

Cochin SEZ seeks more time to put house in order after GAIL exit

IOCL receives approval for setting up unit in the zone, Petronet may apply too

AMITI SEN
New Delhi, March 4

The port-based SEZ being developed by Cochin Port Trust in Puthuvypeen Ernakulam has asked for more time for de-notification of the area earlier occupied by a unit by GAIL, which has now exited the zone, and the construction of the boundary wall, as directed by the Board of Approval (BoA) for SEZs last year.

The Indian Oil Corporation Limited (IOCL) has now got its own proposal for setting up a unit in the SEZ to manufacture and export lubricant cleared by the Unit Approval Committee last month while Petronet Limited, too, has shown interest in setting up a unit, the Development Commissioner (DC) of the Cochin

SEZ (CSEZ) said in a recent submission to the BoA. "The request of the developer for extension of time for compliance of BoA directions regarding de-notification and construction of compound wall for a period of six months, till August 31 2021, may be considered. Chairperson, Cochin Port Trust may also be invited to the BoA to present the case," the DC proposed.

Decision-making body

The BoA, which is the top decision making body for SEZs and is headed by the Commerce Secretary, is likely to consider CSEZ's request for more time in its meeting on March 18. The fact that IOCL has received approval for a unit in the SEZ is likely to go in favour of the developer,



The port-based SEZ is being developed by Cochin Port Trust

an official tracking the matter told *BusinessLine*.

Sometime ago, the DC, CSEZ came across some "serious lapses" in the Puthuvypeen SEZ. It observed that the zone did not have a secured compound wall, there were non-contiguous areas, no work was started by co-developer IOCL despite being issued approval in 2011 and another co-developer BPCL Kochi Refinery was operating like a

unit without any valid letter of approval.

Moreover, the lone unit being run in the zone by GAIL for five years had not achieved net foreign exchange status and requested for exit from the zone, when the extended validity of its letter of approval expired on March 31, 2019. The BoA, in a meeting in February 2020, had allowed GAIL to exit but insisted that Cochin Port Trust and the

three co-developers — Petronet LNG, BPCL and IOCL — should bring another unit into the zone that has a direct relationship with their activities in a year's time and not be allowed duty free import till that time. On failure to attract a unit, the zone would lose its SEZ status.

The BoA also directed the DC of CSEZ to ensure that the developer constructs a compound wall for maintaining contiguity of the entire area of the zone before it becomes operational.

"The Chairperson of CSEZ is now expected to explain in details the actions taken by the developers in the past year to bring its operations in compliance with BoA directions. The BoA would then give a ruling on extension of deadline for building compound wall and also provide further directions," the official said.



**V N Datt takes over as
Chairman, Board of
Directors, RFCL**

Virendra Nath Datt, C&MD, NFL, takes over as Chairman of the Board of Directors of NFL's Joint Venture RFCL with effect from February 23. Datt is associated with NFL as Director (Marketing) since October 2018 and C&MD since June 2020. An MBA from Maharshi Dayanand University, Datt has a rich professional experience of over 35 years with premier CPSEs such as GAIL and ONGC, besides fertiliser industry.