as well. They have requested O/o the DC, VSEZ to permit them another six months to finalize and implement the project. They are sure that they will be able to finalize in next six months."

VSEZ vide letter dated 03.02.2023 has once again requested the Developer to submit their willingness on implementation of project along with the requisite documents for issuance of Notification of SEZ along with reasons for delay at the earliest, in any case, not later than 15.02.2023. If no information is received within that time, the Formal Approval shall be recommended for cancellation as the Ministry is keen to cancel the non-operational SEZs. No reply has been received from the Developer in this regard. Subsequently, the Developer vide letter dated 11.01.2024 has stated that "they are not willing to implement the above project due to certain changes in their business plans

and considering the future requirements, they have requested to proceed for cancellation of their Formal Approval."

VSEZ vide letter dated 24.06.2024 requested the Govt. of Telangana to provide 'No Objection Certificate' for cancellation of SEZ at Sy. No. 211-213, Kokapet Village, Rajendra Nagar Mandai, Ranga Reddy District, Telangana in an extent of 3.12 Hectares of land.

In response to the above, the Special Chief Secretary (ITE &C Department), Govt. of Telangana vide letter dated 02.09.2024 has communicated its 'No Objection' for cancellation of Formal Approval of M/s. Valuelabs Infra LLP, IT/ITES SEZ at Sy. No. 211-213, Kokapet Village, Gandipet Mandai, Ranga Reddy District, Telangana for taking necessary action.

#### Relevant Rule position: -

Rule 6(A) of the SEZ Rules, 2006: Power of Central Government to review letter of approval:

The Central Government may review the letter of approval granted under sub-rule (1) of rule 6 on the recommendation of the Board.

# Recommendation by DC, VSEZ:

The proposal of M/s. Valuelabs Infra LLP, IT/ITES SEZ at Sy. No. 211-213, Kokapet Village, Rajendra Nagar Mandai, Ranga Reddy District, Telangana in an extent of 3.12 Hectares of land for cancellation of their Formal Approval is duly recommended by the Development Commissioner, VSEZ to the BoA for its consideration.

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