

## NOIDA SPECIAL ECONOMIC ZONE

### Minutes of the meeting of Unit Approval Committee in respect of SEZs located in Noida, Gr. Noida & Khurja (U.P.) held on 18.09.2012 at Conference Hall, NSEZ, Noida.

The meeting was chaired by Shri C.P.S Bakshi, Development Commissioner. The following officers / representatives also attended the UAC meeting:-

1. Shri B.K. Dixit, Joint Commissioner, Income Tax, Noida
2. Shri Rakesh Kumar, DDC, NSEZ.
3. Shri V.K. Singh, Asstt. Commissioner, Customs & Central Excise, Noida.
4. Ms. Nimisha, Dy. G.M.(Planning), GNIDA
5. Shri N.K. Kapoor, Associate Architect, NOIDA.
6. Shri A.K. Singh, ATP, KDA
7. Shri Sharad Shrivastava, DC (Customs), NSEZ
8. Ms. Jyoti Wadhawan, Specified Officer
9. Shri R.K. Chauhan, Specified Officer

1. UAC ratified the minutes of meeting held on 13.08.2012.
2. **M/s. Arshiya Northern FTWZ Ltd., FTWZ at Khurja (U.P.).**

(i) Proposal of the developer for approval of three lists of goods.

After deliberations UAC approved three lists of goods submitted by the developer to carry on following authorized operations in the FTWZ at Village Ibrahimpur, Junaidpur Urf Maujpur, Bulandshar (U.P.):-

List Nos.	Authorized Operation	Estimated Cost
List-I	Warehouse	116607180.00
	Electrical, Gas and petroleum natural gas distribution network including necessary sub-station of appropriate capacity, pipeline network etc.	7341552.22
	Telecom & other Communication facilities including internet connectivity	8198044.45
	Water treatment plan, water supply lines (dedicated lines up to source), sewage lines, storm water drains and water channels of appropriate capacity	915681.82
	Air Conditioning of Processing Area	3549637.00
	Access Control and monitoring system	10153510.00
	Office Space for Development Commissioner, Customs, Security and State Government Staff	384250.00
	Road with street lighting, Signals and signage	20820000.00
	Boundary Wall	273375.99
	Fire protection system with sprinklers, fire and smoke detectors	258455.00
List-II	Power (including power backup facilities) for captive use only	4978769.00
	Maintenance & repairs yard with shed	4466262.23
	Warehouse	243880.00
	Electrical, Gas and petroleum natural gas distribution network including necessary sub-station of appropriate capacity, pipeline network etc.	150625.00
	Air Conditioning of Processing Area	8400.00
	Office Space for Development Commissioner, Customs, Security and State Government Staff	712525.41
List-III	Boundary Wall	22500.00
	Landscaping and Water Bodies	65,00,000.00
Total (Rs.174179755.48 + Rs.5604192.64 + Rs.6500000.00) :		186283948.12.00

(ii) Proposal of M/s. Arshiya Northern FTWZ Ltd., developer for issue of Occupation Certificate in respect of structure built in its FTWZ at Village Ibrahimpur, Junaidpur Urf Maujpur, Bulandshahr (U.P.)

The representative of KDA informed that the issue has been discussed in the board meeting of KDA held on 24.08.2012 and as per decision in the meeting recommendation for CLU has been forwarded to Govt. of U.P. for approval. Occupancy Certificate shall be issued only after approval of CLU by the State Govt.



3. M/s. Aachvis Softech Pvt. Ltd., IT/ITES SEZ at Noida

- (i). Proposal of the co-developer, M/s. Standard IT Web Solutions Pvt. Ltd. for approval to allot buitup space to M/s. HDFC Bank Ltd. to create ATM facility in processing area of SEZ.

After due deliberations, UAC deferred the proposal in view of the pending decision of Hon'ble Supreme Court in the matter of R.K. Mittal Vs. Govt. of U.P. & others.

4. M/s. NIIT Technologies Ltd., IT/ITES SEZ at Gr. Noida

- (i) Ratification of the approval of list of goods granted to the developer.

UAC ratified the approval of list of goods for a value of Rs.14,50,800/- granted by DC, NSEZ vide letter dated 31.08.2012 to carry on authorized operation namely 'Access Control and monitoring system' in the IT/ITES SEZ at Plot No. TZ 2 & 2A, Sector- Techzone, Greater Noida.

- (ii) Proposal of the developer for approval of list of goods.

The proposal of the developer for approval of list of goods to carry on following authorized operations in the IT/ITES SEZ at Plot No. TZ 2 & 2A, Sector- Techzone, Greater Noida was placed before the UAC :-

S. No.	Name of Authorized Operation	Estimated Value of the goods (Rs. in Lacs)		
		Import	Indigenous	Total
1.	Access control and monitoring systems	58.02	68.02	68.04
2.	Electrical, Gas and petroleum natural gas distribution network including necessary sub-station of appropriate capacity, pipeline network etc.	-	50.35	50.35
3.	Power (including power backup facilities) for captive use only	-	39.55	39.55
4.	Air Conditioning of processing area	2.12	30.42	32.54
5.	Solid & liquid waste collection, treatment and disposal plants including pipelines & other necessary infrastructure for sewage and garbage disposal, sewage treatment plants.	-	10.00	10.00
6.	Fire protection systems with sprinklers, fire and smoke detectors	-	25.75	25.75
7.	Cafeteria / Canteen for staff in processing area	-	0.62	0.62
8.	Construction of all types of building in processing area	1233.75	176.42	1410.17
9.	Water treatment plan, water supply lines (dedicated lines up to source), sewage lines, storm water drains and water channels of appropriate capacity	-	9.37	9.37
10.	Landscaping and water bodies	-	2.00	2.00
11.	Recreational facilities such as Indoor / Outdoor games, gymnasium / Employee's restroom in processing area	-	1.75	1.75
<b>Total:</b>		<b>1293.89</b>	<b>414.25</b>	<b>1708.15</b>

After due deliberations, UAC approved the list of goods except following:-

S. No.	Authorised operation	Description of goods
1.	Access control and monitoring systems	200 Nos. CCTV Camera with Accessories
2.	Construction of all types of building in processing area	Tensile Structure for Swimming pool / Parking
3.	Recreational facilities such as Indoor/Outdoor games, gymnasium / employee's restroom in processing area	Swimming pool cover / Games / Light

UAC advised the representative of the developer to submit justification for the requirement of 200 Nos. CCTV Camera.

- (iii). Approval of building plan.

The representative of GNIDA informed that the developer has submitted all requisite documents and comments would be forwarded within next 10 days.



**5. M/s. HCL Technologies Ltd., IT/ITES SEZ at Noida.**

- (i). Proposal of M/s. HCL Technologies Ltd., developer for approval of list of goods.

After due deliberations, UAC approved the list of materials proposed by the developer to carry on authorized operation following authorised operations namely 'Power (including power backup facilities) for captive use only' & 'Office Space' in the IT/ITES SEZ at Plot No. 3A, Sector-126, Noida. However, UAC restricted the quantity of 'Diesel' by 50% of proposed quantity. UAC also directed Specified Officer to submit report on actual consumption of 'Diesel' in SEZ for last three months.

- (ii). Proposal of M/s. HCL Technologies Ltd. (Unit-III) for de-bonding of area of SEZ unit.

After due deliberations, UAC approved the proposal of the unit for de-bonding of 9500 sqft area at 2<sup>nd</sup> floor, Software Development Block-II in the IT/ITES of M/s. HCL Technologies Ltd. at Plot No. 3A, Sector-126, Noida, subject to submission of 'No Dues Certificate' from Specified Officer by the unit.

- (iii). Proposal of M/s. HCL Technologies Ltd. (Unit-IV) for de-bonding of area of SEZ unit.

After due deliberations, UAC approved the proposal of the unit for de-bonding of 4227.23 sq. mtrs. area at 5<sup>th</sup> floor, Software Development Block-III in the IT/ITES of M/s. HCL Technologies Ltd. at Plot No. 3A, Sector-126, Noida, subject to execution of revised Bond-Cum-LUT.

- (iv). Proposal of M/s. HCL Technologies Ltd. (Unit-V) for addition of area in SEZ unit.

The proposal of the unit for addition of 9500 sqft area at 2<sup>nd</sup> floor, Software Development Block-II in the IT/ITES of M/s. HCL Technologies Ltd. at Plot No. 3A, Sector-126, Noida was placed before the UAC. It was brought to the notice of UAC that area proposed to be added in M/s. HCL Technologies Ltd. (Unit-V) are to be de-bonded from M/s. HCL Technologies Ltd. (Unit-III). After due deliberations, UAC granted in-principal approval for addition of proposed area, subject to submission of following documents:-

1. Revised foreign exchange balance sheet.
2. Additional employment generation with reference to proposed expansion.

However, formal approval letter shall be issued only after completion of final de-bonding procedure of the premises from M/s. HCL Technologies Ltd. (Unit-III).

**6. M/s. Ansal IT City & Parks Ltd., IT/ITES SEZ at Gr. Noida.**

- (i) Proposal of M/s. Algolog Systems Pvt. Ltd. for setting up of unit IT/ITES SEZ of M/s. Ansal IT City & Parks Ltd. at Gr. Noida.

UAC deferred the proposal as no representative of the unit appears before UAC and also not submitted the required documents.

- (ii) Approval of layout plan of SEZ.

It was informed by the representative of developer that the revised layout of SEZ project is pending with O/o CEO, Greater Noida Authority since 16/4/2012 for their comments for placing it before the next UAC Meeting. The matter was accordingly placed in the meeting of UAC held on 13/8/2012 but could not be discussed due to the non attendance of the representative of the GNIDA. Therefore the case was listed in the meeting of UAC held on 18/9/2012. In the meeting, the representative of GNIDA informed that the layout prepared by Ansal IT City & Parks Ltd. have with new FAR which is not admissible to them, however, they can purchase the additional FAR. In this context, the representative of the developer produced Government orders which indicates that new FAR would be made available on the basis of UP SEZ Policy 2007, which have been duly adopted in the 66th Meeting of GNIDA Board. It has been incorporated in SEZ Policy 2007 of UP Government that the FAR would be given to the SEZ developer as per the current norms (on the date of submission of plan) whereas at the time of allotment of plot, the FAR was on the lower side. It was brought to the notice of UAC by the developer that the project is required to implement by them by 6<sup>th</sup> April, 2013 as per as per the extension given by BoA. It was stressed by the SEZ Developer that with the opening of Yamuna



Express Highway recently, few IT Companies are now inclined to set up their project but are insisting on the approved layout of the SEZ Project as they have to provide social, residential infrastructure to their employees and therefore early approval of layout by UAC is required.

After due deliberation, it was decided by UAC that the developer would discuss this issue with the representative of GNIDA to sort out all issues and case would be placed before next meeting of UAC and by that time, GNIDA would provide its comments.

**7. M/s. Seaview Developers Ltd., IT/ITES SEZ at Noida.**

- (i). Proposal of M/s. Seaview Developers Ltd., developer for approval of list of services.

After due deliberations, UAC approved the list of services as proposed by the developer in terms of Notification No. 40/2012-ST dated 20.06.2012 effective from 01.07.2012, to carry on authorized operation in the in the IT/ITES SEZ at Plot No. 20 & 21, Sector-135, Noida.

**8. M/s. Unitech Infra-con Ltd., IT/ITES SEZ at Greater Noida.**

- (i). Proposal of M/s. Unitech Infra-con Ltd., developer for approval of list of services.

After due deliberations, UAC approved the list of services as proposed by the developer in terms of Notification No. 40/2012-ST dated 20.06.2012 effective from 01.07.2012, to carry on authorized operation in the in the IT/ITES SEZ at Plot No. TZ-04, Techzone, Greater Noida.

**9. M/s. Unitech Hi-Tech Projects Pvt. Ltd., IT/ITES SEZ at Noida.**

- (i). Proposal of M/s. Unitech Hi-Tech Projects Pvt. Ltd., developer for approval of list of services.

After due deliberations, UAC approved the list of services as proposed by the developer in terms of Notification No. 40/2012-ST dated 20.06.2012 effective from 01.07.2012, to carry on authorized operation in the in the IT/ITES SEZ at Plot No. 01, Sector-144, Noida.

- (ii). Approval of building plan of SEZ.

The representative of NOIDA informed that the proposal of the developer is under scrutiny.

**10. M/s. Golden Tower Infratech Pvt. Ltd., IT/ITES SEZ at Noida.**

- (i). Proposal of M/s. Golden Tower Infratech Pvt. Ltd., developer for approval of list of services.

After due deliberations, UAC approved the list of services as proposed by the developer in terms of Notification No. 40/2012-ST dated 20.06.2012 effective from 01.07.2012, to carry on authorized operation in the in the IT/ITES SEZ at Plot No. 8, Sector-144, Noida, except following:-

Category: 01 – IT / Software Training / Operational Coaching Services.

Category: 02 – Management, Maintenance or repair services.

Category: 03 - Cleaning activities services, On-line information and database access services, Development of information technology software services, Business Exhibition / Advertisement / Event Management Services, Legal Services, Management, Maintenance or repair services, Internet telecommunication services, Tour Operator Services, Business Promotional related Services (Advertisement / Event Management/ Business Exhibition Activities), Credit Rating Agency Services.

**11. M/s. Moser Baer India Ltd., Non-conventional energy SEZ at Gr. Noida**

- (i). Proposal of M/s. Moser Baer India Ltd., developer for approval of list of services.

After due deliberations, UAC approved the list of services in terms of Notification No. 40/2012-ST dated 20.06.2012 effective from 01.07.2012, to carry on authorized operation in the in the Non-Conventional Energy SEZ at Plot No. 66B, Udyog Vihar, Greater Noida, as given below:-

1. Services actually performed within the SEZ	3. Recipient based services
1) Courier agency services	1) Business support services
2) Security agency services	2) Courier agency services



3) Photography services 4) Video production agency services 5) Cargo handling agency services 6) Dry cleaner services 7) Storage or warehouse keeper services 8) Commissioning and installation services. 9) Management, maintenance or repair services 10) Technical inspection and certification services 11) Cleaning activity services 12) Manpower recruitment or supply agency services / Placement services 13) Technical Testing and Analysis Services 14) Transport of goods services	3) Custom house agent services 4) Clearing and forwarding agent services 5) Mandap keeper services 6) Management or business consultant services 7) Chartered accountant services 8) Cost accountant services 9) Company secretary services 10) Market research agency services 11) On-line information and database access services 12) Insurance auxiliary services related to General Insurance 13) Insurance agency services (General Insurance) 14) Banking and other financial institution services 15) Foreign exchange broker services 16) Transport of goods by road services 17) Development of information technology software services 18) Legal services 19) Rent a cab scheme operator's services 20) Advertising Services 21) Demurrage & detention services 22) Port services (Major port) 23) Public relation services 24) Rail travel agent services 25) Share transfer agent services 26) Transport of goods by air services 27) Transport of goods in container by rail services
<b>2. Services related to property located or intended to be located within SEZ</b>	
1) General insurance business 2) Architect services 3) Interior decorator services 4) Real estate services 5) Commercial or industrial construction services 6) Site formation and clearance services. 7) Dredging services 8) Survey and map-making services 9) Construction services 10) Renting of immovable property 11) Works contract services 12) Asset management services 13) Security agency services for property 14) Design services.	

(ii) Proposal of M/s. Moser Baer Photovoltaic Ltd. for renewal of LOA granted for setting up of unit in Moser Baer Non-conventional energy SEZ at Gr. Noida.

The proposal of the unit for renewal of LOA No. 10/64/2006-SEZ/11536 dated 12.10.2006 for further period of five years was placed before the UAC. It was brought to the notice of UAC that the unit has failed to achieve positive NFE. The performance of the unit for last five years has been calculated and it has been found negative NFE of (-) Rs.1167.57 lacs.

After due deliberations, UAC extended the validity period of LOA for further period upto 31.03.2013 with direction to issue Show Cause Notice for negative NFE.

(iii) Review of performance of M/s. BOC India Ltd., a unit in Moser Baer Non-conventional energy SEZ at Gr. Noida.

It was brought to the notice of UAC that performance of the unit for last four years has been calculated and it has been found negative NFE of (-) Rs.536.45 lacs. After due deliberations, UAC decided to kept the unit under watch list.

(iv) Proposal of M/s. Moser Baer India Ltd. (Power Plant Unit) for approval of list of services.

After due deliberations, UAC approved the following services in addition to the default list of serviced issued vide letter dated 29.08.2012, in terms of Notification No. 40/2012-ST dated 20.06.2012 effective from 01.07.2012 to carry on authorized operation in the Non-Conventional Energy SEZ at Gr. Noida:-

1. Services actually performed within the SEZ	(i). Intellectual property Services
2. Services related to property located or intended to be located within SEZ	-
3. Recipient based Services	(i). Advertising Agency's Services (ii). Air port Services (iii). Demurrage & detention services (iv). Port Services (Major port) (v). Rail Travel Agent services



	(vi). Scientific & technical consultancy services (vii). Share transfer agent services (viii). Steamer agent services (ix). Telecommunication services (x). Transport of goods by air services (xi). Transport of goods in container by rail services.
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(v) Proposal of M/s. Moser Baer Solar Ltd. (Unit-I) for approval of list of services.

After due deliberations, UAC approved the following services in addition to the default list of serviced issued vide letter dated 29.08.2012, in terms of Notification No. 40/2012-ST dated 20.06.2012 effective from 01.07.2012 to carry on authorized operation in the Non-Conventional Energy SEZ at Gr. Noida:-

1. Services actually performed within the SEZ	(i). Intellectual property Services
2. Services related to property located or intended to be located within SEZ	-
3. Recipient based Services	(i). Advertising Agency's Services (ii). Air port Services (iii). Demurrage & detention services (iv). Port Services (Major port) (v). Rail Travel Agent services (vi). Scientific & technical consultancy services (vii). Share transfer agent services (viii). Steamer agent services (ix). Telecommunication services (x). Transport of goods by air services (xi). Transport of goods in container by rail services.

(vi) Proposal of M/s. Moser Baer Solar Ltd. (Unit-II) for approval of list of services.

After due deliberations, UAC approved the following services in addition to the default list of serviced issued vide letter dated 29.08.2012, in terms of Notification No. 40/2012-ST dated 20.06.2012 effective from 01.07.2012 to carry on authorized operation in the Non-Conventional Energy SEZ at Gr. Noida:-

1. Services actually performed within the SEZ	(i). Intellectual property Services
2. Services related to property located or intended to be located within SEZ	-
3. Recipient based Services	(i). Advertising Agency's Services (ii). Air port Services (iii). Demurrage & detention services (iv). Port Services (Major port) (v). Rail Travel Agent services (vi). Scientific & technical consultancy services (vii). Share transfer agent services (viii). Steamer agent services (ix). Telecommunication services (x). Transport of goods by air services (xi). Transport of goods in container by rail services.

(vii) Proposal of M/s. Moser Baer Photovoltaic Ltd, SEZ unit for approval of list of services.

After due deliberations, UAC approved the following services in addition to the default list of serviced issued vide letter dated 29.08.2012, in terms of Notification No. 40/2012-ST dated 20.06.2012 effective from 01.07.2012 to carry on authorized operation in the Non-Conventional Energy SEZ at Gr. Noida:-

1. Services actually performed within the SEZ	(i). Intellectual property Services
2. Services related to property located or intended to be located within SEZ	-
3. Recipient based Services	(i). Advertising Agency's Services (ii). Air port Services (iii). Demurrage & detention services (iv). Port Services (Major port)



	(v). Share transfer agent services (vi). Steamer agent services (vii). Rail Travel Agent services (viii). Scientific & technical consultancy services (ix). Telecommunication services (x). Transport of goods by air services (xi). Transport of goods in container by rail services
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**Supplementary agenda items:**

**1. M/s. Arshiya Northern FTWZ Ltd., FTWZ at Khurja (U.P.)**

Proposal of M/s. Arshiya Supply Chain Management Pvt. Ltd. for enhancement of the value inputs requirement towards transaction of import and procurement by the unit

UAC deferred the proposal with direction to the unit to submit revised foreign exchange balance sheet.

**2. M/s. Artha Infratech Pvt. Ltd., IT/ITES SEZ at Greater Noida (U.P.).**

**(i) Proposal of M/s. Artha Infratech Pvt. Ltd. developer for approval of list of goods.**

After due deliberations, UAC approved the list of goods for a value of Rs.83.65 lacs proposed by M/s. Artha Infratech Pvt. Ltd., developer to carry on default authorized operation namely 'Construction of all types of building in processing area' in the IT/ITES SEZ at Plot No. 21, Sector-Techzone, Greater Noida.

**(ii) Proposal of M/s. Artha Infratech Pvt. Ltd. developer for approval of list of Services.**

After due deliberations, UAC approved the list of services as proposed by the developer in terms of Notification No. 40/2012-ST dated 20.06.2012 effective from 01.07.2012, to carry on authorized operation in the in the IT/ITES SEZ at Plot No. 21, Sector-Techzone, Greater Noida.

**(iii) Proposal of M/s. Artha Builders LLP, Co-developer for approval of list of services.**

After due deliberations, UAC approved the list of services as proposed by the co-developer in terms of Notification No. 40/2012-ST dated 20.06.2012 effective from 01.07.2012, to carry on authorized operation in the in the IT/ITES SEZ of M/s. Artha Infratech Pvt. Ltd. at Plot No. 21, Sector-Techzone, Greater Noida.

**With the permission of the Chair, following additional points were discussed:-**

**(1) Issues regarding operations at Arshiya Northern FTWZ, Khurja.**

**(a) Exemption from payment of SAD**

Issue regarding exemption from Special Additional Duty under Notification No. 45/2005-Cus was raised in view of confusion in the matter. A presentation was then made by the representatives of M/s Arshiya Northern FTWZ Ltd. (Developer) that the goods being 'cleared' from the FTWZ, Khurja are eligible for exemption from SAD under Notification No. 45/2005-Cus as also clarified in CESTAT decision of Indian Serum, Pune and also cited that at Arshiya FTWZ, Panvel no SAD was being levied. It was pointed out that the similar issue was raised earlier in the UAC meeting dated 16.05.2012 wherein, after due deliberations, it was decided by the UAC that the exemption would be extended to the goods cleared from the FTWZ, Khurja on the similar lines as is being done at FTWZ, Panvel and similar practice should be followed at FTWZ, Khurja.

After discussion, it was decided that the practice of accepting an Undertaking from the DTA buyer in case of transfer of goods to DTA, and allowing the benefit of Notification No. 45/2005-Cus as amended, on furnishing the certificate from the chartered accountant within three months after clearance of goods to the effect that sale tax/ VAT is paid against the goods cleared and sold, as decided earlier in the meeting held on 16.05.2012, should continue. However, in case of non receipt of certificate within 3 months, protective demand should be issued by the SO in every case.

It was also decided by UAC to make a reference to DOC for clarification on the following points:-

- (a) As to whether benefit of Notification No. 45/2005-Cus should be extended on the goods cleared into DTA under Rule 18(5) of SEZ Rules, 2006 when there is only transfer of goods (owned by the client of the FTWZ unit) from FTWZ to DTA, and no actual sale as such takes place at this point;
- (b) The provision of accepting an undertaking does not exist under the SEZ Rules, 2006. It may be clarified as to whether there is any need for insisting on such Undertaking at all in the first place. If so, the same may be given a legal backing.
- (c) The feasibility of prescribing a procedure for refund of SAD by Ministry of Commerce, similar to the one in case of clearances from ports, may be examined as the procedure calls for a fact-based verification of payment of VAT.
- (d) Definition of client needs to be clarified including procedure for imports / export carried out by them. It also needs clarity as to whether the clients have to be NFE(+) & whether the value of import / export by clients is to be reflected in NFE of unit or not.
- (e) Clarification is also needed as to whether the value of import by the client is to be debited to the Bond-cum-LUT executed by the unit of FTWZ or not.
- (f) Since, EDI connectivity with Customs is not available, proper valuation at time of DTA sale is a major challenge. Although, DG Valuation was requested to provide login/password to Custom Officers in DC's office, the same has not been provided. While SO's have been requested to get valuation detail from ICD Dadri & ICD TKD, this is tenuous & not a reliable method of getting valuation data. MOC may take up the matter with Deptt. of Revenue to provide NIDB Connectivity at the earliest ~~possible~~.

The meeting ended with a vote of thanks to the Chair.

  
(Rakesh Kumar)

Dy. Development Commissioner

  
(C.P.S Bakshi)

Development Commissioner