

No. K-43019/5/2024-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)

Vanijya Bhawan, New Delhi
Dated the 26th February, 2024

OFFICE MEMORANDUM

Subject: 119th Meeting of the Board of Approval (BoA) for Special Economic Zones (SEZs) and 2nd meeting (2024 Series) of the Board of Approval for Export Oriented Units – Reg.

The undersigned is directed to refer to O.M. of even no. dated 13.02.2024 on the subject cited above and to forward herewith **agenda of 119th Meeting of the Board of Approval (BoA) for Special Economic Zones (SEZs)** scheduled to be held on 06th March, 2024 at 3.00 P.M., in Room No. 427, Vanijya Bhawan, New Delhi under the Chairmanship of Commerce Secretary, Department of Commerce in Hybrid Mode.


(Sumit Kumar Sachan)

Under Secretary to the Government of India
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To

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. Shri Sanjiv, 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, 7th 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, NirmanBhawan, 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, PariyavaranBhavan, CGO Complex, New Delhi – 110003 (Fax: 24363577)
15. Joint Secretary & Legislative Counsel, Legislative Department, M/o Law & Justice, A-Wing, ShastriBhavan, 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, ShastriBhawan, 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, VikasBhavan (E-Block), I.P. Estate, New Delhi. (Fax: 23073678/23379197)
20. Director General, Director General of Foreign Trade, Department of Commerce, UdyogBhavan, New Delhi.
21. Director General, Export Promotion Council for EOUs/SEZs, 8G, 8th Floor, Hansalaya Building, 15, Barakhamba Road, New Delhi – 110 001 (Fax: 223329770)
22. Dr. RupaChanda, 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, 4th 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, AtladraPadra Road, Vadodara - 390012
35. Development Commissioner, Andhra Pradesh Special Economic Zone, UdyogBhawan, 9th 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 (4th 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), Lal Bahadur Shastri Bhawan, Lucknow – 226001 (Fax: 0522-2238255).
53. Government of Punjab, Principal Secretary Department of Industry & Commerce Udyog Bhawan), Sector -17, Chandigarh- 160017.
54. Government of Puducherry, Secretary, Department of Industries, Chief Secretariat, Puducherry.
55. Government of Odisha, Principal Secretary (Industries), Odisha Secretariat, Bhubaneswar – 751001 (Fax: 0671-536819/2406299).
56. Government of Madhya Pradesh, Chief Secretary, (Commerce and Industry), Vallabh Bhawan, 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, 2nd Floor, Pandri, Raipur, Chhattisgarh (Fax: 0771-2583651).

Copy to: PPS to CS / PPS to AS (LSS) / PPS to JS (VB) / PPS to Dir (SNS).

Agenda for the 119th meeting of the Board of Approval for Special Economic Zones to be held on 06th March, 2024, 3.00 P.M. at Vanijya Bhawan, New Delhi

119.1: Ratification of the minutes of the 118th meeting of the Board of Approval held on 06th February, 2024.

119.2: Request for extension of validity of formal approval of Developer (2 proposals)

Rule position: In terms of Rule 6(2) of the SEZ Rules, 2006, the letter of approval of a Developer shall be valid for a period of three years within which time at least one unit has commenced production and the SEZ become operational from date of commencement of such production. The Board may on an application by the developer for reasons to be recorded in writing extend the validity period.

119.2(i) Request of M/s. Venkatesh Coke & Power Ltd. for extension of the validity period of formal approval granted for setting up of an FTWZ at Athipattu, Nandiambakkam and Puludivakkam Villages, Ponneri, Thiruvallur District, Tamil Nadu.

Name of the Developer	:	M/s. Venkatesh Coke & Power Ltd.
Sector	:	FTWZ
Location	:	Athipattu, Nandiambakkam and Puludivakkam Villages, Ponneri, Thiruvallur District, Tamil Nadu
Extension	:	Formal approval to the developer was granted on 03.07.2017. The developer has been <u>granted 3 extensions</u> and the <u>validity of the LoA was upto 02.10.2023</u> . The Developer has requested for another 3 years extension i.e., upto 02.10.2026.

M/s. Venkatesh Coke and Power Limited was granted 'Formal Approval' on 03.07.2017 for setting up of FTWZ at Athipattu, Nandiambakkam & Puzhuthuvakkam Villages, Ponneri Taluk, Thiruvallur District over an area of 46.71 Ha. However, the 'formal approval' was granted with the condition that the encumbrance of Rs.6.5 crore to be settled before notification of the FTWZ and to fulfil the contiguity issues as per DoC's Instruction no.27 dated 18.08.2009.

The request of the Developer for further extension was earlier placed before the BoA in its 112th meeting held on 29.10.2022. The Board, after deliberations, approved extension of the validity of formal approval for a period of one year upto 2nd October, 2023 and also approved request of the Developer for notifying the area of 42.84 Ha subject to the necessary procedure and submission of required documents. The Board, further directed DC, MEPZ that the contiguity of the SEZ shall be maintained and there should be no violation of SEZ Rules.

In this regard, MEPZ has informed that the Developer has stated that the Project Master Plan is ready and MoU dated 26.09.2019 has been signed with the Tamil Nadu Industrial Guidance and Export Promotion Bureau to start the Project work. The Project implementation work will commence immediately post notification of their FTWZ. Further, it is stated that in view of the positive stand taken by the BoA in the 112th meeting held on 29.10.2022, many business houses shown interest in this project.

Further, with regard to notification of the FTWZ, MEPZ has informed that the Developer has set aside the 3.87 Ha of land area and requested to notify the remaining 42.84 Ha of land from the total area of 46.71 Ha [as mentioned in the Formal Approval] based on the direction of the Board in its meeting held on 29.10.2022.

In compliance of the direction of the BoA, the site was inspected by the concerned ADC, MEPZ SEZ in the presence of Revenue authorities. As per the Inspection Report, the land area of 42.84 Ha after setting aside the area of 3.87 Ha, could be retained contiguous with their proposed mitigation plan, as per Instruction No. 27. Further, the representative from the Developer side had mentioned that the contiguity of the FTWZ area shall be maintained under the provisions of the SEZ Act & Rules. They also assured that there will not any violations of the SEZ Rules.

The proposal was deferred in the 118th meeting of the BoA held on 06th February, 2024.

Recommendation by DC, MEPZ SEZ: -

DC, MEPZ has recommended the proposal for extension of the formal approval beyond 02.10.2023 for a period of 1 year i.e., upto 02.10.2024.

119.2(ii) Request of M/s. G.P. Realtors Pvt. Ltd. for extension of the validity of formal approval granted for setting up of Electronic Hardware & IT/ITES SEZ at Village Behrampur, Balola & Bandhwari, Distt- Gurugram (Haryana).

M/s. G.P. Realtors Pvt. Ltd. was granted LoA No. F.1/3/2007-SEZ dated 26.07.2007 for setting up of Electronics Hardware & IT/ITES SEZ at Village Behrampur, Bandhwari & Balola, Distt. Gurgaon (Haryana). It was notified vide Gazette Notification No. S.O. 3043(E) dated 24.12.2010 over an area of 36.3744 hectare. After various additions & deletions of land the present notified area of the SEZ is 27.3521 Hectare. The said SEZ is yet to become operational. The BoA granted extension of the validity of LoA upto 25.01.2020.

Subsequently, the request of the Developer for extension of the validity of the LoA was considered in the meeting of BoA held on 03.01.2020 wherein a complaint of Mr. Ramesh Sanka against the SEZ regarding certain violations in the said SEZ was also discussed. *The representative of the Government of Haryana submitted before the Board that they are seeking inputs from the Department of Town & Country Planning, Haryana on the complaint received against the developer. Accordingly, the Board, after deliberations, decided to defer the proposal.*

In this regard, DC, Noida SEZ has informed that brief facts in the matter along with comments received from the O/o DTCP, Haryana were forwarded to DoC. Thereafter, NSEZ received copy of an email dt.18.09.2020 from the complainant, Mr. Ramesh Sanka which was forwarded to G.P. Realtors Pvt. Ltd. (Developer) and Director, Deptt. of Industry & Commerce, with a copy to DOC, with request to forward their comments to NSEZ, so that appropriate report may be forwarded to DOC for further necessary action.

A PH was also held by DC, NSEZ with M/s G.P Realtors on 06.01.2021 in the Delhi office of NSEZ. Based on submission of the Developer, reminder letter to DIC, Haryana clearly stating about the PH and letters to Chairman, State Environment Impact Assessment Authority

(SEIAA) and Sr. Env. Engineer (HQ), Haryana State Pollution Control Board (HSPCB) requesting them to share the report being submitted to NGT.

An O.A No.976 of 2019 titled as Gurinder Singh & Ors V/s UOI was filed before Hon'ble NGT. After reviewing assessment and recovery of compensation report submitted by SEIAA Haryana as per the MOEF&CC notification, vide order dt. 07.04.2021, Hon'ble NGT has disposed of the application with direction to SEIAA, Haryana. Hon'ble NGT vide its order dated 07.04.2021 imposed penalty of Rs.7.07 Crore on M/s. G.P. Realtors Pvt. Ltd. for constructing basement without obtaining approval.

The Developer informed that in the matter of O.A. No. 976 of 2019 titled as Gorunder Singh & Ors V/s. UOI, the Developer has made full compliances of order of the Hon'ble State Environmental Impact Authority (SEIAA), as per the direction of Hon'ble Tribunal. The developer has submitted copy of letter dated 01.10.2022 written by them to the Chairman, Haryana State Environment Impact Assessment Authority (HSEIAA) for submitting final installment of composition imposed through Demand Draft for Rs.7.0717 Crore.

In this regard, NSEZ vide letter dated 27.03.2023 has requested Chairman, SEIAA, Haryana to confirm the submissions made by developer regarding fulfillment of compliances of order dated 07.04.2021 of the Hon'ble NGT as well as deposition of final installment of composition of Rs.7.0717 Crore, enabling this office to take further necessary action. NSEZ has also requested vide letter dated 27.03.2023 to Director, Deptt. of Industries & Commerce, Govt. of Haryana, to confirm the submissions of developer regarding fulfillment of compliances of order dated 07.04.2021 of the Hon'ble NGT and also provide specific comments in respect of proposal for extension of validity of formal approval of said SEZ, so that complete facts may be sent to the Board of Approval.

W.r.t. O/o DC, NSEZ letter dated 27.03.2023, Member Secretary, SEIAA, Haryana vide letter No. SEIAA/HR/2023/317 dated 18.05.2023 has confirmed that M/s. G.P. Realtors Pvt. Ltd. has deposited the Environmental Compensation of Rs.7.0717 Crore through four Demand Drafts.

However, despite of NSEZ's reminder letter dated 30.05.2023 & subsequent reminder-2 letter dated 12.12.2023, comments from Director, Deptt. of Industries & Commerce, Govt. of Haryana, is still awaited.

The Developer M/s. G.P. Realtors Pvt. Ltd. is showing its inability to make the SEZ operation due to long pendency of extension of formal approval beyond 25.01.2020, despite of the fact that they have completed the work related to infrastructure services. The Developer has requested for further extension of formal approval.

Recommendation by DC, NSEZ: -

In view of above, the complete facts of the matter are forwarded herewith for consideration of the request of M/s. G.P. Realtors Pvt. Ltd. for extension of formal approval beyond 25.01.2020, by the Board of Approval.

119.3: Request for extension of LoA of Unit (1 proposal)

Rule position:

- As per Rule 18(1) of the SEZ Rules, the Approval Committee may approve or reject a proposal for setting up of Unit in a Special Economic Zone.
- Cases for consideration of extension of Letter of Approval i.r.o. units in SEZs are governed by Rule 19(4) of SEZ Rules.
- Rule 19(4) states that LoA shall be valid for one year. First Proviso grants power to DCs for extending the LoA for a period not exceeding 2 years. Second Proviso grants further power to DCs for extending the LoA for one more year subject to the condition that two-thirds of activities including construction, relating to the setting up of the Unit is complete and a Chartered Engineer's certificate to this effect is submitted by the entrepreneur.
- Extensions beyond 3rd year (in cases where two-third activities are not complete) and onwards are granted by BoA.
- BoA can extend the validity for a period of one year at a time.
- There is no time limit up to which the Board can extend the validity.

119.3(i) Request of M/s. Worldwide Safety Pvt. Ltd. (Unit-II), Plot No. 49/A, Apparel Park SEZ, Ahmedabad for Extension of LoA dated 06.11.2019 valid upto 05.11.2022.

LoA Issued on (date)	: 06.11.2019
Nature of business of the unit	: Manufacturing of Knitted Gloves, Synthetic Knitted gloves etc.
No. of Extensions	: 02 (two) extensions by DC, KASEZ
LoA Valid upto (date)	: 05.11.2022
Request	: Regularization of LoA from 06.11.2022 to 05.11.2023 and Extension of LoA from 06.11.2023 to 05.11.2024

Present Progress:

a. Details of Business Plan:

S. No.	Type of Cost	Proposed (₹ in lakh)
1	Land cost	₹367
2	Construction cost	₹1200
3	Plant & Machinery	₹2400
4	Raw Material	₹11909
5	FOB Value of Export	₹24024 (For 05 years)
6	FE Outgo	₹ 14309 (For 05 years)
7	NFEE	₹ 9715 (For 05 years)

b. Increment Investment since last extension:

S. No	Type of Cost	Total Investment made so far (in ₹ lakh) up to 31.12.2023	Incremental investment (₹ in lakh) since last extension
1.	Land, Machinery and others	NIL	NIL
	Total	NIL	NIL

c. **Details of Physical Progress till date:**

S. No	Authorized activity	% completion	% completion during last one year	Deadline for completion of balance work
1.	Infra-Structure	NIL	NIL	October 2025
2.	Machinery	NIL	NIL	October 2025

d. **Detailed Reasons for Delay**

1. The COVID-19 pandemic caused delays in construction activities.
2. Delay in getting clearances from Developer and Gujarat Pollution Control Board (GPCB).

Additional information submitted by DC, KASEZ: -

DC, KASEZ has informed that the request of the Unit for extension of LoA was earlier forwarded vide letter dated 05.04.2023 to BoA was not recommended keeping in view of on-going full de-notification proposal dated 20.01.2022 of the said SEZ (i.e., GIDC, Apparel Park SEZ, Khokhra, Ahmedabad). Meanwhile, GIDC (Developer) has submitted the revised proposal for partial de-notification vide letter dated 04.08.2023 and withdrawing the earlier full de-notification proposal dated 20.01.2022.

M/s. Worldwide Safety Pvt. Ltd. is having two separate LoAs in the same SEZ bearing Plot No. 48 and 49A. The unit is already functional in plot No. 48 since 16.01.2017 and the LoA is also valid upto 15.04.2024. The said functional unit is functioning and performed substantial exports and achieved positive NFE. The additional plot No. 49A was undertaken by M/s. Worldwide Safety Pvt. Ltd. (Unit-II) for enhancing manufacturing and export activities under the LoA dated 06.11.2019.

As informed by the unit due to pandemic situation and delay in getting clearances from Developer and GPCB they were not able to start construction activities within allotted time. Meanwhile, as per unit request the LoA was extended twice valid till 05.11.2022. It was confirmed by the unit that construction work not yet started till date. Also Chartered Engineer certificate mentioned the same status.

Now, M/s. Worldwide Safety Pvt Ltd vide email dated 22.01.2024 requested KASEZ for granting further extension for three years i.e. from 05.11.2022 all 05.11.2025 to complete construction activities and to start commencement of exports.

The proposal was deferred in the 118th BoA meeting held on 06th February, 2024.

Recommendation by DC, KASEZ:

DC, KASEZ has recommended the proposal to regularize the LoA for one year from 06.11.2022 till 05.11.2023 and extend the validity of the LoA for the next year i.e. from 06.11.2023 till 05.11.2024. Further extension will be given after review of progress of construction/manufacturing activities of the unit.

119.4: Request for partial/full de-notification of SEZ (1 proposal)

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.

119. 4(i) Request of M/s. Phoenix Spaces Private Limited, for partial de-notification of 2.84 Ha out of 3.46 Ha of their IT/ITES at Sy. No. 286 and 287, Puppalguda Village, Rajendra Nagar Mandal, Ranga Reddy District, Telangana.

M/s. Phoenix Spaces Private Limited was granted formal approval on 31.03.2017 for setting up of an IT/ITES at Village Sy. No. 286 and 287, Puppalguda Village, Rajendra Nagar Mandal, Ranga Reddy District, Telangana. It was later notified vide Gazette Notification dated 19.06.2017 over an area of 3.46 Ha. The SEZ is yet to become operational.

M/s. Phoenix Spaces Private Limited has submitted an application for partial de-notification of 2.84 Ha out of 3.46 Ha. As regards reasons for decrease, the Developer has stated that due to the present market condition of reduced demand for IT/ITES SEZ built-up area and sunset to income tax benefits to the new units, there are no takers for SEZ space. Since the un-utilised land of 2.84 Ha is kept vacant out of the 3.46 Ha of notified land area, they have decided to de-notify the vacant land. Further, in the remaining 0.62 Ha, they have constructed close to 6,81,406 sq.ft. which will be leased to prospective SEZ unit on completion. Presently, around 80% of the work is completed.

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
(vii)	‘No Dues Certificate’ from specified officer	Yes, provided

* In reference to the Road passing through the Survey No. 286 in the map, VSEZ vide letter dated 18.01.2024 has stated that the road is also part of the SEZ which has to be de-notified along with the open land. In this regard, a colored map showing the road part of the SEZ has also been provided by the Developer.

The State Government of Telangana vide letter dated 08.11.2023 has conveyed their ‘No Objection’ for partial de-notification 2.84 Ha. With regard to usage of the land after de-notification, the Developer in their Undertaking furnished to the Government has committed to utilise the de-notified area for creation of infrastructure which would sub-serve the objective of the SEZ as originally envisaged and such de-notified area will conform to Land Use Guidelines/master plans of the State Government.

In compliance of DoC's Instruction No. 102 dated 18.11.2019 regarding Physical Inspection and Contiguity Condition, as per the Inspection Report, the Physical Inspection was conducted by DC, DDC, Specified Officer, VSEZ in the presence of Mandal Revenue Officer/Tahsildar. It is noted that the area proposed for de-notification is vacant and having no units in the said area. The area remaining after the proposed partial de-notification is contiguous meeting the requirement all the requirement of area/built-up area in terms of SEZ Act and Rules and without any public thoroughfare.

DC, VSEZ has certified that;

- a. There are no units in the SEZ.
- b. The Developer has availed the following tax/duty benefits under the SEZ Act/Rules:
 - i. Applicable duties availed on construction of project office for Rs. 17,52,112/-. All tax/duty benefits indicated above have been refunded by the Developer to DC’s satisfaction.
- c. The SEZ shall remain contiguous even after de-notification of the area of 2.84 Ha and the remaining area will meet the requirements of SEZ Act, and Rules for IT/ITES SEZ.

As regards Built-up area post proposed de-notification, the Developer has declared that the constructed area of 63,304.60 sq.mtrs. meets the stipulation as per the amended provisions of Rule 5(2) of the SEZ Rules, 2006.

The proposal was deferred in the 118th meeting of the BoA held on 06th February, 2024.

Recommendation by DC, VSEZ: -

DC, VSEZ has recommended the proposal.

119.5: Miscellaneous (6 cases)

119.5(i) Request of M/s. Wipro Limited for cancellation of LoA issued to them as Co-Developer of M/s. Mahindra World City SEZ, Chengalpattu District, Tamil Nadu.

M/s. Wipro Limited was issued LoA on 01.07.2015 for Co-Developer status in M/s. Mahindra World City, IT/ITES SEZ at Thenmelpakkam Village, Chengalpattu District, Tamil Nadu, for providing infrastructure facilities in the sector specific SEZ. The Co-developer was allotted 36.50 Ha of land by the Developer.

The Co-Developer has requested for cancellation of the LoA and to surrender the entire area of 36.50 Ha to the Developer. As regards reasons, the Co-developer has stated that they do not have business activity there and as per their management decision, they would like to close this Co-developer LoA. Consequent upon the surrender of the area to the Developer, the surrendered portion will remain as SEZ and the Developer will develop the infrastructural facilities.

DC, MEPZ has stated that in accordance with the request of the Co-developer, the Developer has confirmed and issued No Objection Certificate for cancellation of LoA of Co-developer. Further, Authorised Officer of the SEZ submitted a letter through 18.01.2024 through Specified Officer stating that the Co-developer has paid all the Customs, GST, Service Tax and other duty dues liability. Hence, there are no dues pending with the Co-developer. In this regard, the following documents have been submitted by the Co-developer:

- i. No Objection Certificate for cancellation of LoA of Co-developer.
- ii. No Dues Certificate

Rule Position: - In terms of Rule 6(A) of the SEZ Rules, 2006, the Central Government may review the letter of approval granted under sub-rule (1) of rule 6 on the recommendation of the Board.

The proposal was deferred in the 118th meeting of the BoA held on 06th February, 2024.

Recommendation by DC, MEPZ: -

DC, MEPZ has recommended the proposal for consideration of the BoA.

119.5(ii) Request of M/s. Oryx IT Society, Co-Developer in M/s. Phoenix Tech Zone Pvt. Ltd, SEZ for IT/ITES at Sy. No. 118-138 (P), Gachibowli Village, SerilingampallyMandal, Ranga Reddy District, Telangana for transfer of Formal Approval and Co-Developer status to M/s. Evermark IT Developers Pvt. Ltd.

M/s. Oryx IT Society was issued Formal Approval dated 31.3.2017 as Co-Developer for providing infrastructure facilities in M/s. Phoenix Tech Zone Pvt. Ltd, IT/ITES SEZ at Sy. No. 118/P, 120/P, 121/P, 122/P and 138 (P), Nanakramgonda Village, Serilingampally Mandal, Telangana for upgradation of the allotted built-up space to create a plug and play environment and operate and maintain the built-up space, over an area of 1,92,500 sq. ft. as per the Co-Developer Agreement dated 21.03.2017. The Formal Approval is valid upto 30.03.2024.

The Co-Developer has submitted the request for transfer of Formal Approval and Co-Developer status to M/s. Evermark IT Developers Pvt. Ltd. As regards reasons, the Co-developer has stated that the Hon'ble High Court at Hyderabad in WP No. 3319/2023 passed orders that a society is meant for maintenance and upkeep of the Building/Apartment cannot perform or conduct any financial transactions as they are not complying with Section 3(1) of the Telangana Societies Registration Act, 2001. As the Co-Developer, society cannot perform or conduct any authorized operations as per the aforesaid orders, the Parties herein have decided to seek transfer of the Co-Developer status from M/s. Oryx IT Society to M/s. Evermark IT Developers Pvt. Ltd, a company for conducting the authorized operations.

As per the directions of the Hon'ble Court for the purpose of convenience in leasing the space and also for carrying out other SEZ authorized operations including operation and maintenance, development of infrastructure etc. M/s. Oryx IT Society/Members have proposed to transfer its LoA to M/s. Evermark IT Developers Pvt. Ltd. with the same terms and conditions of the existing Co-Developer agreement between Phoenix and Oryx IT Society. This will enable the landowners (members of the society) to lease their space to M/s. Evermark IT Developers Pvt. Ltd, which will further sub-lease the space to the prospective SEZ units. In this regard, the following details have been submitted: -

1.	Name of the Developer & Location	M/s. Phoenix Tech Zone Pvt. Ltd, Sy. No. 118 (P)-138 (P) at Nanakramguda Village, SerilingampallyMandal, Telangana
2.	Date of LoA to Developer	07.12.2016
3.	Sector of the SEZ	IT/ITES
4.	Date of Notification	22.02.2017 & 04.07.2017
5.	Total notified area (in Hectares)	5.78
6.	Whether the SEZ is operational or not	No
	(i). If operational, date of operationalization	NA
	(ii). No. of Units	NA
	(iii). Total Exports & Imports for the last 5 years (Rs. in Cr.)	NA
	(iv). Total Employment (In Nos.)	18
7.	Name of the proposed Co-developer	M/s. Evermark IT Developers Pvt. Ltd.
8.	Details of Infrastructure facilities / authorized operations to be undertaken by the co-developer	The proposed Co-Developer will be taking the existing bare shell on lease from the landowners for the purpose of sub-leasing to IT SEZ units and for the purpose of operations and maintenance.
9.	Total area (in Hectares) on which activities will be performed by the co-developer	2 million sq.ft. of built-up area
10.	Proposed investment by the Co-developer (Rs. in Cr.)	30 Crores (plug and play investment will be

		done by the units on occupancy)
11.	Net worth of the Co-developer (Rs. in Cr.)	0.41 Crores (The Co-developer is a 100 % subsidiary of the Developer company. The Developer will be funding the Co-developer and also mobilise funds from financial institutions.
12.	Date of the Co-developer agreement	Co-Developer Agreement dated 02.01.2024

The proposal was deferred in the 118th meeting of the BoA held on 06th February, 2024.

Recommendation by DC, VSEZ:

DC, VSEZ has recommended the proposal for the consideration of the BoA.

119.5(iii) Request of M/s. Spectrum IT Society, Co-Developer for M/s. Phoenix Spaces Pvt. Ltd, SEZ for IT/ITES at Sy. No. 285 Kokapet Village, Rajendra Nagar Mandai, Ranga Reddy District, Telangana for transfer of Formal Approval and Co-Developer status to M/s. Evermark IT Developers Pvt. Ltd.

M/s. Spectrum IT Society was accorded Formal Approval dated 31.03.2017 as Co-Developer for providing infrastructure facilities for up-gradation of the allotted built-up area to create a plug and play environment and operate and maintain the built-up space over an area of 1,62,500 sq. ft. (0.16 Mnsft) in M/s. Phoenix Spaces Pvt. Ltd, SEZ for IT/ITES at Sy. No. 285, Puppalguda Village, RajendranagarMandal, Telangana on a contiguous stretch of land measuring 5.77 Hectares (14.25 Acres). The SEZ was notified vide Gazette Notification No. S.O. 2012 (E) dated 21.6.20 17 for 2.63 Hectares and S.O. dated 17.1.2019 for 3.14 Hectares. The Formal Approval is valid upto 30.3.2024. The total built-up area of the Co-Developer has been increased to 1.178 million sq.ft. vide letter dated 04.03.2020.

The Co-Developer has submitted the request for transfer of Formal Approval and Co-Developer status to M/s. Evermark IT Developers Pvt. Ltd. As regards reasons, the Co-developer has stated that the Hon'ble High Court at Hyderabad in WP No. 3319/2023 passed orders that a society is meant for maintenance and upkeep of the Building/Apartment cannot perform or conduct any financial transactions as they are not complying with Section 3(1) of the Telangana Societies Registration Act, 2001. As the Co-Developer society cannot perform or conduct any authorized operations as per the aforesaid orders, the Parties herein have decided to seek transfer of the Co-Developer status from M/s. Spectrum IT Society to M/s. Evermark IT Developers Pvt. Ltd, a company for conducting the authorized operations.

As per the directions of the Hon'ble court for the purpose of convenience in leasing the space and also for carrying out other SEZ authorized operations including operation and maintenance, development of infrastructure etc. M/s. Spectrum IT Society/Members have proposed to transfer its LoA to M/s. Evermark IT Developers Pvt. Ltd with the same terms and conditions of the existing Co-Developer agreement between Phoenix and Spectrum IT Society. This will enable the landowners (members of the society) to lease their space to M/s. Evermark IT Developers Pvt. Ltd, which will further sub-lease the space to the prospective SEZ units. In this regard, the following details have been submitted: -

1.	Name of the Developer & Location	M/s. Phoenix Spaces Pvt. Ltd, Sy. No. 285 at Puppalguda Village, Rajendra Nagar Mandal, Telangana
2.	Date of LoA to Developer	31.3.2017
3.	Sector of the SEZ	IT/ITES
4.	Date of Notification	21.6.2017 & 17.1.2019
5.	Total notified area (in Hectares)	5.77
6.	Whether the SEZ is operational or not	No
	(i). If operational, date of operationalization	NA
	(ii). No. of Units	NA
	(iii). Total Exports & Imports for the last 5 years (Rs. in Cr.)	NA
	(iv). Total Employment (In Nos.)	36
7.	Name of the proposed Co-developer	M/s. Evermark IT Developers Pvt. Ltd
8.	Details of Infrastructure facilities / authorized operations to be undertaken by the co-developer	The proposed Co-Developer will be taking the existing bare shell on lease from the landowners for the purpose of sub-leasing to IT SEZ units and for the purpose of operations and maintenance
9.	Total area (in Hectares) on which activities will be performed by the co-developer	1.178 million sq.ft. of built-up area
10.	Proposed investment by the Co-developer (Rs. in Cr.)	19 Crores (plug and play investment will be done by the units on occupancy)
11.	Net worth of the Co-developer (Rs. in Cr.)	0.41 Crores (The Co-Developer is a 100% subsidiary of the Developer company. The Developer will be funding the Co-Developer and also mobilise funds from financial institutions)
12.	Date of the Co-developer agreement	Co-Developer Agreement dated 2.1.2024

The proposal was deferred in the 118th meeting of the BoA held on 06th February, 2024.

Recommendation by DC, VSEZ:

DC, VSEZ has recommended the proposal for the consideration of the BoA.

119.5(iv) Request of M/s. Fortune IT Society, Co-Developer for M/s. Phoenix Spaces Pvt. Ltd, SEZ for IT/ITES at Sy. No. 286 & 287, Kokapet Village, Rajendra Nagar Mandal, Ranga Reddy District, Telangana for transfer of Formal Approval and Co-Developer status to M/s. Evermark IT Developers Pvt. Ltd.

M/s. Fortune IT Society was accorded Formal Approval dated 31.03.2017 as Co Developer for providing infrastructure facilities for up-gradation of the allotted built-up area to create a plug and play environment and operate and maintain the built-up space over an area of 2,13,750 sq. ft. (0.21 Mnsft) in M/s. Phoenix Spaces Pvt. Ltd, SEZ for IT/ITES at Sy. No. 286 & 287, Puppalguda Village, Rajendranagar Mandal, Telangana on a contiguous stretch of land measuring 3.46 Hectares (8.55 Acres). The SEZ was notified vide Gazette Notification No. S.O. 2007 (E) dated 19.6.2017. The Formal Approval is valid upto 30.03.2024. The total built-up area of the Co-Developer has been increased to 0.433 million sq.ft. vide letter dated 04.03.2020.

The Co-Developer has submitted the request for transfer of Formal Approval and Co-Developer status to M/s. Evermark IT Developers Pvt. Ltd. As regards reasons, the Co-developer has stated that the Hon'ble High Court at Hyderabad in WP No. 3319/2023 passed orders that a society is meant for maintenance and upkeep of the Building/Apartment cannot perform or conduct any financial transactions as they are not complying with Section 3(1) of the Telangana Societies Registration Act, 2001. As the Co-Developer society cannot perform or conduct any authorized operations as per the aforesaid orders, the Parties herein have decided to seek transfer of the Co-Developer status from M/s. Fortune IT Society to M/s. Evermark IT Developers Pvt. Ltd, a company for conducting the authorized operations.

As per the directions of the Hon'ble court for the purpose of convenience in leasing the space and also for carrying out other SEZ authorized operations including operation and maintenance, development of infrastructure etc. M/s. Fortune IT Society/Members have proposed to transfer its LoA to M/s. Evermark IT Developers Pvt. Ltd with the same terms and conditions of the existing Co-Developer agreement between Phoenix and Fortune IT Society. This will enable the landowners (members of the society) to lease their space to M/s. Evermark IT Developer s Pvt. Ltd, which will further sub-lease the space to the prospective SEZ units. In this regard, the following details have been submitted: -

1.	Name of the Developer & Location	M/s. Phoenix Space Pvt. Ltd, Sy. No. 286 & 287 at Puppalguda Village, Rajendra Nagar Mandal, Telangana
2.	Date of LoA to Developer	31.3.2017
3.	Sector of the SEZ	IT/ITES
4.	Date of Notification	19.6.2017
5.	Total notified area (in Hectares)	3.46
6.	Whether the SEZ is operational or not	No
	(i). If operational, date of operationalization	NA

	(ii). No. of Units	NA
	(iii). Total Exports & Imports for the last 5 years (Rs. in Cr.)	NA
	(iv). Total Employment (In Nos.)	
7.	Name of the proposed Co-developer	M/s. Evermark IT Developers Pvt. Ltd
8.	Details of Infrastructure facilities / authorized operations to be undertaken by the co-developer	The proposed Co-Developer will be taking the existing bare shell on lease from the landowners for the purpose of sub-leasing to IT SEZ units and for the purpose of operations and maintenance
9.	Total area (in Hectares) on which activities will be performed by the co-developer	0.433 million sft of built-up area
10.	Proposed investment by the Co-developer (Rs. in Cr.)	6 Crores (plug and play investment will be done by the units on occupancy)
11.	Net worth of the Co-developer (Rs. in Cr.)	0.41 Crores (The Co-Developer is a 100% subsidiary of the Developer company. The Developer will be funding the Co-Developer and also mobilise funds from financial institutions)
12.	Date of the Co-developer agreement	Co-Developer Agreement dated 02.01.2024

The proposal was deferred in the 118th meeting of the BoA held on 06th February, 2024.

Recommendation by DC, VSEZ: -

DC, VSEZ has recommended the proposal for the consideration of the BoA.

119.5(v) Cancellation of Formal Approval pertaining to M/s. Madhusheel Infra Projects Pvt. Ltd, SEZ for IT/ITES at Sy. No. 229-232, Gaganpahad Village, Rajendra Nagar Mandai, Ranga Reddy District, Telangana.

M/s. Madhusheel Infra Projects Pvt. Ltd was issued Formal Approval dated 06.10.2008 for setting up of IT/ITES SEZ at Sy. No. 229-232, Gaganpahad Village, Rajendra Nagar Mandal, Ranga Reddy District, Telangana over an area of 10.88 Hectares. The Formal Approval was lapsed on 05.10.2011 and the SEZ is yet to be notified.

DC, VSEZ has informed that the Developer has not approached to O/o the VSEZ after 2009. VSEZ vide letter dated 05.03.2013 had issued Show Cause Notice to the Developer as to why action should not be taken against them for imposition of penalty under FTDR Act, 1992 and for refund of exemption availed, if any. No reply was received from the Developer. VSEZ vide letter dated 08.11.2023 has once again requested the Developer to submit their

response to the SCN dated 05.03.2013 issued to them on or before 15.11.2023. No reply has been received from the Developer.

Rule position: - In terms of Rule 6(A) of the SEZ Rules, 2006, the Central Government may review the letter of approval granted under sub-rule (1) of rule 6 on the recommendation of the Board.

The proposal was deferred in the 118th meeting of the BoA held on 06th February, 2024.

Recommendation by DC, VSEZ: -

DC, VSEZ has recommended the cancellation of Formal Approval of M/s. Madhusheel Infra Projects Pvt. Ltd, SEZ for IT/ITES at Gaganpahad Village, Rajendra Nagar Mandai, Ranga Reddy District, Telangana as reasonable opportunity has been given to the Developer.

119.5(vi) Request of M/s. DLF Info Park (Pune) Ltd., Developer for decrease in area admeasuring 4.7498 Hectares at plot No. PL-2 (Non-Notified) (Vacant Land) from formal letter of approval.

M/s. DLF Info Park (Pune) Ltd., SEZ Developer was granted Letter of Approval dated 27.06.2008 for setting up IT/ITES SEZ at Plot No. 29 and Plot No. PL-2, Rajiv Gandhi Infotech Park, Hinjewadi, Phase-Ii, Pune. The SEZ is yet to become operational. Details of the areas are as follows: -

S. No.	Particulars	Area in Hectares	Notified/Non-Notified
1.	Plot No. 29	7.2790	Notified
2.	Plot No. PL-2	4.7498	Non-notified

DC, SEEPZ has informed that regarding Plot No.29 (7.2790 Hectares), which is Notified as SEZ, Board of Approval in its meeting held on 07.10.2021 noted that the LoA of the developer has already expired and decided not to grant further extension. Further, the Development Commissioner, SEEPZ was directed to take consequential action as per SEZ Law.

Accordingly, SEEPZ issued letter dated 08.11.2021 to the Developer, copy endorsed to the Specified Officer, asking them to submit the quantification of the duty/tax liability. The Specified Officer had issued several reminders to the Developer to submit the documents for quantification to Tax/ Duty liability without compliance thereof by the Developer.

M/s. DLF Ltd., SEZ Developer has paid/Deposited Advance Duty payment vide Demand Draft No. 500345 dated 01.02.2024 for an amount of Rs. 1,96,28,936/- towards the Duty exemption availed in their notified SEZ Located at DLF INFO PARK (PUNE) LTD., situated at Plot No. 29, Rajiv Gandhi Infotech Park, Hinjewadi, Phase II, Pune 411 057. The Developer has also submitted vide email dated 25.01.2024 that in case any duty liability arises more than what they have stipulated, they are ready to pay the same if applicable.

Now, the Developer has applied for decrease in area of 4.7498 hectares the area located at PL-2 (Not Notified) Rajiv Gandhi Infotech Park, Hinjewadi, Phase-II, Pune.

Reason for decrease in area: The Developer has stated the reason for decrease in area as current market scenario, the financial viability of the project is very low.

Recommendation by DC, SEEPZ SEZ: -

DC, SEEPZ SEZ has recommended the proposal for decrease of the area of 4.7498 hectares (non-notified) from the formal Letter of Approval.

119.6: Appeal (5 cases)

Rule position: - In terms of the rule 55 of the SEZ Rules, 2006, any person aggrieved by an order passed by the Approval Committee under section 15 or against cancellation of Letter of Approval under section 16, may prefer an appeal to the Board in the Form J.

Further, in terms of rule 56, an appeal shall be preferred by the aggrieved person within a period of thirty days from the date of receipt of the order of the Approval Committee under rule 18. Furthermore, if the Board is satisfied that the appellant had sufficient cause for not preferring the appeal within the aforesaid period, it may for reasons to be recorded in writing, admit the appeal after the expiry of the aforesaid period but before the expiry of forty-five days from the date of communication to him of the order of the Approval Committee.

119.6(i) Appeal filed by M/s. Plastic Processors & Exporter Pvt. Ltd. against the Order dated 21.04.2023 issued by DDC, Noida SEZ regarding non-renewal of their LoA.

The appeal of M/s. Plastic Processors and Exporter Pvt. Ltd. was earlier considered in the 115th meeting of the BoA held on 17.06.2023. The Board heard the appellant and, after deliberations, advised the appellant to submit their written submissions to the Department. Further, the Board decided to take up the appeal for further discussion and decision in the next BoA after duly considering all materials on record including further written submission, if any that might be filed by the appellant.

In compliance of the direction of the BoA, the appellant vide letter dated 26.06.2023 submitted written submissions. The submissions made by the appellant were placed before the 116th meeting of the BoA held on 05.09.2023 for further discussion and decision on the same. The submissions made by the Unit were noted by the Board and it is observed that: -

- i. The Unit was non-functional during the stipulated period of 18 months (i.e., 27th January, 2021 to 26th July, 2022) due to accidental fire in 2019 at their premises.
- ii. Prior to the fire incident, the Unit was operational effecting exports and maintaining positive NFE.
- iii. The Unit is now keen on resuming operations and fulfilling all statutory obligations with long term stability and growth.

The Board, after deliberations, decided to defer the matter with direction to DoC to collect the details of such Units, in KASEZ and Falta SEZ, which were operational and effecting exports prior to the stipulated period of 18 months but were not in operation during this stipulated 18 months' period.

In pursuance of the direction of the BoA, Kandla SEZ and Falta SEZ have submitted the following details of the Units which were operational and effecting exports prior to the stipulated period of 18 months but were not in operation during this stipulated 18 months period: -

- **Details submitted by KASEZ:** There is one unit in KASEZ viz. M/s. New Plastomers India Ltd., which LoA was not renewed as per decision taken in the 112th BoA meeting minutes held on 29.10.2022 as the unit has not met the conditions stipulated in the 112th BoA meeting viz. the Unit has not carried out any production activity/exports during the stipulated period of 18 months. The details of the Unit are as below: -

1. M/s. New Plastomers India Ltd. had been issued LoA dated 20.05.1996 for "All types of plastic bags, garbage collection bags, carry bags, shopping bags, household and allied items". The unit commenced its export production w.e.f. 18.04.1997 and its LoA was valid till 31.12.2020.
2. Performance of the Unit for the financial year 2017-18 to 2020-21 is as under:

Year	Export (including other NFE entitlement)	NFE obligations (Rs. in Lakhs)	
		Forex Outgo	NFE Earning
2017-18	340.00	209.00	130.75
2018-19	1236.10	1065.77	170.33
2019-20	397.43	339.31	58.12
2020-21	277.00	0.00	277.00
Total	2250.53	1614.08	636.20

3. The LoA of the Unit was valid upto 31.12.2020 and their request for renewal of LoA along with other similar plastic recycling units of KASEZ were forwarded to the BoA and the BoA in its 102nd meeting minutes held on 06.01.2021 has decided to grant extension of LoA of the 47 existing plastic recycling and worn & used clothing units in SEZs viz. NSEZ, FSEZ and KASEZ in terms of Rule 18(4) of the SEZ Rules, 2006 for a further period of six months upto 30.06.2021 subject to clearance of all government dues including penalties and rents by the Unit.
4. Further, on the request of KASEZ vide letter dated 13.01.2021 on the issue of clarification on penalties imposed wherein stay has been obtained by such units from DGFT/High Court/Supreme Court, DoC vide letter dated 20.01.2021 has clarified that only in cases where there is an effective stay order against the recovery of penalty imposed, renewal of LoA may be considered without payment of penalty subject to fulfilment of other conditions.
5. With regard to penalty imposed against the unit –
 - i. O/o DC, KASEZ has issued SCN to the unit for non-fulfilment of positive NFE for the 5-year block period 2006-07 to 2010-11 and penalty was imposed vide O-I-O for Rs. 2 crores. However, the unit being aggrieved with the O-I-O has filed appeal before the DGFT and the DGFT has dismissed the appeal of the unit. The unit has preferred

appeal before the Appellate Committee of DGFT which is still pending.

- ii. Two show cause notices dated 14.07.2016 & 10.04.2019 were issued to the unit for non-compliance of physical export conditions and penalty of Rs. 39.37 lakhs have been imposed vide OIO No. KASEZ/29-30/2019-20 dated 02.05.2019. The Unit filed appeal before the DGFT against this OIO and the DGFT has dismissed the appeal of the unit. The unit has preferred appeal before the Appellate Committee of DGFT which is still pending.
6. Thus, the LoA of the Unit was not renewed after 01.01.2021 as the unit has not obtained any effective stay on the penalty imposed and rental dues were also pending against the unit.

Further, as per the decision taken in 112th Board of Approval meeting held on 29.10.2022 and 113th Board of Approval meeting held on 17.01.2023, O/o DC, KASEZ vide letter dated 23.01.2023 has cancelled their Letter of Approval dated 20.05.1996 w.e.f. 01.01.2021.

Aggrieved with the above decisions of BoA and cancellation of their LoA by KASEZ, the Unit has approached the Hon'ble High Court of Gujarat and has filed Special Civil Application No. 12595 of 2023 which is pending before the Hon'ble High Court of Gujarat.

- **Details submitted by Falta, SEZ:** As per records, following units of Falta, SEZ were operational and effecting exports prior to the stipulated period of 18 (eighteen) months, but were not in operation during the 18 (eighteen) months period: -

Name of the unit	Period 27.08.2017 to 26.01.2021	
	FOB Value of Export (Rs. In crores)	DTA Sale (Rs. In Crores)
M/s. Nara Exim Pvt. Ltd.	10.92	26.63

In this context, it may be mentioned that M/s. Kkalpana Industries (India) Ltd., was operational and effecting exports prior to the stipulated period of 18 (eighteen) months, and also was in operation during the 18 (eighteen) months period but had not exported during the period of 18 (eighteen) months.

- The details submitted by KASEZ and Falta SEZ were placed before the BoA in its 117th meeting held on 17.11.2023. The Board, after deliberations, directed to formulate a small committee under the chairmanship of AS, DoC and members from SEZ Division, DoC, DoR and DCs Noida SEZ, Kandla SEZ and Falta SEZ to examine all the aspects of M/s. Plastic Processors & Exporter Pvt. Ltd. and other similarly placed Units. The Committee will provide the report regarding force majeure situation of this and other units.
- In compliance of the direction of the Board, a Committee was constituted by DoC under the chairmanship of AS (SEZ), DoC. The meeting of the Committee was held on 14.12.2023 at Vanijya Bhawan, New Delhi. The following observations have been made by the Committee:

- M/s Plastic Processors & Exporter Pvt. Ltd. appears to be the only SEZ unit which claim to be affected by force majeure concerns as there are no other similarly placed units as reported by DC/Kandla SEZ and DC/FALTA SEZ.
- As such, a unit affected by accidental fire (force majeure) incident which curtailed their operations cannot be considered or placed on par with other SEZ recycling units.
- As the Unit has expressed its willingness to resuming their operations, a conditional approval may be considered.

Keeping in view of the above observations, the Committee finally decided to recommend that the Unit may be given an opportunity and renewal of the LoA may be considered for a period of 5 years with the following conditions: -

- i. The Unit shall ensure necessary funding is arranged within 3 months of the date of approval of extension and construction commences immediately to ensure that commercial production commences within 24 months of the date of approval.
- ii. The Unit would ensure their first export orders within 18 months from date of renewal of LoA. No further request will be considered to extend this time limit of 18 months.
- iii. In case of extension of LoA for five years by BoA, no DTA sales would be allowed irrespective of fulfilling of NFE and other conditions. Thereafter, DTA sales may be allowed as per prevailing norms.
- iv. Exit of the Unit in terms of Rules 74 and Transfer of its Assets in terms of Rule 74A of the SEZ Rules, 2006 would not be allowed during the period of this 5-year extension.
- v. Environment Clearance and other statutory clearances, if required, would be obtained by the Unit.
- vi. The Unit will provide a clear roadmap and the UAC, NSEZ would examine the performance of the Unit after every six months period.
- vii. These conditions are over and above the extant conditions of NFE requirements under rule 53 of SEZ Rules.

The report of the Committee is being placed before the Board for its consideration and decision on the appeal.

The case was deferred in the 118th meeting of the BoA held on 06th February, 2024.

119.6(ii) Appeal filed by M/s. MNR Exports Private Limited against the Order dated 06.09.2023 issued by DC, Falta SEZ.

Brief facts of the case: M/s. MNR Exports Private Limited had been permitted under EoU scheme vide Letter of Approval dated 02.06.2003 for manufacture and export of all Kinds or Bags made of Cotton, Jute, Nylon, Straw, PVC and Industrial Gloves / Aprons in Falta SEZ. Subsequently, the location of the Unit was changed from 44, Ezra Street, Kolkata to 1/3 A, Ballygunge place (East), Kolkata and the status of the Unit was changed from 100% EoU to SEZ Unit. The Unit started commercial production w.e.f. 20.08.2008. The LoA was valid upto 19.08.2018 and it was later cancelled by the DC, Falta SEZ vide Order-in-Original dated 06.09.2023 in terms of Section 16 of the SEZ Act, 2005.

M/s. MNR Exports Private Limited has filed an appeal against the said Order-in-Original dated 06.09.2023 passed by the DC, Falta SEZ. The appellant has given the following reasons as to why the decision needs review: -

- a. No show cause notice was received by the appellant at any point of time prior to initiation of the proceedings by the Adjudicating Authority.
- b. No intimation and/or cause papers was ever served to the appellant as such the appellant was in total dark about such proceedings and the order was passed ex-parte without giving any opportunity of hearing to the appellant thereby violating the principles of natural justice.
- c. It was well within the knowledge of the adjudicating authority that the registered office of the appellant has shifted from its initial place and the same was duly intimated to the authority concerned.
- d. It was well within the knowledge of the adjudicating authority that fire broke out and the dispute till date by and between the appellant and the insurance company has not settled as such the business could not be started.
- e. The appellant unit being a net foreign exchange earner as the manufacturing unit used to manufacture handicraft items from jute and its by-products. The question of importing raw materials does not or cannot at all arise. There was only export.
- f. That due to fire a sum of Rs. 6.50 crores is due payable by the authorities concerned to the appellant towards damages and losses suffered by the appellant for non-supply of various documents by the authorities before the Insurance Company.
- g. Annual Performance Report (APR) was filed and acknowledged copies were provided on ample occasions which are also reflected in the impugned order, though the impugned order was passed overlooking the same only on the pretext the APR was not filed. As such filing of APR for the mentioned periods does not or cannot at all arise.
- h. Due to breaking of fire all papers have been lost, the same have gutted with fire and it was beyond the control of the appellant. It is further submitted that the exports were carried out through NSDL portal and ample time the appellant requested the authorities concerned to retrieve the documents filed online but no heed was paid to such request of the appellant.

The appellant has requested that impugned Order dated 6th September, 2023 passed by DC, Falta SEZ be set aside and further direct the concerned authority to release the sum of Rs. 6.5 crores for the loss due to the negligence on the part of the authorities to the appellant.

Inputs received from DC, Falta SEZ: -

1. Due to non-submission of APR for the FY 2014-15, a Show Cause Notice dated 21.08.2015 was issued to the Unit. In response vide letter dated 26.09.2015, the Unit stated that they are in the process of the filing the APR and requested to condone the delay and not impose any penalty and oblige. Accordingly, vide letter dated 06.05.2015, DC, FSEZ condoned the delay in submission of the APR and requested to expedite the submission of the APR for the FY 2014-15. Finally, the Unit submitted the APR for the FY 2014-15 on 31.12.2015.
2. Due to non-submission of APR for FY 2013-14 & 2015-16 within the prescribed time limit, letters dated 13.12.2016, 11.01.2017, 09.08.2017, 11.09.2017 and 18.01.2018 were issued to the Unit. In response, the Unit, vide letter dated 27.02.2018 submitted

that due to fire incident on 08.06.2016, many of their office files remain untraceable and they could trace the copies of the APR for the FY 2012-13, 2014-15, 2015-16 duly acknowledged. Further, the unit has stated that no export has taken place in the FY 2016-17 and thus, the data may be treated as 'NIL'.

3. Vide letter dated 19.04.2021, the Unit was requested to appear for a personal Hearing before the DDC, FSEZ for discussion of their non-performance, however, no one from the Unit appeared for discussion. The Performance of the Unit in the last 5 (five) years is as given below: -

FY	2014-15	2015-16	2016-17	2017-18	2018-19
FOB value of export (Rs. in crore)	2.83	0.75	Nil	Nil	Nil

4. FSEZ observed that the Unit is non-functional for a long period of time and occupying Govt. space without any activity. Also, the Unit has not applied for renewal of their LoA dated 02.06.2003 beyond 19.08.2018, thus, the LoA is deemed to be lapsed w.e.f. 20.08.2018 in terms of Rule 19(6A)(2) of SEZ Rules, 2006.
5. Subsequently, another Show Cause Notice was issued on 08.03.2022 by FSEZ directing the Unit, as to why the LoA should not be cancelled for violating the provisions of Sl. No. 7 of Bond-cum- LUT, as submitted by the Unit, in terms of Section 16 of SEZ Act, 2005, Rule 25 & Rule 54 of SEZ Rules, 2006; and as to why the IEC of the Unit should not be suspended; and as to why penalty should not be imposed under FT (D&R) Act, 1992 for contravention SEZ Act, 2005 & SEZ Rules, 2006. However, no reply of the SCN issued has been received from the Unit till date.
6. Vide letter dated 24.05.2023, the Unit was again requested by FSEZ to appear for a Personal Hearing. However, no one from the Unit appeared for the Personal Hearing.
7. The matter was placed before the 166th meeting of the Unit Approval Committee (UAC) held on 25.08.2023. The Unit was requested to appear before the UAC physically to present their case, however, no one from the Unit appeared in the said UAC meeting. The UAC, after deliberation, decided ex-parte to cancel the LoA.
8. As per the directions of the UAC, DC, FSEZ issued an Order-in-Original dated 06.09.2023 cancelling the LoA of the Unit in terms of the Section 16 of the SEZ Act, 2005.

Thus, the contention of the appellant that the impugned Order dated 06.09.2023 passed by the Zonal DC and Adjudicating Authority, Falta SEZ was passed without giving any opportunity of hearing to the appellant thereby violating the principles of natural justice is incorrect, as several correspondences have been made to the Unit for Personal Hearing before the Authority as natural justice, however, no one appeared to present their case. Also, prior intimation for the 166th meeting of the UAC was sent to the Unit requesting them to be physically present in the meeting held on 25.08.2023 wherein decision for cancellation of the LoA was taken.

Relevant provisions under the SEZ law: -

- **Section 16 of the Special Economic Zones Act, 2005**

16. Cancellation of letter of approval to entrepreneur. —

(1) The Approval Committee may, at any time, if it has any reason or cause to believe that the entrepreneur has persistently contravened any of the terms and conditions or its obligations subject to which the letter of approval was granted to the entrepreneur, cancel the letter of approval:

Provided that no such letter of approval shall be cancelled unless the entrepreneur has been afforded a reasonable opportunity of being heard.

- **Rule 19 of the SEZ Rules, 2006**

19. Letter of Approval to a Unit: -

- Rule 19(4) states that LoA shall be valid for one year. First Proviso grants power to DCs for extending the LoA for a period not exceeding 2 years.
- Further, in terms of rule 19(5), if the Unit has not commenced production or service activity within the validity period or the extended validity period under sub-rule (4), the Letter of Approval shall be deemed to have been lapsed with effect from the date on which its validity expired.
- In terms of rule 19(6), the LoA shall be valid for five years from the date of commencement of production or service activity and it shall be construed as a licence for all purposes related to authorized operations, and, after the completion of five years from the date of commencement of production, the Development Commissioner may, at the request of the Unit, extend validity of the Letter of Approval for a further period of five years, at a time.
- In terms of rule 19(6A)(1), the Units which intend to renew the validity of Letter of Approval shall submit, before two months from the date of expiry of the Letter of Approval, the completed application in Form F1 along with requisite document, to the Development Commissioner.
- Further, in terms of rule 19(6A)(2), in case of non-compliance of the procedures specified in clause (1), the Letter of Approval shall not be considered for renewal.
- In terms of rule 19(6B), the process of renewal of Letter of Approval shall take into account the efforts made and the results achieved or status of the following criteria, namely: -
 - i. Export performance of the Unit in the last block.
 - ii. Employment generated.
 - iii. Instance of violation of applicable statutes related to the functioning of the Unit.
 - iv. Cases of default, if any, of statutory payments.
 - v. Undertaking of any activity not sanctioned or approved by the Development Commissioner.
 - vi. The decision of the Development Commissioner or Approval Committee in this regard shall be final and binding on the Unit except in cases where the Unit prefers an appeal before the Board of Approval, in accordance with rule 55.

The appeal was earlier placed before the 117th meeting of the BoA held on 17.11.2023. Since, the appellant requested to list their case for the next meeting and give them at least one-month notice to attend the same. Accordingly, the Board deferred the case to the next meeting.

The case was deferred in the 118th meeting of the BoA held on 06th February, 2024.

The appeal is again placed before the BoA for its consideration.

119.6(iii) Appeal filed by M/s. MGA & Associates, Unit-II against the Order dated 13.11.2023 issued by DC, KASEZ withdrawing the permissions for warehousing of Arecanut/Betelnut and Pepper.

119.6(iv) Appeal filed by M/s. Varsur Impex Pvt. Ltd. against the Order dated 09.11.2023 issued by DC, KASEZ withdrawing the permissions for warehousing of Arecanut/Betelnut and Pepper.

119.6(v) Appeal filed by M/s. Shriji Overseas against the Order dated 09.11.2023 issued by DC, KASEZ withdrawing the permissions for warehousing of Arecanut/Betelnut and Pepper.

Brief facts of the case:

(i) M/s. MGA & Associates Unit-II is an approved unit for warehousing activity in KASEZ. The unit have been granted Letter of Approval dated 26.10.2012, as amended. The unit has commenced their authorised operation in KASEZ w.e.f. 11.11.2014 and their LoA is valid up to 10.11.2024.

(ii) M/s. Varsur Impex Pvt. Ltd. is an approved unit for warehousing activity in KASEZ. The unit have been granted Letter of Approval dated 30.04.2021, as amended. They have commenced their authorised operation in KASEZ w.e.f. 18.06.2021 and accordingly their LoA is valid up to 17.06.2026.

(iii) M/s. Shriji Overseas is an approved unit for manufacturing of Gutkha, Khaini, Zarda, Pan Masala, Chewing Tobacco & Filter Tobacco/Kaini and warehousing service activity in Kandla Special Economic Zone, Gandhidham vide Letter of Approval dated 09.12.2020, as amended. They have commenced their authorised operation in KASEZ w.e.f. 31.03.2021 and accordingly their LoA is valid up to 30.03.2026.

The 195th meeting of the Unit Approval Committee (UAC), KASEZ was held on 19.10.2023. As per Agenda Item No. 195.3.11, the Committee decided to withdraw all the approvals granted to the Units in KASEZ for warehousing Arecanut/Betelnut & Pepper which are only involved in providing warehousing services on behalf of their clients. Subsequently, the decision of the UAC was conveyed to the concerned Units. Aggrieved with the decision, all the above three Units have filed appeals before the BoA in terms of Rule 55 of the SEZ Rules, 2006.

Grounds of Appeal:

1. Beyond power of the UAC to issue Ordinance like Order affecting en masse:

The appellants have submitted that a Unit Approval Committee is authorized to deliberate only on those issues and discharge such functions which are provided in Section 14 of the Special Economic Zone Act, 2005. It cannot travel beyond the

domain of Section 14 of the Act, *ibid*. In this regard, kind attention is invited to Section 14 of the Special Economic Zone Act, 2005, which, *inter-alia*, provides as follows:

Powers and functions of Approval Committee. (1) Every Approval Committee may discharge the functions and exercise the powers in respect of the following matters, namely: -

1. approve the providing of services by a service provider from outside India, or from the Domestic Tariff Area, for carrying on the authorized operations by the Developer, in the Special Economic Zone;
2. monitor the utilization of goods or services or warehousing or trading in the Special Economic Zone;
3. approve, modify or reject proposals for setting up Units for manufacturing or rendering services or warehousing or trading in the Special Economic Zone other than the grant of license under clause(e) of sub-section (2) of section 9 in accordance with the provisions of sub-section (8) of section 15;
4. monitor and supervise compliance of conditions subject to which the letter of approval or permission, if any, has been granted to the Developer or entrepreneur; and
5. perform such other functions as may be entrusted to it by the Central Government or the State Government concerned, as the case may be.

Thus, according to above provisions, the powers & functions of Approval Committee consist of grant of approval/ permission/approval with modifications or rejection of the proposals for setting up unit in a particular zone; monitoring and supervision of the performance units in Special Economic Zone. It may further be seen that Section 14 does not confer any power on the approval committee to withdraw the existing approvals, much less, by way of issuing Ordinance like order affecting the units in bulk. Hence, the impugned action of UAC is beyond their power. On this ground alone, the decision of the 195th UAC is liable to be set aside.

2. **There is nothing on record to show as to under which Section, the decision is taken. No allegation of any contravention or dereliction against the unit. Action does not appear to be under Section 16 of the Act, *ibid* either.**

The appellants have submitted that Section 16 of the Act *ibid* does confer power of cancellation/withdrawal with the UAC BUT THAT is limited to an individual unit only, to whom some contravention is attributed. In this regard, kind attention is invited to Section 16 of the Act, *ibid*, which, *inter alia*, provides:

(1) The Approval Committee may, at any time, if it has any reason or cause to believe that the entrepreneur has persistently contravened any of the terms and conditions or its obligations subject to which the letter of approval was granted to the entrepreneur, cancel the letter of approval:

Provided that no such letter of approval shall be cancelled unless the entrepreneur has been afforded a reasonable opportunity of being heard.

So, even as per the provisions of Section 16, the Committee is empowered to cancel letter of approval of an entrepreneur only i.e. a particular unit (not, en mass of multiple units). Further, in the instant matter, the decision of the 195th UAC neither falls within their powers or functions, nor does it appear to be an exercise having been undertaken in terms of the provisions of Section 16 of the Act, *ibid*. Furthermore, there is nothing on record to show as to under which Section or Rule or instructions or Circular or Notification, the Agenda Point No 195.3.11 was taken up for deliberations by the 195th UAC and decision was taken. Accordingly, on this ground also, the impugned decision is liable to be set aside.

3. Principal of Natural Justice not followed.

The appellants have submitted that there are three key Principles of natural justice which needs to be ensured in Quasi-Judicial or Judicial proceedings viz. Rule Against Bias, Rule of Fair Hearing, and Reasoned Decision. These principles ensure that decision-makers are impartial. Also, these principles make sure that all the parties have an opportunity to present their case, and decisions are based on reasoning and not arbitrary or biased or targeted.

In the instant matter, there is no notice to the units of proposed Agenda Point, any allegations attributing any contravention to the affected units by this illegal decision, leave aside giving them opportunity of making submissions or personal hearing. So, the decision is arbitrary, biased and against the principles of law. There are explicit provisions under the Special Economic Zone Act, 2005 that opportunity of personal hearing before any decision is taken by the UAC is mandatory. This mandatory provision has been ignored by the 195th UAC with regard to Agenda Point no 195.3.11. On this ground also, this decision of UAC is liable to be set aside.

4. Opinions expressed by the members are devoid of any substance or merits, not relevant and hence, untenable.

The appellants have submitted that opinions expressed by the members of the 195th UAC with regard to Agenda Point No 195.3.11 are devoid of substance or merits & not relevant for the reasons explained in following paras:

a) Letter(s) received from DRI, Ludhiana and Ahmedabad are against specific warehousing unit(s), containing details of the alleged violation/misuse of SEZ schemes committed by a particular warehousing unit.

Under these circumstances, when the specific and actionable details like the name of offender, type of offence, commodity involved, duty element etc. are available with office of the Development Commissioner, then why instead of taking appropriate action against such offenders only as per SEZ law, all and sundry are being targeted, penalized and deprived of legitimate Economic Activity and foreign exchange earnings for the Nation.

b) The opinion expressed by Shri Mehul Desai, Member is erroneous, misplaced and lop sided due to following reasons:

- i) In this regard, it is submitted that every item which is stored in any warehousing unit in SEZ does fulfil the objectives/guidelines enshrined in Section 5 of the SEZ Act, 2005 in as much as;
- a. Generate additional economic activity;
 - b. Promote export of goods and services as the payment is received in convertible foreign currency by the warehouse
 - c. Create employment opportunities consisting of documentation, Customs clearance loading/unloading, handling, upkeep, packing/re-packing, permissible manufacturing activities, accounting, security etc.
- c) It will not be out place to state that the facility of duty-free warehousing is devised and intended to offer deferment of Payment of Customs duty, IGST and Cess etc. so that the Indian Manufacturer/ Merchant/ Trader is saved from additional cost and provide them level playing field to compete internationally. Further, most of the foreign clients warehouse their import items for the purpose of international trading and the purpose of warehousing in India is due to competitive handling charges, storage and labour cost and at times, cheaper compared to elsewhere in the world. Accordingly, the warehousing units in the SEZ invariably earn valuable foreign exchange for the country and without fail, meet the objectives of Section 5 of the Act, *ibid*.
- d) Further, the opinion of Shri Gajendra Singh Chholak that the commodities like Areca/Betelnut and Pepper are very sensitive and prone to smuggling appears to be the by-product of his unawareness about the similar facilities available in the mainland of the country.
- e) The Customs Tariff which is created and designed after mammoth deliberations by the Tariff Research Unit in the Department of Revenue have put both these items in OGL (Open General Licence).
Even all alcoholic beverages, tobacco products, precious stones etc. are in the OGL and the importers of all these products avail warehousing facilities either in SEZs or mainland, depending upon the supply chain and demand pattern. And whether the warehouse is in SEZ or in the mainland, it is under direct control of the Customs Authorities. In addition, other agencies monitor their activities through the EDI and NSDL systems. As such, Sh Gajender Singh's opinion is of general nature based on hearsay, lack of awareness of the control mechanism deployed by the Customs. Hence, it does not merit consideration

In view of explicit provisions of SEZ Act, 2005 mentioned above and in the interest of justice and fair play, the appellants have requested that the impugned decision of the 195th Unit Approval Committee withdrawing approvals of certain items from the approved list of items of all warehousing units of KASEZ may be set aside.

Comments received from DC, KASEZ:

Instances have come to the notice of the Development Commissioner's office that many of the warehousing units of KASEZ are indulging in mis-declaration/mis-use of warehousing of goods viz. Arecanut/Betelnut and Pepper on behalf of their clients. Due to the sensitivity of the goods, permission for warehousing of the subject goods is not being approved by the Unit Approval Committee of KASEZ since June, 2021.

The KASEZ warehousing units contend that they are not importing the subject goods and their clients are importing the same and hence they should not be held responsible for any mis-declaration/mis-use of the subjected goods.

Therefore, it was decided that all such cases wherein warehousing permission was granted to KASEZ units for Arecanut/Betelnut and Pepper may be placed before the UAC for further deliberations and subsequent directions in the matter.

The UAC in its 195th meeting held on 19.10.2023 has deliberated on the issue and the recent instances of some of the units of KASEZ were brought to the notice of the Committee members where warehousing units of KASEZ are frequently indulging in mis-declaration/mis-use of warehousing of goods viz. Arecanut/Betelnut and Pepper on behalf of their clients. In view of the above, the Approval Committee unanimously decided to withdraw all the approvals granted to the units in KASEZ for warehousing of Arecanut/Betelnut and Pepper which are only involved in providing warehousing services on the behalf of their clients.

Comments on the Grounds of Appeal:

1. First contention - Beyond power of the UAC to issue Ordinance like order affecting en mass.

The contention of the Appellant is not tenable as first proviso to Rule 19(2) of the SEZ Rules, 2006 empowers the Approval Committee to approve proposals for broad-banding, diversification, enhancement of capacity of production, change in the items of manufacture or service activity, if it meets the requirements of Rule 18.

In the subject matter, as there were instances of warehousing units indulging in mis-declaration/mis-use in warehousing of arecanut/ betelnut and pepper by some of the warehousing units of KASEZ, therefore, the UAC has taken unanimous decision of withdrawal of all the approvals granted to the units in KASEZ for warehousing of arecanut/betelnut and pepper.

2. Second contention - There is nothing on record to show as to under which Section the decision is taken. No allegation of any contravention or dereliction against the unit. Action does not appear to be under Section 16 of the Act ibid either.

The contention of the Appellant is not tenable as Section 16 of the SEZ Act, 2005 pertains to cancellation of Letter of Approval to an entrepreneur.

In the instant case, the Letter of Approval of the unit has not been cancelled and only two items approved in their LoA has been withdrawn by the UAC. Thus, Section 16 of the SEZ Act, 2005 has not been invoked on the unit and decision taken by the UAC comes within the ambit of Rule 19 (2) of the SEZ Rules, 2006.

Further, the Investigation agencies have initiated case and investigation is under progress in respect of following KASEZ units: -

1. **M/s. S F Express Pvt. Ltd.** – The Directorate of Revenue Intelligence, Ahmedabad Regional Unit, Ahmedabad vide their letter dated 13.08.2021 has intimated this office that inquiry is initiated against M/s. S F Express Pvt. Ltd., KASEZ for diversion of duty free goods wherein Arecanuts which were meant for export to Bangladesh vide 26 Shipping Bills were diverted into Domestic Tariff Area without payment of duty and the same has been confirmed through transportation details and no proof of export has been submitted by the unit. Further, a communication has also been received from Customs Division, Dubri (Concerned Land Customs Station), vide which they have informed that no goods exported in the subject shipping Bills have been done through their LCS.
2. **M/s. Aditya Exports** – The Directorate of Revenue Intelligence, Regional Unit, Gandhidham vide their letter dated 26.07.2022 has intimated this office that on the basis of information gathered regarding duty evasion by M/s. Aditya Exports, the DRI officers visited the premises of the unit has detained the quantity of Black Pepper, White Pepper, Areca Nut (Split Betel Nut) and Dry Dates under the provisions of the Customs Act, 1962.
3. **M/s. Aditya Exports** – The Directorate of Revenue Intelligence, Ludhiana Zonal Unit, Ludhiana vide their letter dated 04.05.2023 has informed this office that a case has emerged against M/s. Aditya Exports dealing in Black pepper which have indulged in forged Bills of lading and has fraudulently removing goods to persons/units who are non-traceable and non-existing. The unit was alleged to have committed conspiracy to bring Black pepper of unknown origin country into India.
4. **M/s. Rekha Superfine Exporters** - The Directorate of Revenue Intelligence, Ludhiana Zonal Unit, Ludhiana vide their letter dated 18.04.2023 has informed this office that the DRI has been investigating a case pertaining to M/. Rekha Superfine Exporters which has been appearing to import black pepper into the zone and diverting it into local market by taking it out from KASEZ on pretext of job work.
5. **M/s. Summit (India) Water Treatment & Services Ltd. (Unit-II) and M/s. Mahamaya Construction & Engineers** - The Directorate of Revenue Intelligence, Ahmedabad Zonal Unit, Ahmedabad vide their letter dated 18.08.2023 has intimated that above two warehousing units of KASEZ are indulged in the illicit activity of smuggling of Areca Nuts and are importing Areca Nuts by mis-declaring the same as PP Granules and PP Agglomeration from the UAE.
6. **M/s Varsur Impex, KASEZ** - SCN by the Commissioner, New Custom House, Kandla has also been issued to the SEZ unit M/s Varsur Impex, KASEZ, their importer i.e. M/s Global Enterprises, Chennai, Kanchipuram and others for illegally diverting of goods (Areca Nut) to DTA into India.

The above list of cases is just illustrative in nature and not exhaustive. The commodities like arecanut and black pepper are highly sensitive in nature and simply warehousing these commodities poses a risk of opening Pandora box of ingenious/modus operandi for the illicit diversion and other nefarious activities, thus creating a risk to the officers concerned and consuming valuable time and resources of the officials in dealing with the menace.

3. Third contention - Principal of Natural Justice not followed.

The contention of the Appellant is not justifiable as their Letter of Approval has not been cancelled under Section 16 of the SEZ Act, 2005 and only two items in their warehousing activity has been withdrawn.

In the subject matter, as there were instances of warehousing units indulging in mis-declaration/mis-use in warehousing of arecanut/ betelnut and pepper by some of the warehousing units of KASEZ as mentioned above. Grave concerns were noticed by the UAC on the sensitivity of the items withdrawn and as a measure of safeguard the UAC has taken unanimous decision of withdrawal of all the approvals granted to the units in KASEZ for warehousing of arecanut/betelnut and pepper under Rule 19(2) of the SEZ Rules, 2006.

4. Fourth contention - Opinions expressed by the members are devoid of any substance or merits not relevant and hence untenable.

At the time of deliberation in the 195th UAC meeting, the members i.e. Shri Mehul Desai, Member opined that approval for Arecanut/Betelnut and Pepper to SEZ units which are only involved in providing warehousing services on behalf of their clients does not serve any purpose and the objectives of SEZ enshrined under Section 5 of SEZ Act, 2005 are not fulfilled. Further, Shri Gajendra Singh Chholak, Member opined that the commodities like Arecanut/Betelnut and Pepper are very sensitive and prone to smuggling.

The contention of the appellant is not tenable as the opinions expressed by the members of the UAC are considered genuine observations. Further, the members of the committee thoroughly deliberated on the facts and in the light of various letters from investigation agencies and came to conclusion that the actions of unscrupulous units depict an attempt to derail and impede the working and facilitation of SEZ for legitimate SEZ units.

Further, simply warehousing of such sensitive commodities where no manufacturing/value addition is taking place does not appear to satisfy the objectives of Section 5 of the SEZ Act in true letter and spirit.

Furthermore, with regard to appellant's contention to do away with the practice of seeking item-wise permission for warehousing goods from the UAC, the argument submitted by the appellant is not tenable as granting blanket permission of all Customs Tariffs to units will lead to all sorts of nefarious activities. Also information has been called from other SEZs, wherein Falta SEZ and MEPZ SEZ has confirmed that the units have to apply for inclusion of items in their LoA and the same are placed before the UAC for its consideration. As Warehousing unit cannot be fully aware of the specifications, characteristics of all the goods, importers can misuse the unit for fraudulent activities. As mentioned above there have been several instances in warehousing units where importers/units are involved in the mis-declaration/mis-classification/diversion of the duty free imported goods.

Thus, most of the cases investigated by the agencies in KASEZ involve warehousing units and more particularly subject goods like arecanut/betelnut and black pepper. Therefore, the UAC after detailed deliberation has taken a conscious decision of

withdrawing permission of warehousing of arecanut/betelnut and black pepper as continuance of warehousing of these commodities will continue to pose a grave risk and will make the zone more prone to evasion as highlighted by various correspondences received from various agencies.

The case was deferred in the 118th meeting of the BoA held on 06th February, 2024.

The appeals are placed before the BoA for their consideration.

119.7: Request for conversion of processing area into non-processing area under Rule 11(B) (9 proposals)

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. (1)	Categories of cities as per Annexure IV-A (2)	Minimum built-up processing Area (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 is in process to issue clarifications/instructions providing clarity regarding refund of duty, area to be considered for demarcation etc., which will provide uniform implementation of rule 11 B.

119.7(i) Request of M/s. DLF Limited, New Town, Rajarhat, Kolkata for demarcation of a portion of SEZ Processing Built-up area to a Non-Processing Area in terms of Rule 11 B of SEZ Rules, 2006.

M/s. DLF Limited was granted LoA No.F.2/43/2006-EPZ dated 16th June, 2006 for setting up of an IT/ITES SEZ at Newtown, Rajarhat, Kolkata. The SEZ was notified vide Gazette Notification No. S.O. 1523 (E) dated 23.06.2008, and it became operational w.e.f. 01.04.2011.

The Developer has submitted a proposal for demarcation of some complete floors of two towers (Tower 1A and Tower 1C) as Non-Processing Area in terms of Rule 11B of SEZ Rules, 2006, as because they are facing challenges in capacity utilization since long time due to economic slowdown, work from home, tax holiday etc. In this regard, the details are as below: -

Particulars	Details		
Name of the Developer	M/s. DLF Limited		
Address of SEZ	New Town, Rajarhat, Kolkata		
Sector	IT/ITES		
Formal Approval	F.2/43/2006-SEZ dated 16.06.2006		
Total Notified land area (in Hectares)	10.4813		
Total Built-up Processing Area (in Square meters)	1,03,182		
Built up area proposed to be demarcated as Non Processing Area (in square meters)	Building/ Tower / Block No.	Floor No. to be demarcated as Non-processing Area	Built up area of the floors to be demarcated as Non-processing Area (in Square meters)
	1A	5 th	2736
	1A	7 th	2421
	1A	8 th	2709
	1A	11 th	2245
	Sub-total A		10111
	1C	8 th	1866
	Sub-total B		1866
	Grand Total (A+B)		11977
Balance Built-up Processing Area after demarcation (in Square meters)	91,205		
Whether minimum built-up processing area norms fulfilled after demarcation?	Yes, after the proposed demarcation the built up processing area will be 88.39 % of total built up area (more than 50%).		
Whether any SEZ units are operating in the floors/built up area proposed to be demarcated as Non-processing area.	No, the floors are vacant as stated by the Developer.		

Status of repayment of tax/duty benefits attributable to the proposed Non Processing Area.	The Developer has submitted the Chartered Engineer's certificate as required under the rule. 2. They have given undertaking to repay the tax/duty benefits attributable to the Non-processing area on the basis of valuation and certification issued by the Chartered Engineer, on receipt of guidelines and methodology from Department of Commerce.
Status of repayment of tax benefits already availed for creation of social or commercial infrastructure and other facilities if proposed to be used by both the SEZ units and Non Processing Area units.	The Developer has given undertaking to repay the tax/duty benefits attributable to the social and commercial infrastructure & facilities which will remain common after demarcation, on the basis of valuation and certification issued by the Chartered Engineer, and on receipt of guidelines and methodology from Department of Commerce.
Access control mechanism for SEZ units and Non Processing Area units, so as to ensure adequate screening of movement of persons and goods in and out of their premises.	The Developer has undertaken to maintain the appropriate access control mechanism to ensure adequate screening of movement of persons as well as goods in the SEZ premises for the SEZ units and Non-processing area units.

Recommendation by DC, Falta SEZ: -

The proposal is recommended for consideration by the BoA in terms of Rule 11(B) of the SEZ Rules, 2006.

119.7(ii) Request of M/s Modern Asset, Developer, for demarcation of SEZ Processing Built-up area (54781.63 sq.mtr.) as Non-Processing Area in terms of Rule 11 B of SEZ Rules, 2006.

M/s. Modern Asset was issued Letter of Approval No. F1/3/2017-SEZ dated 30.03.2017 for setting up of an IT/ITES SEZ at Survey No. 2/1 & 2/2, Venkatala Village, Yelahanka Hobli, Bangalore, Karnataka. The details of the SEZ are as below: -

Area (Hectares)	:	2.33
Date of Notification	:	31.03.2017
Date operationalized	:	02.05.2019
No. of Units	:	03
Export (2022-2023) (Rs. in crore)	:	396.78
Total built-up area (Sq.mtr.)	:	122012.66

The Developer vide letter dated 01st February, 2024 has requested for demarcation of 54781.63 sq.mtr. Built-up area as non-processing area in terms of Rule 11 B of SEZ Rules, 2006. The Developer states that due to Sunset for Income Tax benefit to the units and introduction of work from home facility to the units, they are not able to get SEZ clients and hence the management decided to demarcate the vacant building as Non-Processing Area.

In this regard, the Developer has submitted the following details: -

Particulars	Details		
Name of Developer	M/s. Modern Asset		
Address of SEZ	Survey No.2/1 & 2/2, Venkatala Village, Yelahanka Hobli, Bangalore, Karnataka State		
Sector	IT/ITES		
Formal Approval	F.1/3/2017-SEZ dated 30.03.2017		
Total Notified land area (in Hectares)	2.33		
Total Built-up area in Processing Area (in Square meters), as informed by the developer.	122012.66 Sq.mtr.		
Total Built-up area	Building/Tower / Block/Plot No.	No. of floors	Total built-up area (in Sq.mt.)
	Building -1 Wing A, B and MLCP	3 Basements	36546.94
	Building 1, Wing A	Ground +12+ Terrace Floors	37471.47
	Building 1, Wing B	Ground+12 + Terrace Floor	34835.19
	MLCP	Ground+6+ Terrace floors	13159.06
	122012.66		
Total area to be demarcated as Non-Processing Area (NPA) out of Built-up area (in Square meter)	Building /Tower / Block/ Plot No.	No. of floors	Total built-up area (in Sq.mt.)
	Common Area	1 st Basement	13223.67
	Wing B	Ground, 2 nd to 12 th Floors	32125.64
	MLCP	Ground, & 3 rd to 6 th Floors	9432.32
	Total		54781.63
Balance Built-up Processing Area after demarcation.	67231.03 Square meter.		
Whether minimum built-up processing area norms fulfilled after demarcation?	Yes		
Details of social or commercial infrastructure and other facilities proposed to be used by IT/ ITES business engaged in proposed	The Developer has confirmed that while assessing the tax liability all social and common infrastructure facilities built up in the processing and proposed non-processing area and they have refunded the entire		

NPA.	amount and submitted No Due Certificate from the Specified Officer.																														
Whether any SEZ Unit operating on the area proposed to be demarcated as Non-Processing Area under Rule 11B. If yes, what is the future plan for such SEZ units?	The Developer has confirmed that the building proposed for demarcation as a non-processing area is vacant and no SEZ unit is operational as on date in the said proposed non-processing area.																														
Status of refund of applicable tax / duty benefits availed on the area proposed for demarcation as Non-Processing Area.	The Developer has refunded an amount of Rs.12,47,77,730/- (Rupees Twelve Crore forty-seven lakh seventy-seven thousand seven hundred thirty only) towards the duty/tax exemption availed for the area proposed to be demarcated and the common facilities vide Challan No.360829 dated 17 th February 2024 and the Specified Officer has issued No Due Certificate on 19.02.2024.																														
Access Control Mechanism for movement of employees & good for IT/ITES Business to be engaged in the area proposed to be demarcated as Non-Processing Area.	The Developer has confirmed that they will maintain the appropriate access control mechanisms for movement of employees & good for IT/ITES Business to be engaged in the area proposed to be demarcated as Non-Processing Area.																														
Total Exports & Imports for the last 5 years (Rs. in crore)																															
<table border="1"> <thead> <tr> <th colspan="2">2018-2019</th> <th colspan="2">2019-2020</th> <th colspan="2">2020-2021</th> <th colspan="2">2021-2022</th> <th colspan="2">2022-2023</th> </tr> <tr> <th>Export</th> <th>Import</th> <th>Export</th> <th>Import</th> <th>Export</th> <th>Import</th> <th>Export</th> <th>Import</th> <th>Export</th> <th>Import</th> </tr> </thead> <tbody> <tr> <td>0.00</td> <td>1.00</td> <td>59.64</td> <td>22.11</td> <td>120.18</td> <td>9.94</td> <td>96.77</td> <td>5.53</td> <td>396.76</td> <td>0.65</td> </tr> </tbody> </table>		2018-2019		2019-2020		2020-2021		2021-2022		2022-2023		Export	Import	Export	Import	Export	Import	Export	Import	Export	Import	0.00	1.00	59.64	22.11	120.18	9.94	96.77	5.53	396.76	0.65
2018-2019		2019-2020		2020-2021		2021-2022		2022-2023																							
Export	Import	Export	Import	Export	Import	Export	Import	Export	Import																						
0.00	1.00	59.64	22.11	120.18	9.94	96.77	5.53	396.76	0.65																						

Recommendation by DC, CSEZ: -

The proposal of M/s. Modern Asset Private Limited, the Developer for demarcation of 54781.63 sq.mtr. built-up area as Non-Processing Area in terms of Rule 11 B of SEZ Rules.2006, is recommended and forwarded for consideration of BoA.

119.7(iii) Request of M/s. Manyata Promoters Private Limited, Developer, for demarcation of SEZ Processing Built-up area (56,461.91 sq.mtr.) as Non-Processing Area in terms of Rule 11 B of SEZ Rules, 2006.

M/s. Manyata Promoters Private Limited was issued Letter of Approval No. F.2/96/2005-EPZ dated 16th June, 2006 for setting up of an IT/ITES in Villages Rachenahalli, Nagavara and Tanisandra, Bangalore District, Karnataka. The details of the SEZ are as below: -

Area (Hectares)	:	26.2017
Date of Notification	:	16.11.2006 & 06.03.2012
Date operationalized	:	10.01.2007
No. of Units	:	27
Export (2022-2023) (Rs. in crore)	:	21513.78
Total built-up area (Sq.mtr.)	:	963086.14

The Developer vide letter dated 16th February 2024 has requested for demarcation of 56,461.91 sq.mtr. built-up area as non-processing area in terms of Rule 11 B of SEZ Rules, 2006. The Developer states that significant built-up area is lying vacant in the SEZ since long, due to multiple factors like Sunset for Income Tax benefit, Covid 19 pandemic and consequent work from home facility available to the units. Therefore, they are not able to get SEZ clients despite their wholehearted efforts and hence their management decided to demarcate the vacant built-up area as Non-Processing Area. The details of SEZ are as below:

In this regard, the Developer has submitted the following details: -

Particulars	Details		
Name of Developer	M/s. Manyata Promoters Private Limited		
Address of SEZ	Villages Rachenahalli, Nagavara and Tanisandra, Bangalore District, Karnataka State		
Sector	IT/ITES		
Formal Approval	F.2/96/2005-EPZ dated 16 th June 2006		
Total Notified land area (in Hectares)	26.2017		
Total Built-up area in Processing Area (in Square meters), as informed by the developer.	963086.14 Sq.mtr.		
Total Built-up area in the SEZ	Building /Tower / Block/ Plot No.	No. of floors	Total built-up area (in Sqmt.)
	Block C	B+G+8	52156.14
	Block C3-MLCP	B+G+12	31982.72
	Block C4 (Wing A)	B+S+4	17754.28
	Block C4 (Wing B)	B+S+6	26629.00
	Block D4	B+G+10	49528.00
	Block F2	B+G+10	86062.00
	Block F3	2B+G+10	98894.00
	Block G1	2B+G+8	56030.00
	Block G2	2B+G+8	50703.00
	Block G3	2B+G+10	71994.00
	Block G4	2B+G+10	55288.00
	Block G6 MLCP	2B+G+12	32668.00
	Block H1	B+G+6	45620.00
	Block H2 (Wing A)	2B+G+10	42290.00
	Block H2 (Wing B)	2B+G+10	42290.00
	Block L1	2B+G+10	59705.00
	Block L2	2B+G+10	65875.00
	Block L3	2B+G+10	69550.00
	Block L MLCP	G+3	8067.00
	Total		963086.14
Total area to be demarcated as Non-Processing Area (NPA) out of Built-up area (in Square meter)	Building / Tower/ Block/Plot No.	No. of floors	Total built-up area (in Sq.mt.)
	Building L3	G+1 st to	13784.33

		4 th Floors							
	Building C4, Wing A	3 rd & 4 th Floors	6133.16						
	Building C4, Wing B	2 nd , 5 th & 6 th Floors	6953.62						
	Building G4	5 th to 10 th Floors	20965.46						
	Building H2 Wing A	7 th to 9 th Floors	8625.34						
		Total:	56461.91						
Balance Built-up Processing Area after demarcation.	906624.23 Square meter.								
Whether minimum built-up processing area norms fulfilled after demarcation?	Yes								
Details of social or commercial infrastructure and other facilities proposed to be used by IT/ ITES business engaged in proposed NPA.	The Developer has confirmed while assessing the tax liability they will be considering all social and common infrastructure facilities built up in the processing and proposed non-processing area and the same will be fully refunded to the department before obtaining No Due Certificate from the Specified Officer.								
Whether any SEZ Unit operating on the area proposed to be demarcated as Non-Processing Area under Rule 11B. If yes, what is the future plan for such SEZ units ?	The Developer has confirmed that the built-up area proposed for demarcation as a non-processing area is vacant and no SEZ unit is operational as on date.								
Status of refund of applicable tax / duty benefits availed on the area proposed for demarcation as Non-Processing Area.	The Developer is in the process of calculation of duty/tax benefit availed for the area proposed for demarcation. It is also undertaken that they will remit the same and submit the No Due Certificate immediately.								
Access Control Mechanism for movement of employees & good for IT/ITES Business to be engaged in the area proposed to be demarcated as Non-Processing Area.	The Developer has mentioned that they will maintain the appropriate access control mechanisms to ensure adequate screening of movement of persons as well as goods in SEZ premise for the SEZ unit and the businesses engaged in IT/ITES services in the proposed non-processing areas.								
Total Exports & Imports for the last 5 years (Rs. in crore)									
2018-2019		2019-2020		2020-2021		2021-2022		2022-2023	
Export	Import	Export	Import	Export	Import	Export	Import	Export	Import
13349.44	260.42	17513.66	159.89	14258.54	220.63	18099.68	179.63	21513.78	89.62

Recommendation by DC, CSEZ: -

The proposal of M/s Manyata Promoters Private Limited, the Developer for demarcation of **56461.91** sq.mtr. built-up area as Non-Processing Area in terms of Rule 11 B of SEZ Rules.2006, is recommended and forwarded for consideration of BoA.

119.7(iv) Request of M/s. Shyamaraju & Company (India) Private Limited, Developer, for demarcation of SEZ Processing Built-up area (201654.29 sq.mtr.) as Non-Processing Area in terms of Rule 11 B of SEZ Rules, 2006.

M/s. Shyamaraju & Company (India) Private Limited was issued Letter of Approval No. F.2/120/2005-EPZ dated 09th June, 2006 for setting up of an IT/ITES SEZ at Kundalahalli Village, Krishnarajapuram, Hobli, Bangalore East Taluk, Bangalore Dist., Karnataka. The details of SEZ are as below: -

Area (Hectares)	:	13.20
Date of Notification	:	16.10.2006 & 11.07.2014
Date operationalized	:	05.04.2007
No. of Units	:	07
Export (2022-2023) (Rs. in crore)	:	5887.15
Total built-up area (Sq.mtr.)	:	451674.83

The Developer vide letter dated 3rd January 2024 has requested for demarcation of 201654.29 sq.mtr. built-up area as non-processing area in terms of Rule 11 B of SEZ Rules, 2006. The Developer states that due to Sunset for Income Tax benefit, Covid-19 pandemic and introduction of work from home facility to the units, they are not able to get SEZ clients and the built-up area in the SEZ is lying vacant since long. Hence, the management decided to demarcate the vacant building as Non-Processing Area. The details of SEZ are as under:-

In this regard, the Developer has submitted the following details:

Particulars	Details		
Name of Developer	M/s. Shyamaraju and Company (India) Private Limited		
Address of SEZ	Kundalahalli Village, Krishnarajapuram, Hobli, Bangalore East Taluk, Bangalore Dist.,Karnataka		
Sector	IT/ITES		
Formal Approval	F.2/120/2005-EPZ dated 9 th June 2006		
Total Notified land area (in Hectares)	13.20		
Total Built-up area in Processing Area (in Square meters), as informed by the developer.	Building /Tower / Block/ Plot No.	No. of floors	Total built-up area (in Sqmt.)
	A01	2 B+G+ 8 floors	60983.37
	A02	2 B+G+ 6 floors	33686.10
	A03	2 B+G+ 6 floors	32373.16
	A04	2 B+G+ 10 floors	57996.75
	A05	3 B+G+ 9 floors	58284.53
	A06	3 B+G+9 floors	32753.72
	B04	3 B+G+ 8 floors	59483.30
	B05	2 B+G+ 8 floors	18619.00
	C01	3B+G+11 floors	97494.90

Total Built-up area (sq.mtr.)	451674.83		
Total area to be demarcated as Non-Processing Area (NPA) out of Built-up area (in Square meter)	Building /Tower / Block/ Plot No.	No. of floors	Total built-up area (in Sqmt.)
	A01	2 B+G+ 8 floors	60983.37
	A03	2 B+G+ 6 floors	32373.16
	C01	3B+G+11 floors	97494.90
	A04	Lower Basement (1430.22 Sq.mtr.) & Upper Basement: (1622.86 Sq.mtr.) (Car parking)+ 9th & 10th floors	10802.86
	Total:		201654.29
Balance Built-up Processing Area after demarcation.	250020.54 Sq.mtr.		
Whether minimum built-up processing area norms fulfilled after demarcation?	Yes		
Details of social or commercial infrastructure and other facilities proposed to be used by IT/ ITES business engaged in proposed NPA.	The Developer confirmed that while assessing the tax liability they will be considering all social and common infrastructure facilities built up in the processing and proposed non-processing area and the same will be fully refunded to the department before obtaining No Due Certificate from the Specified Officer.		
Whether any SEZ Unit operating on the area proposed to be demarcated as Non-Processing Area under Rule 11B. If yes, what is the future plan for such SEZ units?	The Developer has confirmed that the building proposed for demarcation as a non-processing area is vacant and no SEZ unit is operational as on date in the said proposed non-processing area.		
Status of refund of applicable tax / duty benefits availed on the area proposed for demarcation as Non-Processing Area.	In this connection, the Developer has submitted that they have submitted an application for partial de-notification of 3.4 Ha and remitted an amount of Rs.2,22,11,698/- towards duty/tax exemptions availed. In this regard, the Specified Officer, after re-calculation issued a notice to the Developer on 30.10.2023 stating that out of the total benefit of Rs.7,68,19,708/- availed, they have paid only Rs.2,22,11,698/- and directed them to refund the balance amount for issuance of No Due Certificate. Due to pending payment of the balance amount/ No due certificate, the proposal not sent to DoC for consideration. Now, the Developer withdrawn		

	the proposal for the partial de-notification and requested to adjust this amount against the present proposal for demarcation of processing area to NPA. The Developer undertaken that they will repay the balance amount after calculating the duty/tax exemptions availed for the proposed area.																														
Access Control Mechanism for movement of employees & good for IT/ITES Business to be engaged in the area proposed to be demarcated as Non-Processing Area.	The Developer has mentioned that they will maintain the appropriate access control mechanism to ensure adequate screening of movement of persons as well as goods, in SEZ premise for the SEZ unit and the business engaged in IT/ITES services in the proposed non-processing area. Other mechanism such as separate colour gate passes or ID cards for both PA and NPA unit employees; separate car stickers with different colours for both PA & NPA units employees; and separate security for each building and block with proper scanning.																														
Total Exports & Imports for the last 5 years (Rs. in crore)																															
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2018-2019		2019-2020		2020-2021		2021-2022		2022-2023																							
Export	Import	Export	Import	Export	Import	Export	Import	Export	Import																						
6250.03	38.00	5005.73	53.31	3911.88	43.91	5310.29	64.33	5887.15	17.82																						

Recommendation by DC, CSEZ: -

The proposal of M/s Shyamaraju & Company (India) Private Limited, the Developer for demarcation of **201654.29** sq.mtr. built-up area as Non-Processing Area in terms of Rule 11 B of SEZ Rules.2006, is recommended and forwarded for consideration of BoA.

119.7(v) Request of M/s. Quadron Business Park Pvt. Ltd. for Demarcation of Built up Floors as Non-Processing Area (NPA) of notified IT/ITES SEZ.

Sr. No.	Particulars	Details
1	Name and Address of the SEZ	M/s. Quadron Business Park Pvt. Ltd. Plot No 28, Rajiv Gandhi Infotech Park, Phase-II, Hinjawadi Pune-411057.
2	Letter of Formal Approval No. and Date	F.2/125/2006-EPZ Dtd. 20.06.2007
3	Date of Notification	14.09.2007
4	Name of the Sector of SEZ for which approval has been given	IT/ITES
5	Total Notified area of SEZ	10.33 Hectares
	i. Processing area	10.33 Hectares
		Total Built up Area in the Processing Zone:

	ii. Non-Processing area	1,45,934.80 Sq. mtrs. Break up Four Buildings and Multi-level car parking NIL																					
6	Details of Built Up area: i. No of towers with built-up area of each tower (in sq. mtr.)- Total No. of Towers	<table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Block / Tower No.</th> <th>Area in Sq. Mtr</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Q-1</td> <td>34,203.43</td> </tr> <tr> <td>2</td> <td>Q-2</td> <td>29,072.97</td> </tr> <tr> <td>3</td> <td>Q3</td> <td>36,611.89</td> </tr> <tr> <td>4</td> <td>Q-4</td> <td>45,415.48</td> </tr> <tr> <td>5</td> <td>MLCP-1</td> <td>631.03</td> </tr> <tr> <td colspan="2">Total</td> <td>1,45,934.80</td> </tr> </tbody> </table>	Sr. No.	Block / Tower No.	Area in Sq. Mtr	1	Q-1	34,203.43	2	Q-2	29,072.97	3	Q3	36,611.89	4	Q-4	45,415.48	5	MLCP-1	631.03	Total		1,45,934.80
Sr. No.	Block / Tower No.	Area in Sq. Mtr																					
1	Q-1	34,203.43																					
2	Q-2	29,072.97																					
3	Q3	36,611.89																					
4	Q-4	45,415.48																					
5	MLCP-1	631.03																					
Total		1,45,934.80																					
7	Total Built up area in	i. Processing area: 1,45,934.80 sq.mtrs ii. Non-Processing area: NIL																					
8	Total Numbers of floors in Building wherein demarcation of NPA is proposed	Q – 3 Building (Lower and upper ground floor +5 Floors)																					
9	Total built up area proposed for demarcation of NPA for setting up of Non-SEZ IT/ITES units (in sq.mtr.)	16,915.63 Sq.mtrs																					
10	Total built up area proposed for demarcation of NPA for setting up of Non-SEZ IT/ITES units	Only Floor no 3, 4 and 5 of building Q-3																					
11	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)	The Developer is in the process of working out duty/ tax benefit calculation w.r.t. area proposed for demarcation and shall obtain CE certificate for refund of duty/ tax benefits as applicable.																					
12	Whether duty benefits and tax exemptions availed has been refunded and NOC from Specified Officer has been obtained (Please enclose NPC from Specified Officer)	NOC from the Specified Officer pending.																					
13	Reasons for demarcation of NPA	The significant Built-up area is lying vacant since long, due to multiple factors including sunset date for income tax, Covid-19 pandemic and WFH facility available to the units. The Developer is not able to get SEZ client. Hence, they have decided to demarcate vacant buildings as NPA so that they can lease the same to DTA.																					
14	Total remaining built up area	1,29,019.17 Sq.mtr																					
15	Whether total remaining built up area fulfils the minimum built up area	Yes																					

	requirement as per Rule 5 of SEZ Rules, 2006	
16	Purpose and usage of such demarcation of NPA	To demarcate vacant buildings as NPA so that they can lease the same to DTA.

Furthermore, Joint Development Commissioner along with the Specified officer visited the SEZ on 16.02.2024 for on-site inspection. During the inspection it is observed that proposed area for demarcation for NPA is fully vacant. The Developer stated that they will ensure adequate control of the movement of persons and goods in SEZ units operating in the processing area and non-processing area.

Reason for demarcation:

The Developer has submitted that, their significant Built-up area is lying vacant since long, due to multiple factors including sunset date for income tax, Covid-19 pandemic and WFH facility available to the units. The Developer is not able to get SEZ client. Hence, they have decided to demarcate vacant buildings as NPA so that they can lease the same to Domestic Tariff Area (DTA).

Repayment of Tax benefits:

The Developer has submitted that, they are in process of working out duty/ tax benefit calculation w.r.t. area proposed for demarcation and shall obtain CE certificate at the earliest for refund of duty/ tax benefits as applicable and thereafter the developer will obtain no dues certificate from the specified officer and furnish the same.

Access Control Mechanism:

The Developer has submitted that, they will ensure adequate control of the movement of persons and goods in SEZ units operating in the processing area and non-processing area. Further, the developer has submitted that, they will adhere to all SEZ conditions/regulations that may be prescribed in this regard.

Recommendation by DC, SEEPZ SEZ: -

The request of M/s. Quadron Business Park Pvt. Ltd. for approval of Demarcation of Built up Floors as Non-Processing Area (NPA) of notified IT/ITES SEZ. is recommended to the Board for consideration.

119.7(vi) Request of M/s. Embassy Pune Tech Zone Pvt. Ltd. for approval of Demarcation of Built up Floors as Non-Processing Area (NPA) of notified IT/ITES SEZ.

Sr. No.	Particulars	Details
1	Name and Address of the SEZ	M/s. Embassy Pune Tech Zone Pvt. Ltd.-SEZ. Plot No. 3, Rajiv Gandhi Infotech Park, Phase-II, Hinjewadi, Pune-411057
2	Letter of Formal Approval No. and Date	Formal Approval no. F.2/635/2006-SEZ dated 25.06.2007.

3	Date of Notification	Notification No. and Date	Area in Hectare	
		F.No F.2/635/2006-SEZ dated 05.04.2023	22.1647	
		F.No F.2/635/2006-SEZ dated 14.05.2019	27.298	
		F.No F.2/635/2006-SEZ dated 20.11.2007	17.12	
4	Name of the Sector of SEZ for which approval has been given	IT/ITES		
5	Total area of SEZ i. Processing area	22.1647 hectares		
		19.92 hectares		
		<u>Break up</u>		
		Six Buildings	192135.62 Sq.mtrs. (19.21 hectares)	
		Food Court	3355.13 Sq.mtrs. (0.33 hectares)	
5	ii. Non-Processing area	Training Centre	3728.97 sq.mtrs. (0.37 hectares)	
		NIL		
6	Details of Built Up area: i. No of towers with built-up area of each tower (in sq. mtr.)- Total No. of Towers	Sr. No.	Block / Tower No.	Area in Sq. Mtr
		1	Block No. 1	25225.81
		2	Block No. 2	24881.01
		3	Block No. 5 Office and MLCP	46657.65
		4	Block No. 3 Office and MLCP	42978.35
		5	Food court	3355.13
		6	Block No. 6	24629.03
		7	Block No. 11	27763.769
		8	Training Center	3728.97
		Total		
7	Total Built up area in	i. Processing area:1,99,219.72 sq.mtrs ii. Non-Processing area: NIL		
8	Total Numbers of floors in Building wherein demarcation of NPA is proposed	Only 1 st Floor, 6 th Floor and 7 th Floor of building No. 11 (Nile)		
9	Total built up area proposed for demarcation of NPA for setting up of Non-SEZ IT/ITES units (in sq.mtr.)	11,048.08 Sq.mtrs		
10	Total built up area proposed for demarcation of NPA for setting up of Non-SEZ IT/ITES units	Only 1 st Floor, 6 th Floor and 7 th Floor of building No. 11 (Nile)		
11	Total duty benefits and tax	The Developer is in the process of working out		

	exemption availed on the built-up area proposed to be demarcated as NPA, as per Chartered Engineers Certificate (in Rs. Crores)	duty/ tax benefit calculation w.r.t. area proposed for demarcation and shall obtain CE certificate for refund of duty/ tax benefits as applicable.
12	Whether duty benefits and tax exemptions availed has been refunded and NOC from Specified Officer has been obtained (Please enclose NPC from Specified Officer)	NOC from the Specified Officer pending in receipt.
13	Reasons for demarcation of NPA	The significant Built-up area is lying vacant since long, due to multiple factors including sunset date for income tax, Covid-19 pandemic and WFH facility available to the units. The Developer is not able to get SEZ client. Hence, they have decided to demarcate vacant buildings as NPA so that they can lease the same to DTA.
14	Total remaining built up area	1,88,171.64Sq.mtr
15	Whether total remaining built up area fulfils the minimum built up area requirement as per Rule 5 of SEZ Rules, 2006	Yes
16	Purpose and usage of such demarcation of NPA	To demarcate vacant buildings as NPA so that they can lease the same to DTA.

Furthermore, Joint Development Commissioner along with the Specified officer visited the SEZ on 16.02.2024 for on-site inspection. During the inspection it is observed that proposed area for demarcation for NPA is fully vacant. The Developer stated that they will ensure adequate control of the movement of persons and goods in SEZ units operating in the processing area and non-processing area.

Repayment of Tax benefits:

The Developer has submitted that, they are in process of working out duty/ tax benefit calculation w.r.t. area proposed for demarcation and shall obtain CE certificate at the earliest for refund of duty/ tax benefits as applicable and thereafter the developer will obtain no dues certificate from the specified officer and furnish the same.

Access Control Mechanism:

The Developer has submitted that, they will ensure adequate control of the movement of persons and goods in SEZ units operating in the processing area and non-processing area. Further, the developer has submitted that, they will adhere to all SEZ conditions/regulations that may be prescribed in this regard.

Recommendation by DC, SEEPZ SEZ: -

The request of M/s. Embassy Pune Tech Zone Pvt Ltd. for approval of Demarcation of Built up Floors as Non-Processing Area (NPA) of notified IT/ITES SEZ. is recommended to the Board for consideration

119.7(vii) Request of M/s. Synergy Infotech Pvt Ltd. (SEZ Co-Developer) in M/s. MIDC IT/ITES-SEZ for approval of Demarcation of Built up Floors as Non-Processing Area (NPA) of notified IT/ITES SEZ.

Sr. No.	Particulars	Details																																								
1	Name and Address of the Co-Developer	M/s. Synergy Infotech Pvt. Ltd., Plot No. 20 in MIDC IT/ITES-SEZ, Rajiv Gandhi Infotech Park, Hinjewadi, Phase III, Pune 411057.																																								
2	Letter of Formal Approval No. and Date	Formal Approval no. F.2/129/2005-SEZ Dated 28.06.2018																																								
3	Date of Notification	07.06.2007																																								
4	Name of the Sector of SEZ for which approval has been given	IT/ITES																																								
5	Total Area of SEZ <ul style="list-style-type: none"> • Total processing Area • Non-processing Area Total Processing Built up Area of the Developer (MIDC Pune)	223.56 Hectares 223.56 Hectares NIL 838073 Sq. Meter																																								
6	Details of Built Up area: <ul style="list-style-type: none"> i. No of towers with built-up area of each tower (in sq. mtr.)- Total Built up Area (Sq. Meters) 	Tower A – Incubation Centre – 9831.48 Sq. Mtrs. Tower A (Under Construction) – 34447.09 Sq. Mtrs, 44447.09 Sq. Mtrs.																																								
7	Total Built up are in Sq. Meter	Processing area: 44447.09 Sq. Mtrs. Non-Processing Area – Not applicable																																								
8	Total Numbers of floors in Building wherein demarcation of NPA is proposed	<table border="1"> <thead> <tr> <th colspan="2">Tower A – Incubation Centre :</th> </tr> <tr> <th>Floor</th> <th>Sq. Mtrs.</th> </tr> </thead> <tbody> <tr> <td>Ground Floor</td> <td>382.16</td> </tr> <tr> <td>Podium 1st Floor</td> <td>3032.72</td> </tr> <tr> <td>Podium 2nd Floor</td> <td>3013.22</td> </tr> <tr> <td>Podium 3rd Floor</td> <td>3403.38</td> </tr> <tr> <td>Total</td> <td>9831.48 Sq. Mtrs.</td> </tr> <tr> <th colspan="2">Tower A- Under Construction</th> </tr> <tr> <th>Floor</th> <th>Sq. Mtrs.</th> </tr> <tr> <td>Podium 4th Floor</td> <td>2279.45</td> </tr> <tr> <td>1st Floor</td> <td>3380.58</td> </tr> <tr> <td>2nd Floor</td> <td>3668.20</td> </tr> <tr> <td>3rd Floor</td> <td>3668.20</td> </tr> <tr> <td>4th Floor</td> <td>3668.20</td> </tr> <tr> <td>5th Floor</td> <td>3405.27</td> </tr> <tr> <td>6th Floor</td> <td>3668.20</td> </tr> <tr> <td>7th Floor</td> <td>3668.20</td> </tr> <tr> <td>8th Floor</td> <td>3668.20</td> </tr> <tr> <td>9th Floor</td> <td>2422.59</td> </tr> <tr> <td>Total</td> <td>34,447.09</td> </tr> </tbody> </table>	Tower A – Incubation Centre :		Floor	Sq. Mtrs.	Ground Floor	382.16	Podium 1 st Floor	3032.72	Podium 2 nd Floor	3013.22	Podium 3 rd Floor	3403.38	Total	9831.48 Sq. Mtrs.	Tower A- Under Construction		Floor	Sq. Mtrs.	Podium 4 th Floor	2279.45	1 st Floor	3380.58	2 nd Floor	3668.20	3 rd Floor	3668.20	4 th Floor	3668.20	5 th Floor	3405.27	6 th Floor	3668.20	7 th Floor	3668.20	8 th Floor	3668.20	9 th Floor	2422.59	Total	34,447.09
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9	Total built up area proposed for demarcation of NPA for setting up of Non-SEZ IT/ITES units (in sq.mtr.)	Tower A – Incubation Centre:	
		Floor	Sq. Mtrs.
		Ground Floor	382.16
		Podium Ist Floor	3032.72
		Podium 2 nd Floor	3013.22
		Podium 3 rd Floor	3403.38
Total		9831.48 Sq. Mtrs.	
10	Total built up area proposed for demarcation of NPA for setting up of Non-SEZ IT/ITES units	Ground Floor, Podium 1 st Floor, Podium 2 nd Floor and Podium 3 rd Floor Total Area 9831.48 Sq. Meter	
11	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)	Co-Developer in the process of working out duty/Tax benefit calculation w.r.t. area proposed for Demarcation and shall obtain CE valuation at the earliest for refund of duty/tax benefits as applicable.	
12	Whether duty benefits and tax exemptions availed has been refunded and NOC from Specified Officer has been obtained (Please enclose NPC from Specified Officer)	They are in the process of working out duty/tax benefit calculation w.r.t. area proposed for Demarcation. Once working is completed they will apply for NOC from Specified Officer.	
13	Reasons for demarcation of NPA	To give Non processing area on lease to Domestic units who does not wish to set up as SEZ Unit.	
14	Total remaining built up area of MIDC Phase III, Pune SEZ (Developer)	838073- 9831.48 = 828241.52 Sq. Meter	
	Remaining built up area of the Co-Developer	44278.57 – 9831.48 = 34,447.09 Sq. Meter.	
15	Whether total remaining built up area fulfils the minimum built up area requirement as per Rule 5 of SEZ Rules, 2006	Yes	
16	Purpose and usage of such demarcation of NPA	To give Non processing area on lease to Domestic Units who does not wish to set up as SEZ Unit.	

Furthermore, Joint Development Commissioner along with the Specified Officer visited the SEZ on 20.02.2024 for on-site inspection. During the inspection it is observed that proposed area for demarcation for NPA is fully vacant. The Co- Developer stated that they will ensure adequate control of the movement of persons and goods in SEZ units operating in the processing area and non-processing area.

Reason for demarcation:

The Co-Developer has informed that due to the COVID 19 pandemic, there is currently no operational SEZ Unit in the approval co-developer area admeasuring to 5.21 Ha. The pandemic situation, combined with the sunset date for income tax benefit for SEZ Units, has deterred companies from moving into the SEZ. Consequently, the facility that was constructed remains unoccupied and idle.

Further they have stated that they could able to get only 1 client but the same time due to the Covid – 19 the client could not start its operation and their LOA is also lapsed and hence there is no operational SEZ Unit in their area.

The Co-Developer has made investment of Rs. 111.67 Crores in the SEZ but do not see a rise in the business in the near future due to the non-availability of income tax exemption for the SEZ Units. They have not been able to get SEZ clients inspite of their wholehearted efforts and hence their management decided to demarcate vacant building as Non-Processing area for the purpose of IT/ITES Units, so that they can lease the same to DTA who does not wish to set up as SEZ Unit.

Repayment of Tax benefits:

They are in the process of working out duty/tax benefit calculation w.r.t. area proposed for Demarcation. Once working is completed they will apply for NOC from Specified Officer.

Access Control Mechanism:

They will further ensure adequate control on movement of persons as well as goods pertaining to SEZ Units and Non-Processing area Units. At the same time, they will place adequate security and gate entry management system to ensure goods pertaining to Non-Processing area Units and Processing area Units are not mixed with each other including other mechanism like:

1. Separate colour gate or identity cards for both PA and NPA units employees;
2. Separate car stickers with different colours for both PA and NPA units employees;
3. Round the clock security measures are already in place;
4. Separate security for each Building and block with scanning.

Regarding Built up area of the Developer and Co-Developer:

MIDC Pune (SEZ Developer) has informed that they have total built up area of 838073 Sq. Meter for which they have granted building completion certificate.

MIDC, Pune (SEZ Developer) has approved building plan for M/s Synergy Infotech (Co-Developer) 44,278.57 Sq. Meter for the Co-developer has been granted building completion certificate of 9831.48 Sq.Meter. Remaining Area of 34,447.09 Sq. Meter is under construction.

Remaining built up area of MIDC Pune Developer after demarcation as NPA will be 8,28241.52 Sq. Meter. Remaining built up area of M/s Synergy Infotech Pvt. Ltd. (SEZ Co-Developer) after demarcation will be 34,447.09 Sq. Meter.

Recommendation by DC, SEEPZ SEZ: -

The request of M/s. Synergy Infotech Pvt Ltd., for approval of Demarcation of Built up Areas/Floors as Non-Processing Area (NPA) of notified IT/ITES SEZ. is recommended to the Board for consideration.

119.7(viii) Request of M/s. Magarpatta Township Development and Construction Company Ltd. SEZ for approval of Demarcation of Built up Floors as Non-Processing Area (NPA) of notified IT/ITES SEZ.

Sr. No.	Particulars	Details					
1	Name and Address of the SEZ	M/s. Magarpatta Township Development & Construction Company Ltd. Magarpatta City, Hadapsar, Haveli, Pune-411013					
2	Letter of Formal Approval No. and Date	F.2/129/2006-EPZ dated 29.08.2006					
3	Date of Notification	20.07.2007					
4	Name of the Sector of SEZ for which approval has been given	IT/ITES					
5	Total area of SEZ	11.98 hectares					
	iii. Processing area	11.98 hectares					
	iv. Non-Processing area	0.00hectares					
6	Details of Built Up area:	Sr. No.	Block / Tower No.	Area in Sq. Mtr			
	ii. No of towers with built-up area of each tower (in sq. mtr.)- Total No. of Towers	1	Tower-7	30275.20			
		2	Tower-8	30542.22			
		3	Tower-9	30512.94			
		4	Tower-B1	13570.66			
		5	Tower-B2	13574.98			
		6	Tower-B3	13932.94			
		7	Tower-B4	13932.94			
		8	Tower-B5	14463.66			
		9	Tower-B6	11732.55			
		10	Tower-B7	12096.30			
		11	Tower-S1	3485.65			
		12	Tower-S2	2907.95			
		13	Excise Office	210.75			
		Total			191238.74		
7	Total Built up are in	i. Processing area: 191238.74 Sq,Mtr ii. Non-Processing area: 0 Sq.Mtr					
8	Total Numbers of floors in Building wherein demarcation of NPA is proposed	Sr. No	Tower No	Floor No.	Total floor proposed for NPA	Built up area (in Sq.Mtr)	
		1	Tower 8	UGL	1	3943.06	
		2		Level-1	1	3522.61	
		3		Level-2	1	3522.61	
		4		Level-3	1	3522.61	

		5		Level-4	1	3522.61
		6	Tower 9	Level-4	1	3522.61
		7		Level 5	1	3522.61
		Total				25078.72
9	Total built up area proposed for demarcation of NPA for setting up of Non-SEZ IT/ITES units (in sq.mtr.)	25078.72 Sq.mtrs				
10	Total built up area proposed for demarcation of NPA for setting up of Non-SEZ IT/ITES units	Tower 8- Floor No. UGL, Level 1, Level 2, Level 3, Level 4 Tower 9- Floor No. Level 4 & Level 5				
11	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)	They are in process of working out duty/ tax benefit calculation w.r.t. area proposed for demarcation and shall obtain CE certificate at the earliest for refund of duty/ tax benefits as applicable and thereafter the developer will obtain no dues certificate from the specified officer and furnish the same.				
12	Whether duty benefits and tax exemptions availed has been refunded and NOC from Specified Officer has been obtained (Please enclose NPC from Specified Officer)	NOC from the Specified Officer pending in receipt.				
13	Reasons for demarcation of NPA	New units not intending to enter in SEZ due to no benefits and cumbersome procedures, it was observed that some of the units de-bonded either totally or partially and existing units also applying for the Exit from SEZ, the area is vacant for very long time, company is therefore planning for demarcation of portion of the built up area into a non-processing area.				
14	Total remaining built up area	166160.02 Sq.mtr				
15	Whether total remaining built up area fulfils the minimum built up area requirement as per Rule 5 of SEZ Rules, 2006	Yes				
16	Purpose and usage of such demarcation of NPA	As directed by the MOC&I & vide their instruction no. D12/45/2009-SEZ dated 13.09.2013, the area proposed for NPA shall be utilized towards IT/ITES which would sub-serve the objective of the MOCI as originally envisaged.				

Furthermore, Joint Development Commissioner along with The Specified officer visited the SEZ on 16.02.2024 for on-site inspection. During the inspection it is observed that proposed area for demarcation for NPA is fully vacant. The Developer stated that they will ensure adequate control of the movement of persons and goods in SEZ units operating in the processing area and non-processing area.

Reason for demarcation:

The Developer has submitted that, as directed by the MOC&I & vide their instruction no. D12/45/2009-SEZ dated 13.09.2013, the area proposed for NPA shall be utilized towards IT/ITES which would sub-serve the objective of the MOCI as originally envisaged.

Repayment of Tax benefits:

The Developer has submitted that, they are in process of working out duty/ tax benefit calculation w.r.t. area proposed for demarcation and shall obtain CE certificate at the earliest for refund of duty/ tax benefits as applicable and thereafter the developer will obtain no dues certificate from the specified officer and furnish the same.

Access Control Mechanism:

The Developer has submitted that, they will ensure adequate control of the movement of persons and goods in SEZ units operating in the processing area and non-processing area.

Recommendation by DC, SEEPZ SEZ: -

The request of M/s. Magarpatta Township Development & Construction Company Ltd. for approval of Demarcation of Built up Floors as Non-Processing Area (NPA) of notified IT/ITES SEZ is recommended to the Board for consideration.

119.7(ix) Request of M/s. KRC Infrastructure and Project Pvt. Ltd. and M/s. Gera Holdings Pvt. Ltd. for approval of Demarcation of Built up Floors as Non-Processing Area (NPA) of notified IT/ITES SEZ.

Sr. No.	Particulars	Details								
1	Name and Address of the SEZ	M/s. KRC infrastructure and project Pvt. Ltd. and M/s. Gera Holdings Pvt. Ltd. Survey No 65, Kharadi, Taluka-haveli Pune-411014.								
2	Letter of Formal Approval No. and Date	Formal Approval no. F1/29/2016-SEZ Dated 22.02.2017								
3	Date of Notification	19.06.2017								
4	Name of the Sector of SEZ for which approval has been given	IT/ITES								
5	Total Area of SEZ <ul style="list-style-type: none"> • Total processing Area • Non processing Area 	4.95 Hectares 4.95 Hectares NIL								
6	Details of Built Up area: <ul style="list-style-type: none"> i. No of towers with built-up area of each tower (in sq. mtr.)- Total No. of Towers 	Total No of towers 4 (four) in the SEZ. As per following table: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Sr. No</th> <th>Bldg No./ Tower Nos.</th> <th>Total No of Floors</th> <th>Built up Area as per approved plans by Special</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Sr. No	Bldg No./ Tower Nos.	Total No of Floors	Built up Area as per approved plans by Special				
Sr. No	Bldg No./ Tower Nos.	Total No of Floors	Built up Area as per approved plans by Special							

			Planning Authority in Sq.Meters
		1 B3 (R1) 5 Parking floors +1 podium + 12 Office Floors	76,523.37
		2 B6 (R4) 2 Parking Floors + 1 Podium +13 Office Floors	1,08,473.40
		3 B1(G1) Parking Floor + 1 podium +14 Officer Floors	1,21,529.00
		4 B2(G2) 1 Parking Floors + 1 Podium + 12 Officer Floors	88,182.99
		TOTAL	3,94,708.76
7	Total Built up are in Sq. Meter	Processing area:3,94,708.76 Sq. Meter Non Processing Area – Not applicable	
8	Total Numbers of floors in Building wherein demarcation of NPA is proposed	B 1 (G1) Building, 1 Parking Floors + 1 Podium +14 Office Floors	
9	Total built up area proposed for demarcation of NPA for setting up of Non-SEZ IT/ITES units (in sq.mtr.)	34,579.70 Sqmt	
10	Total built up area proposed for demarcation of NPA for setting up of Non-SEZ IT/ITES units	7 th to 14 th Floor i.e. total 8 Floors	
11	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)	Rs. 44,66,15,148/- (Rs. Forty Four Crores Sixty Lakhs Fifteen Thousand One Hundred Forty Eight only)	
12	Whether duty benefits and tax exemptions availed has been refunded and NOC from Specified Officer has been obtained (Please enclose NPC from Specified Officer)	Yes	
13	Reasons for demarcation of NPA	All the floors of the building are vacant given the subdued demand for SEZ space. Given there is demand for space for Non SEZ IT/ITES Clients, NPA demarcation shall help leasing these spaces.	
14	Total remaining built up area	3,60,129.06 Sqmt	
15	Whether total remaining built up area fulfils the minimum built up area requirement as per Rule 5 of SEZ Rules, 2006	Yes	
16	Purpose and usage of such demarcation	For Leasing to Non-SEZ IT/ITES Clients	

Furthermore, Joint Development Commissioner along with the Specified Officer visited the SEZ on 16.02.2024 for on-site inspection. During the inspection it is observed that proposed area for demarcation for NPA is fully vacant. The Developer stated that they will ensure adequate control of the movement of persons and goods in SEZ units operating in the processing area and non-processing area.

Reason for demarcation:

The Developer has submitted that they have constructed built up area of over 3.67 lakhs Sq. Meters consisting of 4 fully constructed IT Buildings. Out of these 4 four IT buildings, office space of 3 buildings have been fully leased out to various IT/ITES Units. However, one building designated as B1(G1) which is recently constructed is fully vacant. The enquiries being received from prospective clients for the said building and majorly for non-SEZ space. They are finding it very difficult to persuade the clients to opt for SEZ space mainly due to withdrawal of Direct Tax benefit w.e.f. 1st April, 2020, and adoption of Work from Home Approach (WFH) facility available to the units. The Developer is not able to get SEZ client. Hence, they have decided to demarcate vacant buildings as NPA so that they can lease the same to Domestic Tariff Area (DTA)

Repayment of Tax benefits:

The Developer has submitted that, owing the above reason, they applied for partial de-notification of an area admeasuring 1.33 ha (Bldg. B1(G1) vide letter dated 04.07.2023 is situated on this area) out of the total notified area of 4.95 Ha. The Developer has refunded all the exemption and benefits availed for construction of the said building to the tune of **Rs. 44.66 Crores** after due assessment by the Specified Officer of their zone. No dues Certificate has been issued by the Specified Officer.

The Developer has also stated that they have refunded entire exemption and benefits for the entire building which includes the exemption and benefits availed for common infrastructure like parking, lobby, Staircases and elevators etc.

Due to recent notification regarding Rule 11 B, now the developer wishes the total 8 floors out of 14 floors of their B 1 (G1) building for demarcation as Non Processing Area instead of De-notification.

Access Control Mechanism:

The Developer has submitted that, they will ensure adequate Screening of the movement of persons as well as goods in and out of the notified SEZ is already place at the entry and exit points of the Zone. Since the non SEZ units shall not be eligible for any exemption and benefits as applicable to the SEZ units, the documents accompanying goods shall be examined to ensure that all material pertaining to the Non SEZ Clients are without any exemption and benefits of taxes and duties which otherwise is available to an SEZ units.

The Developer has also assured that any other control measure which may be deemed necessary shall be put in place.

Recommendation by DC, SEEPZ SEZ: -

The request of M/s. KRC infrastructure and project Pvt. Ltd. and M/s. Gera Holdings Pvt. Ltd. for approval of Demarcation of Built up Floors as Non-Processing Area (NPA) of notified IT/ITES SEZ is recommended to the Board for consideration.
