

No. 21-641/2007-IA.III
Government of India
Ministry of Environment & Forests
(IA-III Division)

Paryavaran Bhawan,
CGO Complex, Lodhi Road,
New Delhi-110 003

Dated: 25th October, 2010

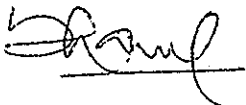
To,
M/s Hetero Infrastructures SEZ Ltd,
H.No.8-3-166/7/1
Hetero House, Erragadda
Hyderabad - 500 018

Subject: Environmental & CRZ Clearance for the development of SEZ for Pharmaceutical and Chemical manufacturing units intake and outfall and for desalination plant at Sy. No. 215, 286/1, 286/2, 283/1, in Ch. Lakshmi Puram, 312/1 to 312/5, 312/10 to 312/12, 313/1 to 313/7 of Rajaiahpet, 19(qart) in Pedda Teernala, 117/1 to 117/3, 119/1, 119/2, 120/1, 120/2, 125,126, 129/1 to 129/9, 138, 142, 150, 215 N. Narasapuram village, Nakkapalli Mandal, Visakhapatnam District, Andhra Pradesh by M/s. Hetero Infrastructure SEZ Ltd. - Reg.

Sir,

This has reference to your application No. Nil dated 26.6.2007 and letter no. SEIAA/AP/VSP-14/2008-1234 dated 4.8.2008 and subsequent letters dated 2.3.2009, 20.8.2009, 5.9.2009, 15.12.2009, 22.2.2010, 9.4.2010 and 17.5.2010 seeking prior Environmental and CRZ Clearance for the above project under the EIA Notification, 2006 and CRZ Notification 1991. The proposal has been appraised as per prescribed procedure in the light of provisions under the EIA Notification, 2006 as amended in 2009 and CRZ Notification 1991 on the basis of the mandatory documents enclosed with the application viz., the Questionnaire, EIA, EMP, recommendations of SCZMA and the additional clarifications furnished in response to the observations of the Expert Appraisal Committee constituted by the competent authority in its meetings held on 3.3.2009, 15.4.2009, 6-7th October, 2009, 27-29th January, 2010, 25-26th February, 2010 & 28-29th June, 2010 & 21-23rd September, 2010.

2. It is, interalia, noted that the project involves the development of SEZ for Pharmaceutical and Chemical manufacturing units on a total plot area is 138.51 ha. It is proposed to develop 17 plots, which include 4 plots for which EC was already issued earlier. All the units will be manufacturing bulk drugs (API) and chemicals (Life saving drugs). The total built-up area proposed is 1,12,942.50 sq. m. The total water requirement is 1.644 MLD (Source-YLBC Canal). The total effluent will be 1130.6 KLD (trade effluent - 1040.6 KLD and domestic effluent - 90 KLD). The treated waste water to be used for boilers - 290 KLD, AC cooling -424 KLD and washings -175 KLD.



Total solid waste generation will be 96 T/day. The power requirement is 10 MW. The total area proposed for parking is 19,200 sq.m. Total cost of the project is Rs 126.00 Crores.

3. The proposed Special Economic Zone (SEZ) is located outside the CRZ area. The industry proposed to utilize the existing effluent discharge pipeline of M/s Hetero Drugs Limited for the discharge of treated effluent of SEZ into the sea near Dondawaka (V) near Rajaiahpet village, Nakkapalli Mandal, Visakhapatnam District. The estimated quantity of effluent is 1040 cu.m. per day.

The National Institute of Oceanography (NIO), Visakhapatnam, a notified agency of Government of India has carried out the demarcation of LTL/HTL and CRZ area including the firming up of outfall point. The entire route of pipeline is passing through CRZ-III INCLUDING No Development Zone (NDZ) before entering inter tidal zone i.e. the area lying in between HTL and LTL which is classified as CRZ-I (ii). The NIO also carried out field studies to generate baseline and site specific data and also suggested suitable disposal point to facilitate quick dispersal of treated effluent. The width of the inter tidal zone varied between 130m to 175 mtr. at this stretch. The National Institute of Oceanography, Visakhapatnam after considering the prevailing physico-chemical and bathymetry of the study area, recommended the discharge point at 13 mtr. water depth i.e. at 17°21' 07" N latitude and 82° 44' 31" E longitude which is 981 M from the HTL. The NIO assessed the filed dilution of effluent was more than 100 times with one port diffuser system of 0.11 m. diameter with a jet velocity of 2 m/sec. at a depth of 13 m. The dilution can be enhanced to more than 200 times by using a 2 port diffuser of 0.07 m. diameter. The NIO recommended the diffuser system with Jet velocity of 2.0 m/sec. to avoid bio fouling and accumulation of the particulate matter inside the pipeline.

The proposal also includes 15 MLD desalination plant located within the SEZ area and outside the CRZ. The National Institute of Oceanography (NIO) firmed up the intake and outfall locations. Two separate pipelines are proposed each for intake of sea water of about 15 MLD and the estimated discharge of plant reject of about 10 MLD. The suggested length of intake pipeline is about 1.20 Km. from HTL and discharge pipeline is about 2.0 Km. The NIO suggested the intake location at 17° 21' 12" N latitude and 82° 44' 04" E longitude to draw 15 MLD sea water which is about 980 m. from the HTL at a depth of 6 m. The discharge location is indicated at 17° 21' 07" N latitude and 82° 44' 31 E longitude which is about more than 2 Km. from the HTL. The distance between the intake point and outfall point is maintained around 1.0 Km. The discharge point provides for 30 times dilution by using a diffuser of 5 port with a velocity of 3 m/s at each port and the corresponding rise in salinity will be about 1 ppt above the ambient at release site. It is indicated in the RMEIA report that the ports will be separated by 3 m. distance and each port will make 45° angle with horizontal plane with a raise of to 2-3 m. above the bed to increase the dilutions. The salinity of treated water is indicated as 65 ppt. No ecologically sensitive areas such as mangroves or national parks are present in the vicinity of the proposed land fall point or along the route of the pipeline.



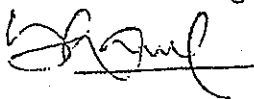
4. The proposal was examined by the Andhra Pradesh Coastal Zone Management Authority ON 13-05-2010 and opined that the pipeline passes through areas classified as CRZ-III followed by CRZ-I (ii) i.e. inter tidal zone before entering into the marine zone and recommended the proposal vide letter no. 1617/CZMA/2010 dt. 21-05-2010.

5. The Expert Appraisal Committee, after due consideration of the relevant documents submitted by the project proponent and additional clarifications furnished in response to its observations, have recommended for the grant of Environmental & CRZ Clearance for the project mentioned above. Accordingly, the Ministry hereby accord environmental & CRZ clearance as per the provisions of Environmental Impact Assessment Notification - 2006 and CRZ Notification 1991 its subsequent amendments, subject to strict compliance of the terms and conditions as follows:

PART A - SPECIFIC CONDITIONS

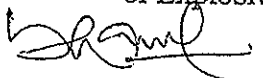
I. Construction Phase

- (i) "Consent for Establishment" shall be obtained from Andhra Pradesh Pollution Control Board under Air and Water Act and a copy shall be submitted to the Ministry before start of any construction work at the site.
- (ii) Sufficient dilution shall be ensured to meet the ambient parameters within 50 m. distance from the outfall.
- (iii) Regular Independent monitoring of marine water quality including temperature and salinity at the outfall shall be undertaken through a authorized agency and submitted along with six monthly monitoring report to the Ministry.
- (iv) Filters in the way of extruders shall be provided at the intake point to prevent fishes entering in to the system.
- (v) All the recommendations of EIA and DMP shall be strictly complied with.
- (vi) Lighted buoys shall be provided at intake and out fall locations as indicators
- (vii) The pipeline shall be buried at least 2 m depth in the onshore area and 4 mts. in the offshore area. Necessary permission with regard to the pipeline burial and laying shall be obtained from Maritime Board to ensure that the pipeline route does not fall in the navigation channel. Accordingly, the details of the laying of the pipeline shall be provided.
- (viii) The pipeline shall not pass through any Sand dunes/mangroves. The project shall be implemented in such a manner that there is no damage whatsoever to the mangroves/ other sensitive coastal



ecosystem. If any damage to mangroves is anticipated / envisaged as a result of project activities then the clearance shall stand cancelled and the proponents shall seek fresh approval from the Ministry.

- (ix) The reject shall meet the standards prescribed by Andhra Pradesh Pollution Control Board before disposal.
- (x) A continuous and comprehensive post-project marine quality monitoring programme shall be taken up. This shall include monitoring of water quality, sediments quality and biological characteristics and report submitted every 6 months to Ministry's Regional Office at Bangalore.
- (xi) It shall be ensured that there is no displacement of people, houses or fishing activity as a result of the project.
- (xii) There shall be display boards at critical locations along the pipeline viz. road / rail/ river crossings giving emergency instructions. This will ensure prompt information regarding locations of accident during any emergency. Emergency Information Board shall contain emergency instructions in addition to contact details. Proper lightning shall be provided all along the road.
- (xiii) There shall be no withdrawal of ground water in CRZ area, for this project.
- (xiv) No other activities except the permissible actions under CRZ Notification 1991 shall be carried out within CRZ areas.
- (xv) Soil and ground water samples will be tested to ascertain that there is no threat to ground water quality by leaching of heavy metals and other toxic contaminants.
- (xvi) Construction spoils, including bituminous material and other hazardous materials, must not be allowed to contaminate watercourses and the dump sites for such material must be secured so that they should not leach into the ground water.
- (xvii) Any hazardous waste generated during construction phase, should be disposed off as per applicable rules and norms with necessary approvals of the Andhra Pradesh State Pollution Control Board.
- (xviii) The diesel generator sets to be used during construction phase should be low sulphur diesel type and should conform to Environment (Protection) Rules prescribed for air and noise emission standards.
- (xix) The diesel required for operating DG sets shall be stored in underground tanks and if required, clearance from Chief Controller of Explosives shall be taken.



- (xx) Vehicles hired for bringing construction material to the site should be in good condition and should have a pollution check certificate and should conform to applicable air and noise emission standards and should be operated only during non-peak hours.
- (xxi) Ambient noise levels should conform to residential standards both during day and night. Incremental pollution loads on the ambient air and noise quality should be closely monitored during construction phase. Adequate measures should be made to reduce ambient air and noise level during construction phase, so as to conform to the stipulated standards by CPCB/ SPCB.
- (xxii) Fly ash should be used as building material in the construction as per the provisions of Fly Ash Notification of September, 1999 and amended as on 27th August, 2003.
- (xxiii) Ready mixed concrete must be used in building construction.
- (xxiv) Storm water control and its re-use as per CGWB and BIS standards for various applications.
- (xxv) Water demand during construction should be reduced by use of pre-mixed concrete, curing agents and other best practices referred.
- (xxvi) Permission to draw ground water shall be obtained from the competent Authority prior to construction/operation of the project.
- (xxvii) Regular supervision of the above and other measures for monitoring should be in place all through the construction phase, so as to avoid disturbance to the surroundings.
- (xxviii) Under the provisions of Environment (Protection) Act, 1986, legal action shall be initiated against the project proponent if it was found that construction of the project has been started without obtaining environmental clearance.

II. Operation Phase

- i) The installation of the Effluent Treatment Plant (ETP) should be certified by an independent expert and a report in this regard should be submitted to the Ministry before the project is commissioned for operation. Treated effluent emanating from ETP shall be recycled/reused to the maximum extent possible.
- ii) The solid waste generated should be properly collected and segregated. Wet garbage should be composted and dry / inert solid waste should be disposed off to the approved sites for land filling after recovering recyclable material.
- iii) Diesel power generating sets proposed as source of back up power for elevators and common area illumination during operation phase should



be of enclosed type and conform to rules made under the Environment (Protection) Act, 1986. The height of stack of DG sets should be equal to the height needed for the combined capacity of all proposed DG sets. Use low sulphur diesel. The location of the DG sets may be decided with in consultation with Andhra Pradesh State Pollution Control Board.


- iv) Noise should be controlled to ensure that it does not exceed the prescribed standards. During night time the noise levels measured at the boundary of the building shall be restricted to the permissible levels to comply with the prevalent regulations.
- v) The green belt of the adequate width and density preferably with local species along the periphery of the plot shall be raised so as to provide protection against particulates and noise.
- vi) Weep holes in the compound walls shall be provided to ensure natural drainage of rain water in the catchment area during the monsoon period.
- vii) Rain water harvesting for roof run-off and surface run-off, as plan submitted should be implemented. Before recharging the surface run off, pre-treatment must be done to remove suspended matter, oil and grease. The borewell for rainwater recharging should be kept at least 5 mts. above the highest ground water table.
- viii) The ground water level and its quality should be monitored regularly in consultation with Central Ground Water Authority.
- ix) Traffic congestion near the entry and exit points from the roads adjoining the proposed project site must be avoided. Parking should be fully internalized and no public space should be utilized.
- x) A Report on the energy conservation measures conforming to energy conservation norms finalise by Bureau of Energy Efficiency should be prepared incorporating details about building materials & technology, R & U Factors etc and submit to the Ministry in three months time.
- xi) Energy conservation measures like installation of CFLs/TFLs for the lighting the areas outside the building should be integral part of the project design and should be in place before project commissioning. Use CFLs and TFLs should be properly collected and disposed off/sent for recycling as per the prevailing guidelines/ rules of the regulatory authority to avoid mercury contamination. Use of solar panels may be done to the extent possible.

PART - B. GENERAL CONDITIONS

- i) The environmental safeguards contained in the EIA Report should be implemented in letter and spirit.

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- ii) The project proponent shall also submit six monthly reports on the status of compliance of the stipulated EC conditions including results of monitored data (both in hard copies as well as by e-mail) to the respective Regional Office of MoEF, the respective Zonal Office of CPCB and the SPCB.
6. Officials from the Regional Office of MOEF, Bangalore who would be monitoring the implementation of environmental safeguards should be given full cooperation, facilities and documents/data by the project proponents during their inspection. A complete set of all the documents submitted to MoEF should be forwarded to the CCF, Regional office of MOEF, Bangalore.
7. In the case of any change(s) in the scope of the project, the project would require a fresh appraisal by this Ministry.
8. The Ministry reserves the right to add additional safeguard measures subsequently, if found necessary, and to take action including revoking of the environment clearance under the provisions of the Environmental (Protection) Act, 1986, to ensure effective implementation of the suggested safeguard measures in a time bound and satisfactory manner.
9. All other statutory clearances such as the approvals for storage of diesel from Chief Controller of Explosives, Fire Department, Civil Aviation Department, Forest Conservation Act, 1980 and Wildlife (Protection) Act, 1972 etc. shall be obtained, as applicable by project proponents from the respective competent authorities.
10. These stipulations would be enforced among others under the provisions of Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and control of Pollution) act 1981, the Environment (Protection) Act, 1986, the Public Liability (Insurance) Act, 1991 and EIA Notification, 2006.
11. The project proponent should advertise in at least two local Newspapers widely circulated in the region, one of which shall be in the vernacular language informing that the project has been accorded Environmental Clearance and copies of clearance letters are available with the Kerala Pollution Control Board and may also be seen on the website of the Ministry of Environment and Forests at <http://www.envfor.nic.in>. The advertisement should be made within 10 days from the date of receipt of the Clearance letter and a copy of the same should be forwarded to the Regional office of this Ministry at Bangalore.
12. Environmental clearance is subject to final order of the Hon'ble Supreme Court of India in the matter of Goa Foundation V/s Union of India in Writ Petition (Civil) No.460 of 2004 as may be applicable to this project.
13. Any appeal against this Environmental Clearance shall lie with the National Environment Appellate Authority, if preferred, within a period of 30 days as prescribed under Section 11 of the National Environment Appellate Act, 1997.

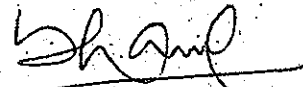


14. A copy of the clearance letter shall be sent by the proponent to concerned Panchayat, Zilla Parishad/Municipal Corporation, Urban Local Body and the Local NGO, if any, from whom suggestions/ representations, if any, were received while processing the proposal. The clearance letter shall also be put on the website of the company by the proponent.

15. The proponent shall upload the status of compliance of the stipulated EC conditions, including results of monitored data on their website and shall update the same periodically. It shall simultaneously be sent to the Regional Office of MoEF, the respective Zonal Office of CPCB and the SPCB. The criteria pollutant levels namely; SPM, RSPM, SO₂, NO_x (ambient levels as well as stack emissions) or critical sectoral parameters, indicated for the project shall be monitored and displayed at a convenient location near the main gate of the company in the public domain.

16. The environmental statement for each financial year ending 31st March in Form-V as is mandated to be submitted by the project proponent to the concerned State Pollution Control Board as prescribed under the Environment (Protection) Rules, 1986, as amended subsequently, shall also be put on the website of the company along with the status of compliance of EC conditions and shall also be sent to the respective Regional Offices of MoEF by e-mail.

Yours faithfully,



(Bharat Bhushan)
Director (IA)

25.10.2010

Copy to:

- (1) Special Secretary (Environment), Government of Andhra Pradesh, Secretariat, Hyderabad- 500 022
- (2) The Chairman, Andhra Pradesh Coastal Zone Management Authority and Environment, Forests, Science & Technology, Government of Andhra Pradesh, Hyderabad
- (3) The Chairman, Central Pollution Control Board, Parivesh Bhawan, CBD-cum-Office Complex, East Arjun Nagar, Delhi - 110 032.
- (4) The Member Secretary, A.P. State Pollution Control Board, Paryavaran Bhavan, A-3, Industrial Estate, Sanath nagar, Hyderabad - 500 018
- (5) The CCF, Regional Office, Ministry of Environment & Forests(SZ), Kendriya Sadan, IVth floor, E&F wings, 17th Main Road, Koramangala II Block, Bangalore - 560 034.
- (6) IA - Division, Monitoring Cell, MOEF, New Delhi - 110003.
- (7) Guard file.

(Bharat Bhushan)
Director (IA)