

Supplementary Agenda III for the 120th meeting of the Board of Approval for Special Economic Zones to be held on 18th June, 2024 at Pune, Maharashtra.

120.24: Request for partial de-notification (2 proposals)

Procedural guidelines on de-notification of SEZ:

- In terms of first proviso to rule 8 of the SEZ Rules, 2006, the Central Government may, on the recommendation of the Board (Board of Approval) on the application made by the Developer, if it is satisfied, modify, withdraw or rescind the notification of a SEZ issued under this rule.
- In the 60th meeting of the Board of Approval held on 08.11.2013, while considering a proposal of de-notification, the Board after deliberations decided that henceforth all cases of partial or complete de-notification of SEZs will be processed on file by DoC, subject to the conditions that:

(a) DC to furnish a certificate in the prescribed format certifying inter-alia that;

- the Developer has either not availed or has refunded all the tax/duty benefits availed under SEZ Act/Rules in respect of the area to be de-notified.
- there are either no units in the SEZ or the same have been de-bonded.

(b) The State Govt. has no objection to the de-notification proposal and

(c) Subject to stipulations communicated vide DoC's letter No. D.12/45/2009-SEZ dated 13.09.2013.

120.24(i) Request of M/s. Global Village Techparks Ltd (formerly M/s. Tanglin Developments Ltd.) for partial de-notification of 12.809 Ha out of 27.434 Ha of their IT / ITES at Bangalore, Karnataka - CSEZ.

M/s. Global Village Techparks Ltd (formerly M/s. Tanglin Developments Ltd. was granted formal approval on 28.06.2006 for setting up of an IT/ITES SEZ at Mylasandra / Pattenegere Villages, RVCE Post Off. Bangalore-Mysore Highway, Bangalore, Karnataka. It was later notified/de-notified as per the details given in below in the table: -

Sl. No.	Notification No.	Notification Date	Notified Area (in hectares)	De-Notified Area (in hectares)	Total Notified Area (in hectares)
(i).	S.O.1705(E)	05.10.2006	26.673	-	26.673
(ii).	S.O.2057(E)	11.03.2014	0.20	-	26.873
(iii).	S.O.1023(E)	10.04.2015	0.12	-	26.993
(iv).	S.O.5137(E)	09.12.2021	0.683	0.242	27.434

The request of the Developer for transfer of approval from M/s. Tanglin Developments Ltd. to M/s. G V Techpark Ltd. was approved in the 92nd meeting of the BoA held on 04.10.2019. Further, the SEZ is operational w.e.f. 25.10.2007 and total 29 units are there. Total exports and

imports of the SEZ for the last five financial years are Rs. 39,146 Cr. and Rs. 278 Cr, respectively.

M/s. Global Village Techparks Ltd. has requested for partial de-notification of 12.809 Ha out of 27.434 Ha. As regards reasons for decrease, the Developer has submitted as below: -

- A portion of the notified SEZ land was developed and leased out to the clients. However, the clients vacated the premises owing to the market changes due to implementation of Work from Home concept. Presently, there are no new takers for vacant space in the SEZ area.
- Due to Covid-19 pandemic the demand for SEZ space drastically decreased.
- Introduction of sunset clause for income tax benefits to the unit adversely impacted the demand for the SEZ project.
- Increased demand for non-SEZ space.

As per DoC's O.M. dated 14.07.2016 required documents for partial de-notification and the status thereof in the instant case are as below:-

S. No.	Documents/Details Required	Status
(i)	Form-C5 for decrease in area along with DC's recommendation	Yes, provided
(ii)	DC certificate in prescribed format	Yes, provided
(iii)	Developer's Certificate countersigned by DC	Yes, provided
(iv)	Land details of the area to be de-notified countersigned by DC	Yes, provided
(v)	Colored Map of the SEZ clearly indicating area to be de-notified and left-over area duly countersigned by DC	Yes, provided
(vi)	"No Objection Certificate" from the State Government w.r.t. instructions issued by DoC vide its instruction No. D.12/45/2009-SEZ dated 13.09.2013 for partial de-notification shall be complied with	Yes, provided (para below may be seen)
(vii)	'No Dues Certificate' from specified officer	Yes, provided

The State Government of Karnataka vide letter dated 15.05.2024 has recommended the proposal for its consideration. Further, it is also informed that the partial-de-notified land will be utilized towards creation of IT Infrastructure (non SEZ), which would sub-serve the objective of the SEZ and this land will conform to the land use conform to land use guidelines/ master plans of the State Government.

DC, CSEZ has certified that;

- a. There are no units in the SEZ land area proposed for de-notification.
- b. The Developer had availed the following Tax/Duty benefits under the SEZ Act/Rules:-

The Developer has refunded an amount of Rs.17,53,65,050/-(Rupees Seventeen Crore fifty three lakh sixty five thousand fifty only) towards duty/tax exemptions availed under the SEZ scheme for the land area proposed for de-notification.

All tax/duty benefit indicated above have been refunded by the Developer to DC's satisfaction.

In compliance of DoC's Instruction No. 102 dated 18.11.2019 regarding physical inspection and contiguity, an Inspection report has been provided. As per the report, the site Inspection was conducted on 29.05.2024 by DC, CSEZ and Deputy Thasildar, Nadakacheri, Kengeri Hobli, Bangalore South Taluk. Further, DC has certified that the Developer has complied with the contiguity condition in terms of the said DoC's instruction.

As regards remaining built-up area of the SEZ after the proposed de-notification, it is informed that the same will be 2,43,256.02 sq.mtrs. Further, the proposed de-notifying area will be utilised for creation of IT infrastructure for non-SEZ.

Recommendation by DC, CSEZ: -

DC, CSEZ has recommended the proposal for its consideration.

The above case was earlier submitted on-file for its consideration and approval. However, it was directed to include it in the agenda of the BoA. Accordingly, the case is being placed before the BoA for its consideration.

120.24(ii) Request of M/s. State Industries Promotion Corporation of Tamil Nadu (SIPCOT) Limited for partial de-notification of 10.10 Ha out of their 60.71 Ha Multi-Product SEZ at Industrial Park, Bargur, Krishnagiri, Tamil Nadu - MEPZ.

M/s. State Industries Promotion Corporation of Tamil Nadu (SIPCOT) Limited was granted formal approval on 10.03.2010 for setting up of a sector specific SEZ for Granite processing industries at Bargur, Uthangarai and Pchampalli Taluk, Krishnagiri District, Tamil Nadu. It was later notified vide Gazette notification dated 15.03.2010 over an area of 153.83 Ha. Subsequently, two partial areas of 58.29 Ha and 34.83 Ha were de-notified vide Gazette notifications dated 09.10.2015 and 21.09.2022 thereby, leaving the notified area of the SEZ as 60.71 Ha at present. Further, the SEZ is non-operational till date, however, there were 5 LOAs given to the Unit during 2023-24 and they are in the implementation stage.

M/s. SIPCOT has requested for partial de-notification of 10.10 Ha out of 60.71 Ha. As regards reasons for decrease, the Developer has mentioned in the application that as there is no demand for SEZ land in order to effectively put in use of the Industrial land and as per the request of M/s. BM Continental and Minerals Ltd, it is proposed to de-notify an extent of 10.10 Ha.

As per DoC's O.M. dated 14.07.2016 required documents for partial de-notification and the status thereof in the instant case are as below:-

S. No.	Documents/Details Required	Status
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(i)	Form-C5 for decrease in area along with DC's recommendation	Yes, provided
(ii)	DC certificate in prescribed format	Yes, provided
(iii)	Developer's Certificate countersigned by DC	Yes, provided
(iv)	Land details of the area to be de-notified countersigned by DC	Yes, provided
(v)	Colored Map of the SEZ clearly indicating area to be de-notified and left-over area duly countersigned by DC	Yes, provided
(vi)	"No Objection Certificate" from the State Government w.r.t. instructions issued by DoC vide its instruction No. D.12/45/2009-SEZ dated 13.09.2013 for partial de-notification shall be complied with	Yes, provided (para below may be seen)
(vii)	'No Dues Certificate' from specified officer	Yes, provided

The State Govt. of Tamil Nadu vide letter dated 15.03.2024 has conveyed No Objection to the proposal subject to the following conditions: -

- i. After de-notification, the contiguity should not be affected.
- ii. SIPCOT has to refund all the duties & tax concession availed in respect of land, buildings and machinery in respect of the area proposed for de-notification including road area.
- iii. Such de-notified parcels of land would be utilized toward creation of infrastructure which would sub-serve the objective of the SEZ as originally envisaged.
- iv. Such land parcels after de-notification will conform to Land Use guidelines/master plans of the Government of Tamil Nadu.

DC, MEPZ has certified that;

- i. There is no unit in the SEZ area proposed for de-notification.
- ii. The developer has availed tax/duty of 12,73,066/- and the same was deposited in to Govt. account vide TR-6 Challan No. 000667 dated 21.05.2024 under the SEZ Act/Rules in respect of the land being de-notify.
- iii. The SEZ shall remain contiguous even after the partial de-notification of the area of 10.10 Hectares and shall meet the minimum land requirement prescribed for the SEZ.

Recommendation by DC, MEPZ SEZ: -

DC, MEPZ has recommended the proposal for its consideration.

The above case was earlier submitted on-file for its consideration and approval. However, it was directed to include it in the agenda of the BoA. Accordingly, the case is being placed before the BoA for its consideration.
