No. K-43016/18/2026-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)
***

Vanijya Bhawan, New Delhi
Dated the 13th July, 2026

OFFICE MEMORANDUM

Subject: 141st Meeting of the Board of Approval (BoA) for Special Economic Zones (SEZs) – Supplementary Agenda - Reg.

The undersigned is directed to refer to this Department 's OM of even number dated 7th July, 2026 on the subject cited above and to inform that the 141st meeting of the BoA for SEZs is scheduled to be held on **17th July, 2026 at 11:00 A.M., in Room No. 427, Vanijya Bhawan, New Delhi** under the Chairmanship of Commerce Secretary, Department of Commerce in **Hybrid Mode**.

2. **The Supplementary agenda items for the 141st meeting of the BoA for SEZs is enclosed herewith.** The same has also been hosted on the website: www.sezindia.gov.in.

3. All the addresses are requested to kindly make it convenient to attend the meeting.

Bajpai
13/7/26.

(Prateek Bajpai)
Under Secretary to the Government of India
Tel: 011-23039939
Email: prateekbajpai.moca@nic.in

To

1. Central Board of Excise and Customs, Member (Customs), Department of Revenue, 4th Floor, Kartavya Bhawan – I, New Delhi - 110001
2. Central Board of Direct Taxes, Member (IT), Department of Revenue, 4th Floor, Kartavya Bhawan – I, New Delhi - 110001
3. Joint Secretary, Ministry of Finance, Department of Financial Services, Banking Division, Jeevan Deep Building, New Delhi (Fax: 23344462/23366797).
4. Joint Secretary, Department of Promotion of Industry and Internal Trade (DPIIT), Udyog Bhawan, New Delhi.
5. Joint Secretary, Ministry of Shipping, Transport Bhawan, New Delhi.
6. Joint Secretary (E), Ministry of Petroleum and Natural Gas, Shastri Bhawan, New Delhi
7. Joint Secretary, Ministry of Agriculture, Plant Protection, Krishi Bhawan, 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, Nirman Bhavan, New Delhi (Fax: 23062315).
11. Joint Secretary (IS-I), Ministry of Home Affairs, Kartavya Bhavan-03, Janpath, New Delhi - 110001
12. Ministry of Defence, Joint Secretary (C&W), 6th Floor, Kartavya Bhavan-2, New Delhi - 110001
13. Joint Secretary, Ministry of Environment and Forests, Pariyavaran Bhavan, CGO Complex, New Delhi – 110003 (Fax: 24363577)
14. Joint Secretary & Legislative Counsel, Legislative Department, M/o Law & Justice, A-Wing, Shastri Bhavan, New Delhi. (Tel: 23387095).
15. Department of Legal Affairs (Shri Hemant Kumar, Assistant Legal Adviser), M/o Law & Justice, New Delhi.
16. Secretary, Department of Chemicals & Petrochemicals, Shastri Bhawan, New Delhi
17. Joint Secretary, Ministry of Overseas Indian Affairs, Akbar Bhawan, Chanakyapuri, New Delhi.
18. Chief Planner, Department of Urban Affairs, Town Country Planning Organisation, Vikas Bhavan (E-Block), I.P. Estate, New Delhi. (Fax: 23073678/23379197)
19. Director General, Director General of Foreign Trade, Department of Commerce, Udyog Bhavan, New Delhi.
20. Director General, Export Promotion Council for EOUs/SEZs, 8G, 8th Floor, Hansalaya Building, 15, Barakhamba Road, New Delhi – 110 001 (Fax: 223329770)
21. Dr. Rupa Chanda, Professor, Indian Institute of Management, Bangalore, Bennerghata Road, Bangalore, Karnataka
22. Development Commissioner, Noida Special Economic Zone, Noida.
23. Development Commissioner, Kandla Special Economic Zone, Gandhidham.
24. Development Commissioner, Falta Special Economic Zone, Kolkata.
25. Development Commissioner, SEEPZ Special Economic Zone, Mumbai.
26. Development Commissioner, Madras Special Economic Zone, Chennai
27. Development Commissioner, Visakhapatnam Special Economic Zone, Visakhapatnam
28. Development Commissioner, Cochin Special Economic Zone, Cochin.
29. Development Commissioner, Indore Special Economic Zone, Indore.
30. Development Commissioner, Mundra Special Economic Zone, 4th Floor, C Wing, Port Users Building, Mundra (Kutch) Gujarat.
31. Development Commissioner, Dahej Special Economic Zone, Fadia Chambers, Ashram Road, Ahmedabad, Gujarat
32. Development Commissioner, Navi Mumbai Special Economic Zone, SEEPZ Service Center, Central Road, Andheri (East), Mumbai – 400 096
33. Development Commissioner, Sterling Special Economic Zone, Sandesara Estate, Atladra Padra Road, Vadodara - 390012
34. Development Commissioner, Andhra Pradesh Special Economic Zone, Udyog Bhawan, 9th Floor, Siripuram, Visakhapatnam – 3
35. Development Commissioner, Reliance Jamnagar Special Economic Zone, Jamnagar, Gujarat
36. Administrator (IFSCA) International Financial Services Centres Authority 2nd & 3rd Floor, PRAGYA Tower, Block 15, Zone 1, Road 1C, GIFT SEZ, GIFT City, Gandhinagar, 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. Government of Andhra Pradesh, Principal Secretary and CIP, Industries and Commerce Department, A.P. Secretariat, Hyderabad – 500022. (Fax: 040-23452895).
42. Government of Telangana, Special Chief Secretary, Industries and Commerce Department, Telangana Secretariat Khairatabad, Hyderabad, Telangana.
43. Government of Karnataka, Principal Secretary, Commerce and Industry Department, Vikas Saudha, Bangalore – 560001. (Fax: 080-22259870)

44. Government of Maharashtra, Principal Secretary (Industries), Energy and Labour Department, Mumbai – 400 032.
45. Government of Gujarat, Principal Secretary, Industries and Mines Department Sardar Patel Bhawan, Block No. 5, 3rd Floor, Gandhinagar – 382010 (Fax: 079-23250844).
46. Government of West Bengal, Principal Secretary, (Commerce and Industry), IP Branch (4th Floor), SEZ Section, 4, Abanindranath Tagore Sarani (Camac Street) Kolkata – 700 016
47. Government of Tamil Nadu, Principal Secretary (Industries), Fort St. George, Chennai – 600009 (Fax: 044-25370822).
48. Government of Kerala, Principal Secretary (Industries), Government Secretariat, Trivandrum – 695001 (Fax: 0471-2333017).
49. Government of Haryana, Financial Commissioner and Principal Secretary), Department of Industries, Haryana Civil Secretariat, Chandigarh (Fax: 0172-2740526).
50. Government of Rajasthan, Principal Secretary (Industries), Secretariat Campus, Bhagwan Das Road, Jaipur – 302005 (0141-2227788).
51. Government of Uttar Pradesh, Principal Secretary, (Industries), Lal Bahadur Shastri Bhawan, Lucknow – 226001 (Fax: 0522-2238255).
52. Government of Punjab, Principal Secretary Department of Industry & Commerce Udyog Bhawan), Sector -17, Chandigarh- 160017.
53. Government of Puducherry, Secretary, Department of Industries, Chief Secretariat, Puducherry.
54. Government of Odisha, Principal Secretary (Industries), Odisha Secretariat, Bhubaneshwar – 751001 (Fax: 0671-536819/2406299).
55. Government of Madhya Pradesh, Chief Secretary, (Commerce and Industry), Vallabh Bhavan, Bhopal (Fax: 0755-2559974)
56. Government of Uttarakhand, Principal Secretary, (Industries), No. 4, Subhash Road, Secretariat, Dehradun, Uttarakhand
57. Government of Jharkhand (Secretary), Department of Industries Nepal House, Doranda, Ranchi – 834002.
58. Union Territory of Daman and Diu and Dadra Nagar Haveli, Secretary (Industries), Department of Industries, Secretariat, Moti Daman – 396220 (Fax: 0260-2230775).
59. Government of Nagaland, Principal Secretary, Department of Industries and Commerce), Kohima, Nagaland.
60. Government of Chattishgarh, Commissioner-cum-Secretary Industries, Directorate of Industries, LIC Building Campus, 2nd Floor, Pandri, Raipur, Chhattisgarh.

Copy to:- PSO to CS / PPS to AS(AB) / PS to JS (VA)/ Sr.PPS to Dir (GP).

Copy also to, with request to attend the meeting of Board of Approval under the chairmanship of Commerce Secretary, Department of Commerce, in respect of agenda items relating to Industrial License:

1. Special Chief Secretary, Industries and Commerce Department, Telangana Secretariat Government of Telangana, Telangana, Tel.: 040-23454449 / 23452985 Email: prlsecy-inds@telangana.gov.in
2. Secretary, Industries and Commerce Department, Government of Andhra Pradesh, A.P. Secretariat, Velagapudi,
Andhra Pradesh, Tel.: 0863 – 2442113, Email: prlsecy_inds@ap.gov.in

Supplementary Agenda items for the 141 th Meeting of the Board of Approval for SEZs to be held on 17th July, 2026.

SEZ AGENDA ITEMS

S. No.	Subject	Zone
141.8	**Request for extension of LoA of SEZ Unit**	
1.	M/s. Y. R. Dynamic Warehousing Services LLP, at JNPA SEZ.	SEEPZ
2.	M/s. Soni Polymers Private Limited, at MIHAN SEZ, Nagpur.	Mihan SEZ
3.	Proposal for renewal/ extension of Letter of Approval (LoAs) of 16 worn/ clothing units at Kandla SEZ for a period of 5 years in terms of Rule 18(4) of SEZ Rules 2006.	KASEZ
4.	M/s. GAIL Mangalore Petrochemicals, at Mangalore SEZ.	MSEZ
141.9	**Request for extension of Formal approval of SEZ**	
1.	M/s. State Industries Promotion Corporation of Tamil Nadu (SIPCOT), at Sathanur Village, Ullundurpet Taluk, Kallakurichi District, Tamil Nadu.	MEPZ
141.10	**Request for full/partial de-notification/ increase area of SEZ**	
1.	M/s. Manyata Promoters Private Limited, at Villages Rachenahalli, Nagavara and Tanisandra, Bangalore District, Karnataka.	CSEZ
2.	M/s GOCL Corporation Limited (Formerly M/s Gulf Oil Corporation Limited), at Kattigenahalli and Venkatala Villages, Yelahanka Hobli, Bangalore District, Karnataka.	CSEZ
3.	M/s. Gujarat Industrial Developer Corporation, at Khokhra, Ahmedabad, Gujarat.	KASEZ
4.	M/s. Infosys Limited, at Old Mahabalipuram Road, Chennai, Tamil Nadu.	MEPZ
141.11	**Request for conversion of Processing Area into Non-Processing Area under Rule 11(B)**	
1.	M/s. Lulu IT Infrabuild Private Limited (formerly M/s Sands Infrabuild Private Limited), at Kakkanad Village, Kanayanoor Taluk, Ernakulam District, Kerala.	CSEZ
141.12	**Industrial License**	
1.	M/s. Imperial Tobacco Company Ltd., at Visakhapatnam, Andhra Pradesh.	VSEZ
2.	M/s. GMR Air Cargo and Aerospace Engineering Limited, a SEZ unit at Rangareddy, Telangana	VSEZ
141.13	**Miscellaneous**	
1.	M/s Hanung Toys & Textiles Limited	NSEZ
2.	M/s Reliance Industries Ltd at Dahej, Gujarat for ROU permission for construction of Electricity Tower.	Dahej SEZ
3.	M/s Reliance Industries Ltd at Dahej, Gujarat for laying of underground 48" dia Angareshwar-DMD Water pipeline (ADWPL).	Dahej SEZ
4.	M/s. Romsons International (Unit-II), a unit in NSEZ.	NSEZ
141.14	**Appeal**	
1.	M/s. Arshiya Limited, at Raigad, Maharashtra.	SEEPZ
2.	M/s Dahej SEZ Limited, at Taluka Vagra, District Bharuch Gujarat.	Dahej SEZ
	Total	**18**

Supplementary Agenda for the 141st meeting of the Board of Approval for Special Economic Zones (SEZs) to be held on 17th July, 2026.

Agenda Item No. 141.8:

Request for extension of LoA of SEZ Unit [4 proposals – 141.8(i)-141.8(iv)]

Relevant 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 (or beyond 2nd 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.

141.8(i) Request of M/s. Y. R. Dynamic Warehousing Services LLP, unit in M/s. JNPA SEZ for extension of Letter of Approval (LOA) beyond 28.06.2026 for extension upto 27.06.2027.

Jurisdictional SEZ: SEEPZ- SEZ

Facts of the Case:

1.	Name of the Unit	**M/s. Y. R. Dynamic Warehousing Services LLP**
2.	LoA issued on date	28.06.2022
3.	Nature of business of the Unit	Services oriented Activity, Services in the nature of Warehouse Services (Including Storage Services)
4.	No. of Extensions	• 1st Extension: Approved vide letter dated 19.06.2023 (valid up to 27.06.2024). • 2nd Extension: Approved vide letter dated 06.05.2025 (valid up to 27.06.2025). • 3rd Extension Approval up to 27.06.2026 of LOA granted by BOA.
5.	LOA valid upto	27.06.2026
6.	Request	For further extension for one-year upto 27.06.2027

Present Progress:

<u>A. Details of Business Plan: -</u>

S.No	Name of the activity	Amount (Rs. In Lakhs)
1.	Land Cost	334.17
2.	Construction Cost (Civil, Mechanical, Electrical, Structural, ETP, Fire etc)	171.15
3.	Computers, Software's, Licenses etc.	10.00
4.	Plant and Machinery	70.00
5.	Office Capital Goods includes AV Equipments, PA Systems, Access Control systems, etc	5.70
6.	Office Furniture, Chairs, Workstation and other fit out related items etc	9.13

<u>B. Investment made so far and during last 3 year:-</u>

S.No	**Type of Cost**	**Investment made so far (Rs. In Lakhs)**	**Investment made during Last 1 year (Rs. In Lakhs)**
1.	Land Cost	334.17	0.00
2.	Construction Cost (Civil, Mechanical, Electrical, Structural, ETP, Fire etc)	50.00	50.00
3.	Computers, Software's, Licenses etc.	0.00	0.00

4.	Plant and Machinery	0.00	0.00
5.	Office Capital Goods includes AV Equipments, PA Systems, Access Control systems, etc	0.00	0.00
6.	Office Furniture, Chairs, Workstation and other fit out related items etc	0.00	0.00
7.	Development Permissions, Engineering Consultancy, Statutory Coordination & Approvals	11.00	11.00
8.	Site Operational & Miscellaneous Expenses	4.64	4.64
	Total	399.81	65.64

C. Details of physical progress till date: -

Sr. No	Authorized Activity	Current Activity	Estimated Completion of Activity
1.	Soil Testing Activity	Done	Report Received
2.	Mobilization of Construction Activity.	Done	Equipment & Labor ready
3.	Piling & Excavation Activity	Started	Estimated till May 2026
4.	Fondation Pile Activity	After Piling Activity	Estimated till June 2026
5.	Pile Cap	After Foundation Pile	Estimated till August 2026
6.	Plinth Slab	After Pile Cap	Estimated till September 2026
7.	Super Structure Work	After Plinth Slab	Estimated till October 2026
8.	Boundary Wall	After Boundary Wall	Estimated till October 2026
9.	Electrical Room	After Boundary Wall	Estimated till November 2026
10.	Fire Pump Room	After Electrical Room	Estimated till November 2026
11.	PHE Works	After Fire Pump Room	Estimated till November 2026
12.	Fire Fighting Works	After PHE Works	Estimated till November 2026
13.	Signage, Main Gate & Plantation	After Fire Fighting Works	Estimated till November 2026

-

-

D. Financial Commitment & Payments Made

Payee	Purpose	Amount
M/s Ten Stone Infra Pvt. Ltd.	Civil Works & Construction Activities	Rs. 50,00,000
M/s Extreme Infraprojects Pvt. Ltd.	Development Permissions, Statutory Coordination & Engineering Consultancy	Rs. 11,00,000

M/s. KB	JCB Hiring	Rs. 1,19,430
Other Miscellaneous Work	Consultancy, Site Operational & Other Expenses	Rs. 3,44,995
Total Payments Made:		Rs. 65,64,425

Detailed reasons for delay:

The applicant has submitted that although the project remained under implementation, progress was affected due to delay in receipt of statutory approvals. It has been stated that the application for Commencement Certificate was submitted on 21.01.2025 and the same was approved by JNPA on 09.02.2026. The unit has further submitted that contractor finalization, consultant appointment, technical documentation, IEC activation and other statutory compliances were completed after receipt of the Commencement Certificate.

The applicant has informed that thereafter site mobilization activities were undertaken and piling machinery, construction equipment and workforce were deployed at site. The unit has stated that piling and foundation activities are presently under progress. The unit has also submitted that an amount of ₹65.64 lakh has been incurred towards civil works, consultancy, approvals and implementation related activities during the recent period. Supporting documents including work orders, payment proofs, site photographs, gate passes, soil testing report and commencement certificate have been furnished.

The unit has undertaken to commence commercial operations on or before 27.06.2027.

Comments from Specified Officer:

The Specified Officer's Office, JNPA SEZ, conducted a physical site visit to review the status of construction work at the unit's site. The Specified Officer's Office has confirmed that the construction work has commenced; however, it is not at an advanced stage. The unit is yet to fully commence/undertake substantial construction activities.

Comments from Developer:

As Per the latest assessment, the physical progress of the project is as under:

The Developer, Jawaharlal Nehru Port Authority (JNPA), vide its communication, has submitted comments on the progress made by M/s. Y R Dynamic Warehousing Services LLP, Plot No. E-11, Sector-07, JNPA-SEZ, during the extended period of the Letter of Approval (LOA), and has stated as follows:

1. JNPA has referred to the various communications received from the Office of the DC, SEEPZ-SEZ, including letter dated 22.06.2026 seeking implementation timeline in respect of the subject proposal for extension of LOA, which is expiring on 27.06.2026.

2. JNPA has stated that the observations/comments of the office were based on JNPA's earlier communication dated 01.06.2026 to the DC.

3. However, JNPA has further informed that an email with detailed implementation timeline, as per data received from the unit vide letter dated 02.06.2026 and email dated 03.06.2026, was already submitted on 04.06.2026 in reply to the email of the DC dated 02.06.2026 (copy enclosed as Annexure-A).

4. JNPA has further submitted that a subsequent update received from the unit dated 22.06.2026 has also been forwarded, indicating progress of Commencement Certificate (CC) activities and piling works at site (copy enclosed as Annexure-B).

As per the revised time-bound implementation schedule submitted by the unit, the key phases of development are as under:

i. Phase-I: Piling and foundation works – till August 2026
ii. Phase-II: Civil structural construction – till December 2027
iii. Phase-III: Roofing, internal infrastructure and utilities – till March 2027
iv. Phase-IV: Finishing works, testing and compliance – till May 2027
v. Phase-V: Trial run and commencement of commercial operations – on or before 27.06.2027

JNPA has further stated that as per the latest update, 47 piles have been cast and the unit has indicated its commitment towards completion of the project within the revised timeline, targeting operationalization by June 2027.

In view of the above, JNPA has conveyed that it has no objection to consideration of the unit's request for further extension of LoA by the Office of the DC, in accordance with the provisions of the SEZ Act, 2005 and SEZ Rules, 2006.

Recommendation by DC, SEEPZ-SEZ:

The unit has taken certain effective steps towards implementation of the project, including obtaining statutory approvals and initiating construction activities at site. The unit has submitted that the Commencement Certificate was received on 09.02.2026, after which contractor finalization, site mobilization and execution activities were undertaken. It is also observed that the unit has reported investment of ₹399.81 lakh in the project, including expenditure of ₹65.64 lakh towards construction, consultancy, approvals and other implementation related activities during the recent period.

Further, the Developer, JNPA has furnished the updated implementation status of the project and has informed that the unit has obtained Development Permission and Commencement Certificate, appointed contractors/consultants, completed soil testing activities, undertaken site mobilization, activated IEC, deployed machinery, equipment and workforce at site and commenced piling and excavation activities. The Developer has further reported that 10 piles have been completed till 31.05.2026. JNPA has also informed that the unit has paid the upfront lease premium for 60 years and is regularly paying applicable service charges. The Developer has conveyed that it has no objection to consideration of the request for extension of LoA.

The unit has also submitted copies of work orders, payment proofs, site photographs, gate passes, soil testing report, commencement certificate and implementation schedule in support of its submissions and has undertaken to commence commercial operations on or before 27.06.2027.

However, it is noted that the **physical progress of the project is still at an initial stage** and the unit **has not achieved the prescribed level of completion of construction activities (i.e. two-thirds completion)** envisaged under **Rule 19(4) of the SEZ Rules, 2006** for grant of further extension by the DC.

In view of the above, as the case does not fulfill the stipulated condition for grant of extension.

The proposal is submitted for consideration of the Board to grant the 4th extension of LOA for a further period of one-year w.e.f. 28.06.2026 to 27.06.2027.

141.8(ii) Request of M/s. Soni Polymers Pvt. Ltd. MIHAN SEZ, Nagpur for extension of LoA for a period of three years i.e. 02.08.2024 to 01.08.2027

Jurisdictional SEZ: MIHAN SEZ, Nagpur

Facts of the Case:

1.	Name of the Unit	M/s. Soni Polymers Pvt. Ltd
2.	LoA issued on date	02.08.2021
3.	Nature of business of the Unit	Exports of Glue Stick, correction Fluid, Correction Pen, Markers, Stamp Pad
4.	No. of Extensions	02 Two extension by DC
5.	LOA valid upto	**01.08.2024**
6.	Request	Further extension of three years from **02.08.2024 to 01.08.2027**

Background of the unit:

i. M/s Soni Polymers Pvt. Ltd. was issued LOA No. Mihan-Sez/Unit-02/LOA 03/AM-2022 dated 02.08.2021 for exports of manufacturing i.e. Glue Stick, Correction Fluid, Correction Pen, Markers, Stamp Pad at Plot No. 4L, Sector-18, MIHAN-SEZ. The initial validity of the LOA was upto 01.08.2022 (one year from the date of issue of the LOA).

ii. The Unit did not commence operation within the validity of LoA, therefore they applied for 1st extension of validity for one year to the DC and LOA was extended upto 01.08.2023.

iii. The Unit applied for 2nd extension of validity of LOA and the LoA was again extended for a period upto 01.08.2024 in terms of Rule 19(4) of SEZ Rules, 2006.

iv. On routine compliance check in 2025, DC MIHAN-SEZ noticed that the unit had not applied for further extension of LOA beyond the valid date i.e. 01.08.2024. At present, the validity of the Letter of Approval dated 02.08.2021 stands expired on 01.08.2024.

v. The unit then submitted an LoA extension request in the SEZ portal on 29.11.2025 and letter dated 09.12.2025. The unit also submitted a letter issued by Shri. Anand Chati, Architect (Regd. No. CA/99/25509) certifying that the building construction stands completed and is fit for operations.

vi. The matter was taken up in the UAC in December 2025 and it was decided to refer the matter to BoA since the DC office could have extended the LoA only till 01.08.2025 which was also past as in December 2025.

vii. As the unit has not submitted a Chartered Engineer Certificate, a site visit was made by the DC office and firm was asked to submit other details of the operations, before sending to the BoA for approval.

viii. The unit vide its letter dated 20.03.2026 has submitted photographs of completed unit (attached) and informed that they have booked orders from Middle East, Saudi and Iran which got cancelled due to war and import of capital goods may take some time due to issues arising out war.

a. **Details of Business plan:**

Sl.No.	Type of Cost	Proposed Investment (Rs. in Crores)	Total investment made so far (Rs. in Crores)
1	Cost of Project	4.06	3.02
	Total	**4.06**	**3.02**

b. **Incremental Investment made so far and incremental investment since last extension:**

S.No.	Type of Cost	Total Investment made so far (Rs. In Cr)	Incremental investment since last extension (i.e. since 01.08.2024) (Rs. In Cr)
1	Land Cost	0.51	
2	Construction Cost (Civil, Electrical, Mechanical, Structural, ETP, Fire etc.) (100% Indigenous)	2.51	2.39
3	Plan and Equipment including material handling equipment's (60% Indigenous and 40% Imported)	Under process	-
4	Computers, Software's Licenses (100% Indigenous)	Under Process	-
5	Office Capital Goods includes AV Equipment's, PA Systems, Access Control systems etc. (100% Indigenous)	Under Process	-
6	Office Furniture, Chairs, Workstation and other fit out related items such as carpets etc. (100% indigenous)	Under Process	-
	Total:	**3.02**	**2.39**

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

S.No.	**Authorised Activity**	**Status as on date**
1	Construction of the entire factory building	Completed

2	Electricity supply and related infrastructure	Completed
3	Procurement of basic machinery	Completed
4	Landscaping and garden development	Initially completed; however, it was damaged. They are in the process of appointing a full time gardener to restore and maintain the landscaping.
5	Recruitment of essential personnel including security agency, Gardener, Maintenance Staff, Housekeeping Staff and Electrician	Completed
6	Building Completion Certificate and occupancy certificate	Completed

Under the second proviso to Rule 19(4) of the SEZ Rules, 2006 the DC can grant a further extension of one year, subject to the condition that two-thirds of the activities, including construction relating to the setting up of the Unit, have been completed and a Chartered Engineer's Certificate to this effect is submitted by the entrepreneur. However, in this case, even after granting this extension of one year by the DC, LOA can be extended only upto 01.08.2025, which is already over and the firm has submitted documents evidencing completion of certain work after the timelines had expired.

In the instant case, **it is submitted that** the period requested by firm is upto 01.08.2026, which is in less than a month from now. Therefore, as a special case and to prevent a fresh LoA extension proposal to be placed before the BoA for extension beyond 01.08.2026, it is requested that the BoA may kindly consider the proposal for extension of LoA upto 01.08.2027, that is 3 years.

Accordingly, a proposal is being submitted before the Board of Approval for grant of extension in terms of the third proviso to Rule 19(4) of the SEZ Rules and Section 10 (10) of the SEZ Act, for extension of LOA from **02.08.2024 to 01.08.2027** i.e. 3 years , so that the unit can start commencement of production.

The matter was also placed before the Board in its 140th meeting of BoA for SEZs, wherein the Board, observed that the details of investments and progress made are not mentioned in the proposal. Therefore, after deliberations, the Board directed the DC, MIHAN SEZ, to submit a clearly articulated proposal bringing out the details of the total investment proposed in the project, the investment made so far, the incremental investment made since the last extension of the LoA, and the commitments for future progress and investment. Accordingly, the Board **deferred** the proposal for next meeting of Board of Approval.

Recommendation by DC MIHAN SEZ:

It is recommended by the DC that the extension of validity of LoA for a period of three years i.e. 02.08.2024 to 01.08.2027 may be considered by the Board of Approval.

141.8(iii) Proposal for renewal/ extension of Letter of Approval (LoAs) of 16 worn/ clothing units at Kandla SEZ for a period of 5 years in terms of Rule 18(4) of SEZ Rules 2006.

Jurisdictional SEZ: **Kandla SEZ**

Facts of the Case:

There are 16 operational units in worn/used clothing sectors in KASEZ. The LOA of worn/used clothing units is valid till 30.06.2026. Kandla SEZ informed that after the issuance of policy dated 27.05.2021 for used/worn clothing and plastic recycling units in SEZs/ EOUs, the Board of Approval (BoA) for SEZs in its 104th meeting held on 28.05.2021, decided to grant further extension of five years to the worn and used clothing units beyond 30.06.2021. Accordingly, LoAs of these 16 following units is valid till 30.06.2026.:

The 16 worn/used clothing units have submitted their request in Form F1 for renewal of their LOAs for a further period of five years and the performance of the units has been review in terms of the following:

i. Net Foreign Exchange (NFE) earning obligations for the period from 01.12.2018 to 31.03.2026.

ii. Export obligations, both in value and tonnage, for the period from 01.12.2018 to 31.05.2026.

The proposals for renewal/extension of their LoA have been categorized into the following three groups:

Categories	Description	Number of unit
Category A	Fulfilled the prescribed export obligations in terms of both export value and tonnage	12
Category B	Fulfilled the prescribed export obligation in terms of export value, but **marginally shortfalls** in terms of tonnage	02
Category C	**Not fulfilled** the prescribed export obligations in terms of either export value or tonnage	02
	Total	**16**

Category A. Units complying with the export obligations in terms of both value and tonnage:

The following 12 units have fulfilled the prescribed export obligations in terms of both export value and tonnage**.** The findings and recommendations in respect of each unit are summarized below:

S. No.	Name of unit	Findings and recommendations
	M/s Canam International Pvt. Ltd.	**Findings:** During the review of the performance of the unit under Rule 54 and Rule 18 4(B) (c) of SEZ Rule, 2006 read with policy guidelines dated 27.05.2021 applicable worn/used clothing unit in SEZs, it has been observed that the unit has complied with the prescribed requirements, as detailed below: (i) The unit has cumulatively **achieved positive Net Foreign Exchange (NFE)** earning of Rs. 15694 lakhs during the period from 01.12.2018 to 31.03.2026. (ii) The unit has fulfilled its export obligation in terms of both value and tonnage. The unit has achieved physical export obligation of **93.17%** against 66.67% (i.e. 2/3rd)) of the exports in terms of annual turnover) and in terms of tonnage of **50.50%** against the prescribed requirement of 50%, for the period from 01.12.2018 to 31.05.2026. **Recommendations:** In view of above, the request of M/s Canam International Pvt. Ltd. for renewal of LOA for next five years beyond 30/06/2026 is forwarded herewith for placing before BOA in terms of Rule 18(4) of SEZ Rules, 2006, with the following recommendations: (i) All the conditions stipulated as per DoC's policy guidelines dated 27th May, 2021 issued vide F.No. K-43014(16)/9/2020-SEZ for used/worn clothing units in SEZs shall be strictly followed.
	M/s. Flax Apparels Pvt. Ltd.	**Findings:** to During the review of the performance of the unit under Rule 54 and Rule 18 4(B) (c) of SEZ Rule, 2006 read with policy guidelines dated 27.05.2021 applicable worn/used clothing unit in SEZs, it has been observed that the unit has complied with the prescribed requirements, as detailed below:

		(i) The unit has cumulatively **achieved positive Net Foreign Exchange (NFE)** earning of Rs. 13933.60 lakhs during the period from 01.12.2018 to 31.03.2026. (ii) The unit has fulfilled its export obligation in terms of both value and tonnage. The unit has achieved physical export obligation of **92.11%** against 66.67% (i.e. 2 / (3 ^ (rd)) of the exports in terms of annual turnover) and in terms of tonnage of **51.80%** against the prescribed requirement of 50%, for the period from 01.12.2018 to 31.05.2026. Recommendations: In view of above, the request of M/s. Flax Apparels Pvt. Ltd. for renewal of LOA for next five years beyond 30/06/2026 is forwarded herewith for placing before BOA in terms of Rule 18(4) of SEZ Rules, 2006, with the following recommendations: (i) All the conditions stipulated as per DoC's policy guidelines dated 27th May, 2021 issued vide F.No. K-(43014(16) / 9) / 2020 - SEZ for used/worn clothing units in SEZs shall be strictly followed.
	M/s. Maruti Exports	**Findings:** to During the review of the performance of the unit under Rule 54 and Rule 18 4(B) (c) of SEZ Rule, 2006 read with policy guidelines dated 27.05.2021 applicable worn/used clothing unit in SEZs, it has been observed that the unit has complied with the prescribed requirements, as detailed below: (i) The unit has cumulatively **achieved positive Net Foreign Exchange (NFE)** earning of Rs. 4010.33 lakhs during the period from 01.12.2018 to 31.03.2026. (ii) The unit has fulfilled its export obligation in terms of both value and tonnage. The unit has achieved physical export obligation of **86.06%** against 66.67% (i.e. 2 / (3 ^ (rd)) of the exports in terms of annual turnover) and in terms of tonnage of **50.59%** against the prescribed requirement of 50%, for the period from 01.12.2018 to 31.05.2026. **Recommendations: -** In view of above, the request of M/s. Maruti Exports for renewal of LOA for next five years beyond 30/06/2026 is

		forwarded herewith for placing before BOA in terms of Rule 18(4) of SEZ Rules, 2006, with the following recommendations: (i) All the conditions stipulated as per DoC's policy guidelines dated 27th May, 2021 issued vide F.No. K-(43014(16) / 9) / 2020 - SEZ for used/worn clothing units in SEZs shall be strictly followed.
	M/s. Om Siddh Vinayak Impex Pvt. Ltd.	**Findings:** to During the review of the performance of the unit under Rule 54 and Rule 18 4(B) (c) of SEZ Rule, 2006 read with policy guidelines dated 27.05.2021 applicable worn/used clothing unit in SEZs, it has been observed that the unit has complied with the prescribed requirements, as detailed below: (i) The unit has cumulatively **achieved positive Net Foreign Exchange (NFE)** earning of Rs. 1271.53 lakhs during the period from 01.12.2018 to 31.03.2026. (ii) The unit has fulfilled its export obligation in terms of both value and tonnage. The unit has achieved physical export obligation of **85.18%** against 66.67% (i.e. 2 / (3 ^ (nd)) of the exports in terms of annual turnover) and in terms of tonnage of **50.70%** against the prescribed requirement of 50%, for the period from 01.12.2018 to 31.05.2026. Recommendations: In view of above, the request of M/s. Om Siddh Vinayak Impex Pvt. Ltd. for renewal of LOA for next five years beyond 30/06/2026 is forwarded herewith for placing before BOA in terms of Rule 18(4) of SEZ Rules, 2006, with the following. recommendations: (i) All the conditions stipulated as per DoC's policy guidelines dated 27th May, 2021 issued vide F.No. K-(43014(16) / 9) / 2020 - SEZ for used/worn clothing units in SEZS .
	M/s. Raghvani Textiles Pvt. Ltd.	**Findings:** to During the review of the performance of the unit under Rule 54 and Rule 18 4(B) (c) of SEZ Rule, 2006 read with policy guidelines dated 27.05.2021 applicable worn/used

		clothing unit in SEZs, it has been observed that the unit has complied with the prescribed requirements, as detailed below: (i) The unit has cumulatively **achieved positive Net Foreign Exchange (NFE)** earning of Rs. 8756.04 lakhs during the period from 01.12.2018 to 31.03.2026. (ii) The unit has fulfilled its export obligation in terms of both value and tonnage. The unit has achieved physical export obligation of **94.42%** against 66.67% (i.e. 2 / (3 ^ (rd)) of the exports in terms of annual turnover) and in terms of tonnage of **63.37%** against the prescribed requirement of 50%, for the period from 01.12.2018 to 31.05.2026. Recommendations: - In view of above, the request of M/s. Raghvani Textiles Pvt. Ltd. for renewal of LOA for next five years beyond 30/06/2026 is forwarded herewith for placing before BOA in terms of Rule 18(4) of SEZ Rules, 2006, with the following recommendations: (1) All the conditions stipulated as per DoC's policy guidelines dated 27th May, 2021 issued vide F.No. K-(43014(16) / 9) / 2020 - SEZ for used/worn clothing units in SEZS
	M/s. Safari Fine Clothing Pvt. ltd.	**Findings**: During the review of the performance of the unit under Rule 54 and Rule 18 4(B) (c) of SEZ Rule, 2006 read with policy guidelines dated 27.05.2021 applicable worn/used clothing unit in SEZs, it has been observed that the unit has complied with the prescribed requirements, as detailed below: (i) The unit has **cumulatively achieved positive Net Foreign Exchange (NFE)** earning of Rs. 935.03 lakhs during the period from 01.12.2018 to 31.03.2026. (ii) The unit has fulfilled its export obligation in terms of both value and tonnage. The unit has achieved physical export obligation of **82%** against 66.67% (i.e. 2 / (3 ^ (rd)) of the exports in terms of annual turnover) and in terms of tonnage of **50.38%** against the prescribed requirement of 50%, for the period from 01.12.2018 to 31.05.2026.

		Recommendations: In view of above, the request of M/s. Safari Fine Clothing Pvt. ltd. for renewal of LOA for next five years beyond 30/06/2026 s forwarded herewith for placing before BOA in terms of Rule 8(4) of SEZ Rules, 2006, with the following recommendations: (All the conditions stipulated as per DoC's policy Cuidelines dated 27th May, 2021 issued vide F.No. K-(3014(16) / 9) / 2020 - SEZ for used/worn clothing units in SEZS hall be strictly followed.
	M/s. Star Shine Clothing Pvt. Ltd.	**Findings:** to During the review of the performance of the unit under Rule 54 and Rule 18 4(B) (c) of SEZ Rule, 2006 read with policy guidelines dated 27.05.2021 applicable worn/used clothing unit in SEZs, it has been observed that the unit has complied with the prescribed requirements, as detailed below: (i) The unit has **cumulatively achieved positive Net Foreign Exchange (NFE)** earning of Rs. 399.18 lakhs during the period from 01.12.2018 to 31.03.2026. (ii) The unit has fulfilled its export obligation in terms of both value and tonnage. The unit has achieved physical export obligation of **80.15%** against 66.67% (i.e. 2 / (3 ^ (rd)) of the exports in terms of annual turnover) and in terms of tonnage of **50.78%** against the prescribed requirement of 50%, for the period from 01.12.2018 to 31.05.2026. Recommendations: - In view of above, the request of M/s. Star Shine Clothing Pvt. Ltd. for renewal of LOA for next five years beyond 30/06/2026 is forwarded herewith for placing before BOA in terms of Rule 18(4) of SEZ Rules, 2006, with the following recommendations: (i) All the conditions stipulated as per DoC's policy guidelines dated 27th May, 2021 issued vide F.No. K-(43014(16) / 9) / 2020 - SEZ for used/worn clothing units in SEZS shall be strictly followed.

	M/s. Texpoly Impex (earlier known as C.J. Plastics Pvt. Ltd.)	**Findings:** During the review of the performance of the unit under Rule 54 and Rule 18 4(B) (c) of SEZ Rule, 2006 read with Page 5 of 11 to policy guidelines dated 27.05.2021 applicable worn/used clothing unit in SEZs, it has been observed that the unit has complied with the prescribed requirements, as detailed below: (i) The unit has cumulatively **achieved positive Net Foreign Exchange (NFE)** earning of Rs. 6583 lakhs during the period from 01.12.2018 to 31.03.2026. (ii) The unit has fulfilled its export obligation in terms of both value and tonnage. The unit has achieved physical export obligation of **90.61%** against 66.67% (i.e. 2 / (3 ^ (rd)) of the exports in terms of annual turnover) and in terms of tonnage of **51.73%** against the prescribed requirement of 50%, for the period from 01.12.2018 to 31.05.2026. **Recommendations: -** In view of above, the request of M/s. Texpoly Impex (earlier known as C.J. Plastics Pvt. Ltd.) for renewal of LOA for next five years beyond 30/06/2026 is forwarded herewith for placing before BOA in terms of Rule 18(4) of SEZ Rules, 2006, with the following recommendations: (i) All the conditions stipulated as per DoC's policy guidelines dated 27th May, 2021 issued vide F.No. K-(43014(16) / 9) / 2020 - SEZ for used/worn clothing units in SEZs
	M/s. Texwool Spinners and Clothing	**Findings:** to During the review of the performance of the unit under Rule 54 and Rule 18 4(B) (c) of SEZ Rule, 2006 read with policy guidelines dated 27.05.2021 applicable worn/used clothing unit in SEZs, it has been observed that the unit has complied with the prescribed requirements, as detailed below:

		(i) The unit has cumulatively **achieved positive Net Foreign Exchange (NFE)** earning of Rs. 2067 lakhs during the period from 01.12.2018 to 31.03.2026. (ii) The unit has fulfilled its export obligation in terms of both value and tonnage. The unit has achieved physical export obligation of **91.06%** against 66.67% (i.e. 2 / (3 ^ (rd)) of the exports in terms of annual turnover) and in terms of tonnage of **62.95%** against the prescribed requirement of 50%, for the period from 01.12.2018 to 31.05.2026. **Recommendations: -** In view of above, the request of M/s. Texwool Spinners and Clothing (earlier known as Texool Spinners) for renewal of LOA for next five years beyond 30/06/2026 is forwarded herewith for placing before BOA in terms of Rule 18(4) of SEZ Rules, 2006, with the following recommendations: (i) All the conditions stipulated as per DoC's policy guidelines dated 27th May, 2021 issued vide F.No. K-(43014(16) / 9) / 2020 - SEZ for used/worn clothing units in SEZs shall be strictly followed.
	M/s. Tulip Exim Pvt. Ltd.	**Findings:** During the review of the performance of the unit under Rule 54 and Rule 18 4(B) (c) of SEZ Rule, 2006 read with Page 6 of 11 to policy guidelines dated 27.05.2021 applicable worn/used clothing unit in SEZs, it has been observed that the unit has complied with the prescribed requirements, as detailed below: (i) The unit has cumulatively **achieved positive Net Foreign Exchange (NFE)** earning of Rs. 4297.71 lakhs during the period from 01.12.2018 to 31.03.2026. (ii) The unit has fulfilled its export obligation in terms of both value and tonnage. The unit has achieved physical export obligation of **91.73%** against 66.67% (i.e. 2 / (3 ^ (rd)) of the exports in terms of annual turnover) and in terms of tonnage of **53.97%** against the prescribed requirement of 50%, for the period from 01.12.2018 to 31.05.2026.

		Recommendations: In view of above, the request of M/s. Tulip Exim Pvt. Ltd. for renewal of LOA for next five years beyond 30/06/2026 is forwarded herewith for placing before BOA in terms of Rule 18(4) of SEZ Rules, 2006, with the following recommendations: (1) All the conditions stipulated as per DoC's policy guidelines dated 27th May, 2021 issued vide F.No. K-(43014(16) / 9) / 2020 - SEZ for used/worn clothing units in SEZS shall be strictly followed
	M/s. U.S. Clothing India Pvt. Ltd.	**Findings:** to During the review of the performance of the unit under Rule 54 and Rule 18 4(B) (c) of SEZ Rule, 2006 read with policy guidelines dated 27.05.2021 applicable worn/used clothing unit in SEZs, it has been observed that the unit has complied with the prescribed requirements, as detailed below: (i) The unit has cumulatively **achieved positive Net Foreign Exchange (NFE)** earning of Rs. 2508.82 lakhs during the period from 01.12.2018 to 31.03.2026. (ii) The unit has fulfilled its export obligation in terms of both value and tonnage. The unit has achieved physical export obligation of **79.86%** against 66.67% (i.e. 2/3rd of the exports in terms of annual turnover) and in terms of tonnage of **50.06%** against the prescribed requirement of 50%, for the period from 01.12.2018 to 31.05.2026. **Recommendations:** In view of above, the request of M/s. U.S. Clothing India Pvt. Ltd. for renewal of LOA for next five years beyond 30/06/2026 is forwarded herewith for placing before BOA in terms of Rule 18(4) of SEZ Rules, 2006, with the following recommendations: (i) All the conditions stipulated as per DoC's policy guidelines dated 27th May, 2021 issued vide F.No. K-43014(16)/9/2020-SEZ for used/worn clothing units in SEZS shall be strictly followed.

	M/s. Kandla Exim Pvt. Ltd.	**Findings:** During the review of the performance of the unit under Rule 54 and Rule 18 4(B) (c) of SEZ Rule, 2006 read with policy guidelines dated 27.05.2021 applicable worn/used clothing unit in SEZs, it has been observed that to Page 7 of 11 the unit has complied with the prescribed requirements, as detailed below: (i) The unit has **cumulatively achieved positive Net Foreign Exchange (NFE)** earning of Rs. 2209.03 lakhs during the period from 01.12.2018 to 31.03.2026. (ii) The unit has fulfilled its export obligation in terms of both value and tonnage. The unit has achieved physical export obligation of **86.47%** against 66.67% (i.e. 2 / (3 ^ (rd)) of the exports in terms of annual turnover) and in terms of tonnage of **50.59%** against the prescribed requirement of 50%, for the period from 01.12.2018 to 31.05.2026. **Recommendations**: - In view of above, the request of M/s. Kandla Exim Pvt. Ltd. for renewal of LOA for next five years beyond 30/06/2026 is forwarded herewith for placing before BOA in terms of Rule 18(4) of SEZ Rules, 2006, with the following recommendations: (i) All the conditions stipulated as per DoC's policy guidelines dated 27th May, 2021 issued vide F.No. K-(43014(16) / 9) / 2020 - SEZ for used/worn clothing units in SEZs

Category B. Units complying with export obligation in terms of Value but marginally short in terms of tonnage:

The following 02 units have fulfilled the prescribed export obligation in terms of export value. However, they have marginal shortfalls in tonnage. The shortfall in terms of tonnage in respect of **M/s Babu International is 0.11%,** and of **M/s Lotus Recyclers is 0.29%.** The findings and recommendations in respect of these units are summarized below:

M/s. Babu International	**Findings:** During the review of the performance of the unit under Rule 54 and Rule 18 4(B) (c) of SEZ Rule, 2006 read with policy guidelines dated 27.05.2021 applicable to worn/used clothing unit in SEZs, it has been observed that the unit has complied with the prescribed requirements, as detailed below: i) The unit has cumulatively **achieved positive Net Foreign Exchange (NFE)** earning of Rs. 1287.50 lakhs during the period from 01.12.2018 to 31.03.2026. ii) The unit has fulfilled its export obligation in terms of value as achieved 81.92% against 66.67% (i.e. 2/3rd of the exports in terms of annual turnover). However, in terms of tonnage, the unit achieved **49.89%** against the prescribed requirement of 50%, which appear to be a shortfall of **0.11%** for the period from 01.12.2018 to 31.05.2026. For this shortfall, the unit has stated that they will achieved the 50% of annual turnover within the period upto 30.06.2026. Page 8 of 11 **Recommendations: -** (i) The proposal may be considered positively subject to the monitoring of the unit's export performance for the remaining 1 month of the current block period i.e. from 01.06.2026 to 30.06.2026, as the unit has stated that they will achieved the 50% of annual turnover within the period upto 30.06.2026. In the event of any shortfall in the prescribed export obligation, Permission for DTA sales may be stopped until the unit fulfils its export obligation in both quantity and value terms. (ii). All the conditions stipulated as per DoC's policy guidelines dated 27th May, 2021 issued vide F.No. K-43014(16)/9/2020-SEZ for used/worn clothing units in SEZs shall be strictly followed.
M/s. Lotus recyclers (Texool Wastesavers)	Findings: During the review of the performance of the unit under Rule 54 and Rule 18 4(B) (c) of SEZ Rule, 2006 read with policy guidelines dated 27.05.2021 applicable to worn/used clothing unit in SEZs, it has been observed that the unit has complied with the prescribed requirements, as detailed below:

		(i) The unit has cumulatively **achieved positive Net Foreign Exchange (NFE)** earning of Rs. 976.69 lakhs during the period from 01.12.2018 to 31.03.2026. (ii) The unit has fulfilled its export obligation in terms of value as achieved 76.91% against 66.67% (i.e. 2/3rd of the exports in terms of annual turnover). However, in terms of tonnage, the unit achieved **49.71%** against the prescribed requirement of 50%, which appear to be a shortfall of **0.29%** for the period from 01.12.2018 to 31.05.2026. For this shortfall, the unit has stated that they will achieved the 50% of annual turnover within the period upto 30.06.2026. Recommendations: (i). The proposal may be considered positively subject to the monitoring of the unit's export performance for the remaining 1 month of the current block period i.e. from 01.06.2026 to 30.06.2026, as the unit has stated that they will achieve the 50% of annual turnover within the period upto 30.06.2026. In the event of any shortfall in the prescribed export obligation, Permission for DTA sales may be stopped until the unit fulfils its export obligation in both quantity and value terms. (ii). All the conditions stipulated as per DoC's policy guidelines dated 27th May, 2021 issued vide F.No. K-43014(16)/9/2020-SEZ for used/worn clothing units in SEZs shall be strictly followed.

Category C. Units not complying with export obligations in terms of both Value and Tonnage

The following 02 units have not fulfilled the prescribed export obligations in terms of either export value or tonnage. The findings and recommendations are summarized below:

Sr. No.	**Name of Unit**	**Finding and recommendations**
	M/s. Anita Export	Findings: (i) The unit has failed to achieve the physical export obligation prescribed under the policy guidelines dated 27.05.2021. The unit has achieved only 33.88% of the prescribed export obligation against 66.67% (i.e. 2/3rd of the exports in terms of annual turnover). Further, in terms of sonnage, the unit achieved only 22.12% against the

		stipulated requirement of 50%, resulting in a significant shortfall in both terms for the period from 01.12.2018 to 28.02.2026. (ii) The unit has consistently failed to achieve the prescribed export obligation not only during the current block period but also during the previous block period **(2013-2018),** Indicating a persistent pattern of non-compliance with the export performance requirements. (iii) The unit has become a habitual defaulter for making che payment of rental dues towards lease rent and user charges. The dues have remained outstanding for more than mine quarters and amount to Rs. **53,27,535/-** towards lease rent and user charges for the period upto 30.06.2026. (iv) The unit has not submitted the Annual Performance Reports for the financial years 2022-23, 2023-24, 2024-25 till date. Due to non-submission of APRs, the Net Foreign Exchange (NFE) earning of the unit could not be ascertained. For this violation, the Unit Approval Committee (UAC), in its 227th meeting held on 04.06.2026 decided to issue a Show Cause Notice (SCN) to the unit. Accordingly, an SCN has been issued. **Recommendations: -** In view of above, this office is not in a position to recommend the proposal of the unit for renewal of their LoA for a further period five years beyond 30/06/2026.
	M/s. Jindal Fibres	**Findings:** (1) The unit has failed to achieve the physical export obligation prescribed under the policy guidelines dated 27.05.2021. The unit has achieved only **66.01%** of the prescribed export obligation against 66.67% (i.e. 2/3rd of the exports in terms of annual turnover). Further, in terms of tonnage, the unit achieved only **22.24%** against the stipulated requirement of 50% till the period upto 28.02.2026, resulting in a significant shortfall in both terms for the period from 01.12.2018 to 28.02.2026. (ii) The unit has consistently failed to achieve the prescribed export obligation not only during the current block period but also during the previous block period **(2013-2018),** indicating a persistent pattern of non-compliance with the export performance requirements. (iii) The unit has become a habitual defaulter for making the payment of rental dues towards lease rent and user charges. The dues have remained outstanding for more than six quarters and amount to Rs.

		32,90,053/- towards lease rent and user charges for the period upto 30.06.2026. (iv) The unit has not submitted the Annual Performance Reports for the financial years 2024-25 till date. Due to non-submission of APRs, the Net Foreign Exchange (NFE) earning of the unit could not be ascertained. For this violation, the Unit Approval Committee (UAC), in its 227th meeting held on Page 10 of 11 04.06.2026 decided to issue a Show Cause Notice (SCN) to the unit. Accordingly, an SCN has been issued. **Recommendations: -** In view of above, this office is not in a position to recommend the proposal of the unit for renewal of their LoA for a further period five years beyond 30/06/2026.

4. The proposal of KASEZ may be summarised as below:

Description	Number of unit	Comments of O/o DC, KASEZ
Fulfilled the prescribed export obligations in terms of both export value and tonnage	12	The proposal has been forwarded for placing before BOA in terms of Rule 18(4) of SEZ Rules, 2006, with the recommendations that all the conditions stipulated as per policy dated 27.05.2021 shall be strictly followed.
Fulfilled the prescribed export obligation in terms of export value, but marginal shortfalls in terms of tonnage	02	The proposal may be considered positively subject to the monitoring of the unit's export performance for the remaining 1 month of the current block period i.e. from 01.06.2026 to 30.06.2026, as the unit has stated that they will achieve the 50% of annual turnover within the period upto 30.06.2026. In the event of any shortfall in the prescribed export obligation, Permission for DTA sales may be stopped until the unit fulfils its export obligation in both quantity and value terms. Further, all the conditions stipulated as per policy dated 27.05.2021 shall be strictly followed.

Not fulfilled the prescribed export obligations in terms of either export value or tonnage	02	The units have consistently failed to achieve the prescribed export obligation not only during the current block period but also during the previous block period (2013-2018). Further, the units have become a habitual defaulter for making the payment of rental dues towards lease rent and user charges. Further, the units have not submitted the Annual Performance Reports for the financial years 2024-25 till date. Accordingly, KASEZ has not recommend the proposal for renewal of their LoA.

Rule position

As per Rule 18(4) (c) of the SEZ Rules,

No proposal shall be considered for reprocessing of Garments or used clothing or secondary textile materials and other recyclable textile materials into clipping or rags or industrial wipers or shoddy wool or yarn or blankets or shawls; Provided that extension of Letter of Approval for an existing Unit shall be decided by the Board.

As per policy dated 27.05.2021, in respect of worn and used clothing units:

i. Setting up of new units in SEZ/ EOUs is not allowed

ii. Extension/ renewal of LoA of existing units will be considered for a period of five years by BoA.

iii. Besides the NFE obligations, the unit shall be required to comply with export obligation to the extent that 66.67% i.e. 2/3rd of the exports in terms of annual turnover and 50% in terms of tonnage

iv. They shall be allowed to make clearance in DTA, to other SEZ units as well as EOUs as long as they fulfil the NFE and other conditions. Clearance to other SEZ units/ EOUs will not be counted towards mandatory minimum physical export obligations.

Further, there is a precedence of approval by BoA for temporary extension of these worn and used clothing units for six months, subject to various conditions including finalisation of policy for units engaged in recycling of worn and used clothing. (refer to para 102.7 (iii) of minutes of 102nd meeting of BoA held on 06.01.2021).

The proposal is submitted before BoA for its consideration.

141.8(iv) Request of M/s. GAIL Mangalore Petrochemicals Limited, a unit in Mangalore SEZ for extension of validity of Letter of Approval for a further period of one year from 16.09.2026 to 15.09.2027 - reg.

Jurisdictional SEZ – Mangalore SEZ (MSEZ)

Facts of the case:

LoA issued to unit	16th September 2011
Nature of Business of the Unit	Manufacture and export of Purified Terephthalic Acid' (PTA) and 'Polyethylene Terephthate (PET
No. of extensions	13 extensions (upto 15.09.2026)
Request	Extension of validity of LoA for a further period of one year upto 15.09.2027.

M/s JBF Petrochemicals Limited was issued Letter of Approval (LOA) No. KA: 16:07: MSEZ:2B on 16.09.2011 for setting up a Unit in Mangalore Special Economic Zone (MSEZ) for manufacture and export of Purified Terephthalic Acid' (PTA) and 'Polyethylene Terephthate (PET).

Due to financial issues the unit could not implement their project and the Company was under proceedings in NCLT for bankruptcy. The Hon'ble NCLT vide Order No. IA/899(AHM)2022 dated 13.03.2023 in CP(IB) 232 of 2018 considered the application of M/s GAIL (India) Limited and approved the Resolution Plan for an amount of Rs.2101.00 crore. Subsequently the name of M/s JBF Petrochemicals Limited, SEZ unit located in Mangalore SEZ, has been changed to M/s GAIL Mangalore Petrochemicals Limited with effect from 18.07.2023.

The Board of Approval in its 131st meeting held on 28th August 2025 extended the validity of Letter of Approval up to 15th September 2026 (13th extension).

Now, the unit vide letter dated 27th June 2026 has requested for extension of validity of LoA for a further period of one year from 16.09.2026 to 15.09.2027 to implement the project. The total investment made in the unit is Rs. 9548.57 crore.

Progress in terms of completion of work: -

Sl. No.	Description	Current status	
		% of work completed	% of work yet to complete
1	Engineering	100	NIL
2	Procurement	100	NIL
3	Construction	99.8	0.2
4	Overall	99.95	0.05

Progress in terms of Investment made: -

Sl. No.	Description	Investment made upto 15.09.2025 by M/s JBF	Incremental investment since last	Total Investment

		Petrochemicals Limited & GAIL (₹ in crore)	extension by M/s GAIL as on date (₹ in crore)	made so far (₹ in crore)
1	Salaries & Wages	104.69	5.66	110.35
2	Staff Welfare Expenses	4.65	1.00	5.65
3	**Other Expenses**			
	Tangible Fixed Assets (including material and Civil work)	4935.18	763.50	5698.68
	Intangible Fixed Assets (Software Licence)	1.56	0.00	1.56
	Technology, Licence& Construction related fees	638.35	18.66	657.01
	Legal & Professional fees and Guarantee Commission	294.12	0.50	294.62
	Miscellaneous expenses (Power, Diesel, Admin Expenses, Tent, Travelling & Conveyance etc.)	515.96	109.12	625.08
	Borrowing Cost (interest)	1691.07	153.72	1844.79
	Foreign Exch. Fluctuation	148.84	0.67	149.51
	Fixed Assets	161.32	0.00	161.32
	Total	**8495.74**	**1052.83**	**9548.57**

Some achievements

	Sl. No.	Package	Target Completion (After takeover by M/s GMPL)
ISBL	1	ISBL-PTA Unit Mechanical Completion	Mechanical work completed. Inspection Completed. Pre-commissioning under progress. Commissioning is expected from August 2025. Production is expected by end of September 2026 and continuous commercial operations from October 2026.
	2	Commissioning trials	As indicated above.
OSBL	1	Nitrogen Units	Commissioned
	2	Air Compression	Commissioned
	3	DM Water Plant	Commissioned

	4	Electrical Substation	Commissioned
	5	Cooling Towers	Commissioned
	6	Fire Water Tanks and Network	Commissioned
	7	Cooling Water Towers	Commissioned
	8	6 Nos. of bagging machine	Commissioned
	9	ETP – Aerobic Section	Commissioned
	10	Power Connection	Re-sanction from MESCOM/KPTCL Obtained and Power Charged.
	11	Water Sourcing	Agreement signed with MSEZL
	12	Effluent Disposal	Agreement Signed with MSEZL
	13	Natural Gas	Supply Commenced from GAIL.
	14	Paraxylene Import	Import infrastructure commissioned. First Lot imported.

Reasons for seeking extension: -

Erstwhile JBF Petrochemicals Limited was acquired by GAIL vide NCLT order No. IA/899(AHM)2022 in CP(IB)232 of 2018, order under section 31IBC, 2016 dated 13.03.2023 and it was renamed to M/s GAIL Mangalore Petrochemicals Limited (GMPL).

Following its acquisition, GMPL initiated the revival of the unit. However, since the plant was taken over on an "as-is-where-is" basis after a prolonged non-operational period starting from 2017-18, lack of essential documentation related to material and machinery entries, as well as their technical / construction records, proved to be a major challenge.

Given the unit's background, re-engaging the Original Equipment Manufacturers (OEMs), consultants, and contractors was both difficult and time-consuming. Multiple rounds of discussions and negotiations were required. Nevertheless, through persistent efforts and persuasion, GMPL successfully re-engaged most of the OEMs, consultants, and contractors.

The following activities are under progress: -

- Through persistent efforts and persuasion, GMPL successfully re-engaged most of the OEMs, consultants, and contractors. Over the past two years GMPL has completed revival as well as commissioning of several sections such as:
- Air Compression Unit.
- Tank Farms
- Nitrogen Generation
- Cooling Towers
- DM Water Plant
- Effluent Treatment Plant - Both Aerobic and Anaerobic Sections

- Infrastructure for import of Paraxylene
- Infrastructure for import of Hydrogen from MRPL
- Fire Water Pump House and Fire Water Network
- Electrical Substations
- Street and Plant Area Lighting
- Restoration of power supply from KPTCL / MESCOM
- 2 out of 3 Boilers.

- Additionally, GMPL has secured all necessary statutory permissions and approvals essential for commissioning of the plant. These include the Poison Licence, PESO approvals, Fire Advisory for buildings, Fire NOC for hydrocarbon storage, clearances related to Legal Metrology, re-sanction of power supply, and approvals from Boiler Authorities for revival works, among others.

- Since the last extension of the LoA granted in September 2025, GMPL has encountered and addressed a number of challenges relating to engineering, construction, statutory approvals, and commercial arrangements. The resolution of these issues has impacted the overall project schedule and delayed the commissioning of the plant & commencement of production. Based on the status of project activities, it is expected that commissioning of the plant would be completed by the month of October 2026, following which commercial production would commence.

Following are key highlights of balance activities:-

- **Boiler-3:** This boiler required total revamp including conversion of fuel configuration from coal fired to oil and gas Fired. So far, mechanical completion of this revamp work has been accomplished. However, electrical and instrumentation works, installation of auxiliaries, etc., are still under progress. The overall progress could be estimated at 85% for this boiler.

- **Process Air Compressor:** The compressor is the plant's most critical, complex, and high-value equipment. Given its prolonged idle period since installation in 2016-17, comprehensive inspection and testing are essential before commissioning. Required spares and services have already been procured, and preliminary testing has been completed. Detailed testing and trial runs by the OEM are currently underway and are expected to take another 6-8 weeks.

- **Main Process Plant:** The main process plant is currently under pre-commissioning. Once steam from all three boilers is available, commissioning activities will commence.

Considering the nature of the project, namely, the revival of an old and non-performing asset acquired on an "as-is-where-is" basis, the project has encountered several challenges, including the lack of adequate engineering and construction documentation, delays in the re-engagement of engineering consultants and the process licensor, and significant design and construction deficiencies identified in the boilers. These factors have collectively contributed to the delay in commissioning and commencement of production. Nevertheless, in view of the substantial progress achieved to date, the plant is expected to commence continuous commercial production by the month of October 2026.

The unit has informed that several hinderances such as lack of adequate engineering/ construction related documentation, delays in re-engagements of engineering consultants and the process licensor, major shortcomings observed in the design and construction of Boilers, etc., had to be overcome. This has led to delay in completion of the project. The unit has informed that the plant is expected to be commissioned in October 2026.

Recommendation by DC, Mangalore SEZ: -

The request for extension of LoA of M/s GAIL Mangalore Petrochemicals Limited (erstwhile M/s JBF Petrochemicals Limited), for a further period of one year from 16.09.2026 to 15.09.2027 (14th extension) has been recommended and forwarded for consideration of the BoA.

Agenda Item No. 141.9:

Request for extension of Formal approval of SEZ [1 proposal –141.9(i)]

Rule position: Rule 6 (2) of the SEZ Rules, 2006: -

a. *The letter of approval of a Developer granted under clause (a) of sub-rule (1) (Formal Approval) shall be valid for a period of three years within which time at least one unit has commenced production, and the Special Economic Zone become operational from the date of commencement of such production.*

Provided that the Board may, on an application by the Developer or Co-Developer, as the case may be, for reasons to be recorded in writing extend the validity period.

Provided further that the Developer or Co-developer as the case may be, shall submit the application in Form C1 to the concerned DC as specified in Annexure III, who, within a period of fifteen days, shall forwarded it to the Board with his recommendations.

b. *The letter of approval of a Developer granted under clause (b) of sub-rule (1) (In-principle approval) shall be valid for a period of one year within which time, the Developer shall submit suitable proposal for formal approval in Form A as prescribed under the provisions of rule 3:*

Provided that the Board may, on an application by the Developer, for reasons to be recorded in writing, extend the validity period:

Provided further that the Developer shall submit the application in Form C2 to the concerned DC, as specified in Annexure III, who, within a period of fifteen days, shall forward it to the Board with his recommendations.

141.9(i) Request of M/s. State Industries Promotion Corporation of Tamil Nadu (SIPCOT) for extension of validity period of formal approval, granted for Multi-sector SEZ at A. Sathanur Village, Ullundurpet Taluk, Kallakurichi District, Tamil Nadu, up to 31.07.2028.

Jurisdictional SEZ- MEPZ-SEZ

Fact of the Case:

Particulars	**Details**
Developer Details	M/s. State Industries Promotion Corporation of Tamil Nadu (SIPCOT), Multi-sector SEZ, A. Sathanur Village, Ullundurpet Taluk, Kallakurichi District, Tamil Nadu.
Formal approval No & Date	K-43016/3/2023-SEZ dated 04.07.2023
Notified Area	77.0950 hectares (190.50 acres)
LOA Validity	03.07.2026
Extension Requested	Up to 31.07.2028
Application	Form-C1 dated 22.06.2026
Relevant Provision	Rule 6(2)(a) of the SEZ Rules, 2006

M/s. SIPCOT (Developer), allotted an extent of **182.75 acres** of land to **M/s. High Glory Footwear India Private Limited** for establishment of a Captive SEZ Unit.

The Developer has obtained the required statutory approvals for the project, including DTCP Layout Approval and Environmental Clearance., The Developer has reported that infrastructure development works in the SEZ are in progress. The **boundary fencing, 3.20 MLD water supply system, and widening of the external approach road** have been completed. The construction of the **10.00 lakh litre underground sump and associated water supply infrastructure** is under progress

The Captive SEZ Unit, **M/s. High Glory Footwear India Private Limited**, has commenced initial construction activities and has proposed to commence commercial production during the **first quarter of 2027**, followed by phased expansion.

The delay in commencement of operations is attributable to the fact that the SEZ is presently under development and M/s. SIPCOT is undertaking the required infrastructure development works. The Developer requires additional time for completion of the balance infrastructure facilities and for ensuring full operational readiness of the SEZ in accordance with the conditions of the Letter of Approval.

The delay is also due to the ongoing construction of warehouse and production facilities by the unit, completion of statutory approvals, and completion of balance infrastructure development works within the SEZ.

The Developer has submitted the current status of project implementation along with **supporting photographs.**

Considering the progress achieved in infrastructure development and implementation of the project, and the proposed commencement of commercial production by the unit during the **first quarter of 2027**, the extension of validity of the LOA up to **31.07.2028** would enable the Developer to complete the remaining infrastructure development activities, facilitate stabilisation of operations of the Captive SEZ Unit, and ensure compliance with the conditions of approval.

Any other information which may assist BOA the matters:

The Developer has initiated the required infrastructure development works for the SEZ. The boundary fencing, water supply infrastructure, and external approach road development have been completed, while the balance infrastructure works are under progress.

The Captive SEZ Unit, **M/s. High Glory Footwear India Private Limited**, has been allotted the required land and has commenced initial construction activities. The unit has proposed commencement of commercial production during the **first quarter of 2027**, followed by phased expansion.

The Administrative Officer has verified the project status and reported that construction activities are in progress and effective steps have been taken towards implementation of the project.

The proposed extension up to **31.07.2028** would provide sufficient time for completion of the remaining SEZ infrastructure development works, operational stabilisation of the unit, and fulfilment of the obligations under the Letter of Approval.

Recommendation by DC, Madras SEZ:

DC MEPZ has recommended the proposal for Extension of Validity of Approval Granted under Rule 6(2)(a) and forwarded for consideration of the BoA.

Agenda Item No. 141.10:

Request for full/partial de-notification/ increase area of SEZ [4 proposals 141.10(i) - 141.10(iv)]

<u>Procedural guidelines on de-notification of SEZ</u>:

- 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.

141.10(i) Proposal of M/s. Manyata Promoters Private Limited, Developer for partial de-notification of 1.4310 Ha out of 19.1991 Ha of IT/ITES at Villages Rachenahalli, Nagavara and Tanisandra, Bangalore District, Karnataka.

Jurisdictional SEZ – Cochin SEZ (CSEZ)

Facts of the case:

M/s. Manyata Promoters Private Limited has requested for decrease in the SEZ area by de-notifying the area.

Name of Developer	:	**M/s. Manyata Promoters Private Limited**
Location	:	Villages Rachenahalli, Nagavara and Tanisandra, Bangalore District, Karnataka
LoA issued on (date)	:	No. F.2/96/2005-EPZ dt 16.06.2006
Sector	:	IT/ITES
Area of SEZ (in Hectares)	:	19.1991 Ha
Date of Notification		16.11.2006, 06.03.2012, 29.08.2023 and 15.07.2024
Operational or not operational		SEZ is operational 10th January, 2007
Area proposed for de-notification (in Hectares)	:	1.4310 Ha

Reasons for de-notification proposal:

The Developer vide letters dated 30.05.2025 & 05.05.2026 has requested for partial de-notification of 1.4310 Ha of SEZ land area from the total notified land area of 19.1991 Ha. The reasons for partial de-notification of SEZ land area are as under:

- The demand for SEZ space has declined significantly in recent years. Additionally, the sunset clause for availing income tax benefits has expired for both SEZ developers and SEZ units.
- The Developer intends to operate as a Domestic Tariff Area (DTA) entity without availing any customs duty exemptions, tax incentives, or other concessions available under the SEZ framework.
- The developer proposes to develop and operate the premises as an Industrial IT Park catering to non-SEZ clients.

Requisite documents for considering de-notification proposal:

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

S. No.	Documents/Details Required	Status

(i)	Form-C5 for decrease in area along with DC's recommendation	Yes, provided
(ii)	DC's 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

DC, KASEZ Certification:

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

i. The Developer has submitted No Due Certificate dated 6th July, 2025 issued by the Specified Officer stating that the Developer has remitted an amount of ₹26,67,354/- (Rupees Twenty six lakh sixty seven thousand three hundred fifty four only) towards duty/tax exemptions availed for the proposed area.

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

c. The SEZ shall remain contiguous even after de-notification of the area of 1.4310 Ha and shall-meet-the-minimum land requirement prescribed for the IT/ITES sector which is the net area of the SEZ after de-notification shall be 17.7681 Ha#. The total Built-up area of the SEZ after de-notification will be 6,85,972.14 sq.mtr.
d. The land details for de-notification and a coloured map of the SEZ showing the area being de-notified duly countersigned by DC.

NOC for De-notification: State Government vide letter No. IC/105/SPI/2003 dated 17.04.2026, has requested to process the application of partial de-notification of an area of 1.4310 Hectares out of total notified area 19.1991 Hectares of Sector Specific IT/ITES developed by M/s. Manyata Promoters Private Limited, at Villages Rachenahalli, Nagavara and Tanisandra, Bangalore District, Karnataka.

Inspection of Partial De-notification Area: Inspection of SEZ was conducted on Nil in presence of DC/JDC, CSEZ along with State revenue officer and Tahsildar of Developer, wherein it has been observed that the contiguity of the remaining SEZ area

(17.7681 hectares) is retained after consideration of the proposed decrease of (1.4310 hectares) land area.

Recommendation by DC, CSEZ:

The proposal of M/s Manyata Promoters Private Limited, Developer for partial de-notification of 1.4310 Ha of the notified SEZ area with built-up area of 11,089 sq.mtr. has been recommended and forwarded for consideration of BoA.

141.10(ii) Proposal of M/s GOCL Corporation Limited (Formerly M/s Gulf Oil Corporation Limited), Developer for partial de-notification of 10.23 Ha out of 12.14 Ha of IT/ITES at Kattigenahalli and Venkatala Villages, Yelahanka Hobli, Bangalore District, Karnataka.

Jurisdictional SEZ – Cochin SEZ (CSEZ)

Facts of the case:

M/s GOCL Corporation Limited has requested for decrease in the SEZ area by de-notifying the area.

Name of Developer	:	**M/s GOCL Corporation Limited**
Location	:	Kattigenahalli and Venkatala Villages, Yelahanka Hobli, Bangalore District, Karnataka
LoA issued on (date)	:	No. F.1/160/2008-SEZ dt 18.06.2009
Sector	:	IT/ITES
Area of SEZ (in Hectares)	:	12.14 Ha
Date of Notification		14.03.2012
Operational or not operational		SEZ is operational dt. 11.12.2018
Area proposed for de-notification (in Hectares)	:	10.23 Ha

Reasons for de-notification proposal:

- The Developer has submitted that approximately 15 lakh sq. ft. of leasable space has been developed in the SEZ. Despite their best efforts, they were able to lease only 73,465 sq.ft. to one unit viz., M/s AXA Business Services Pvt. Ltd. in 2018, while the balance 95% of the built-up space remains vacant. The prolonged vacancy has resulted in significant financial stress due to the substantial investment made in the project.
- The Developer has further stated that the prevailing economic slowdown and recessionary conditions have adversely affected. In addition, the sunset clause for income tax benefits has considerably reduced the demand for SEZ space, leading to a substantial decline in occupancy in recent years.
- In view of these circumstances, the Developer has decided for de-notification of the proposed area and thereafter operate the premises as a DTA, without availing any duty benefits, as an Industrial IT Park catering to non-SEZ clients.

Requisite documents for considering de-notification proposal:

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

S. No.	Documents/Details Required	Status
(i)	Form-C5 for decrease in area along with DC's recommendation	Yes, provided
(ii)	DC's 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

DC, KASEZ Certification:

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

i. The Developer has submitted No Due Certificate dated 6th July, 2025 issued by the Specified Officer stating that the Developer has remitted an amount of 36,04,70,419/- (Rupees Thirty six crore four lakh seventy thousand four hundred nineteen only) towards duty/tax exemptions availed for the proposed area.

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

(c) The SEZ shall remain contiguous even after de-notification of the area of 10.23 Ha and shall meet the minimum land requirement prescribed for the IT/ITES sector which is the net area of the SEZ after de-notification shall be 1.91 Ha#. The total Built-up area of the SEZ after de-notification will be 96,611.44 sq.mtr.

(d) The land details for de-notification and a coloured map of the SEZ showing the area being de-notified duly countersigned by DC.

NOC for De-notification: State Government vide letter No. IC/43/SPI/2003 dated 15.05.2024 stated that M/s Gulf Oil Corporation Limited has given Special Power of Attorney to M/s Hinduja Realty Ventures Limited on 16.02.2010 for development of the said SEZ. Now, the State Government has recommended for consideration of the proposal of M/s. Hinduja Realty Ventures Limited for complete de-notification of

12.14 Hectares of land situated at Kattigenahalli, 12th Mile, near Bagalur cross, Ballari road, Bengaluru. It is also informed that the partial de-notified land will be utilized towards creation of IT infrastructure (Non SEZ), which would sub-serve the objective of the SEZ and this land will conform to the land use / master plan of the Government.

Inspection of Partial De-notification Area: Inspection of SEZ was conducted on 07.06.2026 in presence of DDC, CSEZ along with State revenue officer and Tahsildar of Developer, wherein it has been observed that the contiguity of the remaining SEZ area (1.91 hectares) is retained after consideration of the proposed decrease of (10.23 hectares) land area.

Recommendation by DC, CSEZ:

The proposal of M/s GOCL Corporation Limited, Developer for partial de-notification of 10.23 Ha of the notified SEZ area alongwith 132355.22 sq.mtr. built-up area, is recommended and forwarded for consideration of BoA.

141.10(iii) Proposal of M/s. Gujarat Industrial Developer Corporation (GIDC) for partial de-notification of 15.59989 Ha out of 20.4149 Ha of their Apparel Park SEZ at Khokhra, Ahmedabad.

Jurisdictional SEZ – Kandla SEZ (KASEZ)

Facts of the case:

Name of Developer	M/s. Gujarat Industrial Developer Corporation
Location	Khokhra, Ahmedabad, Gujarat
LoA issued on (date)	10.04.2007 (Formal Approval)
Sector	Apparel Sector
Operational or not operational	Operational
Notified Area (in Hectares)	20.4149 Ha.
Area proposed for de-notification (in Hectares)	15.59989 Ha.

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

S. No.	Documents/Details Required	Status
(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 the 124th Meeting of the Board of Approval on Special Economic Zones held on 05.11.2024, the agenda regarding Proposal of the Developer, M/S. Gujarat Industrial Development Corporation for partial de-notification of 15.652487 Ha out of 20.4149 Ha was taken up and it was observed that "in terms of Annexure-II to Rule 5(3) (c) of SEZ Rules, 2006, the minimum area requirement for "Textiles and Articles of Textiles" sector in Gujarat is 20 Ha. DC, Kandla Special Economic Zone recommended the proposal with a request for waiver of the minimum land area requirement.

Board after deliberations recommended suitable amendment to be effected to Annexure-II to Rule 5(3) (c) of the SEZ Rules, 2006 to enable the proposed partial de-notification. Vide Notification dated 03.06.2025 issued by the DoC, in Annexure-II of the said Rules, against Serial No. 3 in column (4) for the figures and word "20" hectares", the word "4 hectares" was substituted.

Thereafter for finalizing the de-notification proposal, the Board has requested for following documents

a. Form C-5 with updated comments/recommendations of DC
b. DC Certificate in prescribed format
c. Colored map of the SEZ clearly indicating area to be de-notified and left over area duly countersigned by DC
d. 'No dues Certificate"

Meanwhile, a unit, M/s. Tarasafe International Pvt. Ltd., Plot No. 6 to 9, AAP-SEZ, Khokhra, Ahmedabad under proposed remaining Notified Area of the SEZ, has filed a SCA before the Hon'ble High Court of Gujarat, Ahmedabad. The Hon'ble High Court of Gujarat has passed an Order on 05.05.2026, as under:

"*3. While considering the contents of the aforesaid affidavit-in-reply, it appears that the respondent No.3 (1.e. Developer, GIDC) is required to approach the respondent No.2 (i.e. DC, KASEZ) for declaring the subject parcel of land as Special Economic Zone (SEZ), however, till date, they have not approached the respondent No.2 and therefore, the respondent No.2 is unable to decide the same.*

4. Considering the submissions canvassed by both the sides, it is directed that either the respondent No.2 or the respondent No.3 shall decide the issue before the next date of hearing.

5. It is open for the petitioner to make a fresh representation before the respondent Nos.2 and 3 both, the same shall be decided by the respondent Nos.2 and 3 in accordance with law and in light of the prevailing policy, within a period of six weeks from the date of receipt of such representation of the petitioner.

*The next date of hearing is 13.07.2026***"**

Thereafter, KASEZ received a Representation for revised layout of GIDC Apparel Park on 18.05.2026 from the petitioner unit M/s Tarasafe International Pvt. Ltd., Ahmedabad. Accordingly, KASEZ has forwarded the said representation of the unit containing details of the matter to the Developer i.e. The Vice Chairman & managing Director, GIDC, Gandhinagar vide letter dated 25.05.2026 and requested to reconsider the feasibility of the unit's request, if deemed fit, a revised proposal along with revised MAP including 18 mtr road within SEZ may be submitted.

In line of the directions of the Hon'ble High Court and representation submitted by the unit, the GIDC (Developer) had conducted meetings on 10.06.2026 & 12.06.2026.

As per the decision taken in the meeting, the unit has submitted a consent letter to the GIDC regarding changes in proposal vide letter dated 13.06.2026.

Further, DC, KASEZ has certified as follows: -

a. The existing units have been de-bonded following the procedure prescribed in Rule 74 of the SEZ Rules,
b. The developer had refunded the availed duty benefit DC satisfaction.
c. The SEZ shall remain contiguous after de-notification of the part area of 15-59-989 hectares and shall meet the minimum land requirement prescribed for the 'Textiles and Article of Textiles' sector which is 04 hectares, in terms of sub-rule (3) (c) under Rule-5 of the SEZ Rules, 2006 and amended vide DoC Notification No. G.S.R.364(E) dt. 03.06.2025 at Para 6. After this de notification the remaining land area will be 04-81-5013 Ha.
d. The State Government has given its "No Objection" regarding de-notification of the part area of 15-65-2487 hectares of the SEZ. GIDC has proposed a smaller area of 15-59-989 hectares, which is below the ceiling area approved by the State Government in its No Objection Certificate (NOC).

Rule position: In terms of amended Annexure-II to Rule 5(3)(c) of the SEZ Rules, 2006, the minimum area requirement for 'Textiles and Article of Textiles' sector in Gujarat is 20 Ha.

Recommendation by DC, KASEZ:

DC, KASEZ has recommended the proposal for partial de-notification and forwarded for the consuideration of BoA.

141.10(iv) Proposal of M/s. Infosys Limited, Developer for partial de-notification of 0.0792 Ha out of 5.37 Ha of IT/ITES at Plot No. 138, Old Mahabalipuram Road, Chennai, Tamil Nadu.

Jurisdictional SEZ – Madras EPZ (MEPZ-SEZ)

Facts of the case:

M/s. Infosys Limited has requested for decrease in the SEZ area by de-notifying the area.

Name of Developer	:	**M/s. Infosys Limited**
Location	:	Plot No. 138, Old Mahabalipuram Road, Chennai, Tamil Nadu.
LoA issued on (date)	:	No. F.1/11/2019-SEZ dt 06.12.2019
Sector	:	IT/ITES
Area of EZ (in Hectares)	:	5.37 Ha
Date of Notification		21.01.2020
Operational or not operational		SEZ is operational
Area proposed for de-notification (in Hectares)	:	0.0792 Ha

Reasons for de-notification proposal:

M/s Chennai Metro Rail Limited (CMRL) utilization of a portion of land for the execution of the Chennai Metro Rail Phase-Il Project. In this regard, CMRL has requested ELCOT to transfer a parcel of land has proposed the measuring 792 square meters (0.0792 Hectares), which presently forms part of the notified SEZ Developer area allotted to Infosys Limited. Accordingly, the present application is being submitted for the purpose of seeking approval for a decrease in the SEZ area.

Requisite documents for considering de-notification proposal:

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

S. No.	Documents/Details Required	Status
(i)	Form-C5 for decrease in area along with DC's recommendation	Yes, provided
(ii)	DC's 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

DC, MEPZ-SEZ Certification:

a. There are no Units in the area proposed to be de- notified in the SEZ.
b. The Developer has not availed of any Tax/Duty benefits under the SEZ Act/Rules, in respect of the land being de-notified.
c. The SEZ shall remain contiguous even after the partial de-notification of the area of 0.0792 Hectares and shall meet the minimum land/space requirement prescribed for the SEZ.
d. The land details with survey no. 439 for the partial de-notification and a coloured map of the SEZ showing the area to be de-notified has duly countersigned by DC.

NOC for De-notification: State Government Tamil Nadu, vide Letter No. 13535798/MIB.1/2026-27 dated 17.06.2026, has conveyed its No Objection Certificate (NOC) for the proposed partial de-notification of 0.0792 hectares out of total notified area 5.37 Hectares of Sector Specific IT/ITES developed by M/s. Infosys Limited, at Plot No. 138, Old Mahabalipuram Road, Chennai, Tamil Nadu

Inspection of Partial De-notification Area: Inspection of SEZ was conducted on 03.07.2026 in presence of DDC, MEPZ-SEZ along with State revenue officer and Tahsildar of Developer, wherein it has been observed that the contiguity of the remaining SEZ area (5.2908 hectares) is retained after consideration of the proposed decrease of (0.0792 hectares) land area.

Recommendation by DC, MEPZ:

The proposal of M/s Infosys Limited, Developer for partial de-notification of 0.0792 hectares from the notified area of the SEZ is recommended for consideration of BoA.

Agenda Item No. 141.11:

Request for conversion of Processing Area into Non-Processing Area under Rule 11(B) [1 proposal – 141.11(i)]

Rule position: **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:

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
2.	Category 'B'	25,000 square meters
3.	Category 'C'	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 in consultation with Department of Revenue has issued Instruction No. 115 dated 09.04.2024 clarifying concerns/queries raised from stakeholders regarding Rule 11B.

- Further, as per the directions of the BoA in its 120th meeting held on 18.06.2024, there shall be a clear certification of Specified Office and the DC that the Developer has refunded the duty as per the provisions of Rule 11B of SEZ Rules, 2006 and Instruction No. 115 dated 09th April, 2024 issued by DoC. Accordingly, DoC vide letter dated 27.06.2024 has issued one such Certificate to be provided by Specified Officer and Countersigned by DC.

- Moreover, in the 122nd meeting of the BoA held on 30th August, 2024, the Board directed all DCs to ensure the implementation of the checklist (formulated by DoC and DoR) for all the cases including the past cases.

141.11(i) Request of the M/s Lulu IT Infrabuild Private Limited (formerly M/s Sands Infrabuild Private Limited), Co-Developer in M/s SmartCity (Kochi) Infrastructure Private Limited, for Demarcation SEZ Processing Built-up area (1,25,643 sq.mtr.) as Non-Processing Area in terms of Rule 11 B of SEZ Rules 2006.

Jurisdictional SEZ: Cochin SEZ (CSEZ)

Facts of the Case:

<table>
<tr><th>Particulars</th><th colspan="3">Details</th></tr>
<tr><td>Name of Developer</td><td colspan="3">M/s SmartCity Kochi Infrastructure Private Limited</td></tr>
<tr><td>Address of SEZ</td><td colspan="3">Block-09, Kakkanad Village, Kanayanoor Taluk, Ernakulam District, Kerala</td></tr>
<tr><td>Sector</td><td colspan="3">IT/ITES</td></tr>
<tr><td>Formal Approval</td><td colspan="3">F.2/74/2006-SEZ dated 21st April 2008</td></tr>
<tr><td>Total Notified land area (in Hectares)</td><td colspan="3">93.91652</td></tr>
<tr><td>Total Built-up area in Processing Area (in M²), in the SEZ</td><td colspan="3">444577.11</td></tr>
<tr><td>Name of the Co-Developer</td><td colspan="3">M/s Lulu IT Infrabuild Private Limited (formerly M/s Sands Infrabuild Private Limited)</td></tr>
<tr><td>Total Built-up area of Co-Developer (in M²)</td><td colspan="3">3,20,923</td></tr>
<tr><td rowspan="6">Details of processing (Built-up) area in the SEZ</td><td>Building /Tower / Block/Plot No.</td><td>No. of floors</td><td>Total built-up area (in M²)</td></tr>
<tr><td>South Tower (Tower-1)</td><td>G+29</td><td>1,01,982</td></tr>
<tr><td>North Tower (Tower 2)</td><td>G+29</td><td>1,01,982</td></tr>
<tr><td>Amenity Block</td><td>G+3</td><td>31,113</td></tr>
<tr><td>Basement Parking and service area</td><td>3</td><td>85,846</td></tr>
<tr><td>Total</td><td></td><td>3,20,923</td></tr>
<tr><td rowspan="4">Total area to be demarcated as Non-Processing Area (NPA) out of Built-up area (in Square meter)</td><td>Building /Tower / Block/Plot No.</td><td>No. of floors</td><td>Total built-up area (in M²)</td></tr>
<tr><td>North Tower (Tower 2)</td><td>G+29</td><td>1,01,982</td></tr>
<tr><td>Basement parking</td><td>B1</td><td>23,661</td></tr>
<tr><td></td><td>Total</td><td>1,25,643</td></tr>
</table>

Balance Built-up Processing Area after demarcation with Co-Developer **(in M²)**	**1,95,280**
Balance Built-up Processing Area after demarcation in SEZ **(in M²)**	**3,18,934.11**
Whether tax/duty calculated has been made as per SEZ Rule 11 (B)(5)?	Yes
Whether the calculation sheet has mentioned the tax or duty benefit originally availed for the built-up space to be demarcated as Non-Processing Area (NPA)?	Yes
If yes, above then whether repayment has been made? Please mention the amount repaid?	The Co-Developer has paid an amount of **₹113,99,96,278/-** (Rupees One hundred thirteen crore ninety nine lakh ninety six thousand two hundred seventy eight only) towards tax/duty exemptions availed for the proposed area to be demarcated as NPA alongwith common facilities. (**₹90,03,60,183/-** for built-up space & **₹23,96,36,095/**- for common infrastructure) (Copy of challans enclosed).
Whether the calculation sheet has included the original duty or tax benefit availed for creation of social or commercial infrastructure and other facility in the SEZ to be used by both SEZ processing and non-processing area?	Yes
Does the common infrastructure mentioned above inter-alia include internal roads, common parking facilities sewerage, drainage, food courts/hubs cafeteria, restaurants, canteen, gymnasium, catering area, health center, community center, club, sports complex compressor room, hospitals, landscapes, gardens, pedestrian walk way, foot over bridge, utilities like generation and distribution of power, including power back up, HVAC facilities, ETP, WTP, solar panel installed, compressor room, air conditioning and chiller plant, etc.	Yes. The Developer has considered the duty/tax exemptions availed attributable to the common infrastructure facilities while calculating the amount paid

If yes, then whether repayment has been made of all tax/duty benefits availed on developing all these facilities? Please mention amount re-paid.	Yes **₹23,96,36,095/-** The Co-Developer has paid ₹23,96,36,095/- towards the duty/tax exemptions availed for the common infrastructure for the proposed area (Challan copy enclosed)
Whether the demarcation is proposed for complete floor as per SEZ Rule 11(B)(3)?	Yes
Whether compliance to SEZ Rule 11 (B)(9) has been made regarding "no tax benefits" shall be available for operation and maintenance of common infrastructure?	Yes
Whether appropriate access control mechanism is in place of screen movement of goods or persons between processing area and non processing area in order to rule out any probable diversion of duty free goods from processing area and non-processing area?	The Co-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.
Whether as a result of the proposed demarcation, the condition of maintaining minimum built-up area requirement in compliance to SEZ Rule 11(B)(7) is adhered to	Yes. The SEZ is coming under Category 'A' City and the minimum built-up area required for Category 'A' is 50,000 sq.mtr. After demarcation of the proposed built-up area, the remaining built-up area in the SEZ shall be 3,18,934.11 sq.mtr., and hence fulfills the condition.
Reason for demarcation of built-up area as NPA	• In spite of substantial investment in developing world-class IT infrastructure, the project has achieved only about 15% occupancy in the SEZ Processing Area till date, leaving nearly 85% of the completed built-up area vacant for a prolonged period. • The low occupancy is primarily due to the introduction of the sunset clause applicable to SEZ units under Income Tax Act and the adoption of hybrid/work-from-home models by the IT industry, which have

	significantly reduced the demand for SEZ office space. • Currently they are receiving enquiries from a large number of Domestic Tariff Area (DTA) units seeking quality office space for setting up of non SEZ IT/ITeS units.
Purpose and usage of such demarcation	To allot the same to non-SEZ units

The following requisite documents have been submitted:

i. Duly filled application in the format prescribed vide Instruction No. 115 dated 09.04.2024, for demarcation of proposed built-up Processing Area into Non-Processing Area and recommendation of DC, CSEZ.
ii. Chartered Engineer Certificate dated 29.05.2026 of Shri Jagdishwran, Chartered Engineer Membership Regd No. M-1796755, towards calculation of taxes / duty to be refunded by the Developer.
iii. 'No Dues Certificate' issued by Specified Officer vide F.No. CSEZ-KLSZ019(B)/2/2024-SEZ Cochin dated 01.07.2026.
iv. Certificate of Specified Officer in prescribed format, confirming refund of duty as per provisions of Rule 11B of SEZ Rules, 2006 and Instruction No. 115 dated 09.04.2024 duly countersignature of DC, CSEZ.
v. Checklist of Rule 11B in prescribed format, duly signed by Specified Officer and DC, CSEZ.
vi. An Undertaking from the SEZ Developer to the effect that they shall pay the differential / short paid / non-paid duty / tax benefits, if so determined at a later date on being demanded by the department or any statutory authority without any demur or protest w.r.t. demarcation of built up area admeasuring 1,25,643 square meters Non Processing area for use by the Non SEZ IT/ITES Units as per Rule 11B of SEZ (Fifth Amendment) Rules, 2023.

Recommendation by DC, CSEZ:

The proposal of M/s Lulu IT Infrabuild Private Limited, the Co-Developer for demarcation of 1,25,643 sq.mtr. processing (built-up) area as Non-Processing Area in terms of Rule 11 B of SEZ Rules.2006 read with Instruction No.115 dated 9th April 2024, is recommended and forwarded for consideration of BoA.

Agenda item no. 141.12:

Industrial License [2 proposals: 141.12(i)-141.12(ii)]

Relevant provision: As per section 9 (e) of the SEZ Act, 2005, the Board has powers and functions of granting, notwithstanding anything contained in the Industries (Development and Regulation) Act, 1951, a license to an industrial undertaking referred to in clause (d) of section 3 of that Act, if such undertaking is established, as a whole or part thereof, or proposed to be established, in a Special Economic Zone.

141.12(i) Proposal of M/s. Imperial Tobacco Company Ltd., a SEZ unit at Visakhapatnam, Andhra Pradesh for Industrial License under IDR Act, 1951.

Brief of the case:

M/s. Imperial Tobacco Company Ltd (SEZ unit under jurisdiction of VSEZ) has requested for manufacturing of Cigarettes with Filter and Non-Filter under IDR Act, 1951.

The location proposed by the unit for manufacturing above items is Visakhapatnam SEZ, Duvvada, Visakhapatnam, Andhra Pradesh-110060.

As per DPIIT's Press Note 3 dated 11.09.2019 (2019 series), following four industries are compulsory licensable under IDR Act, 1951:

I. Cigar and Cigarettes of tobacco and manufactured tobacco substitutes
II. Electronic Aerospace and Defence equipment
III. Industrial Explosives
IV. Hazardous Chemicals

The proposal of the unit was shared with various stakeholder departments for their comments. Comments have been received only from O/o DC, VSEZ which is as below:

Department	Comments
O/o DC, VSEZ	• M/s. Imperial Tobacco Company Limited propose to set up a unit in VSEZ for manufacture of Cigarettes with Filter & Non-Filter covered under compulsory Industrial Licence under the IDR Act, 1951 and BOA is competent to grant Industrial License in respect of SEZ Units. • M/s. Imperial Tobacco Company Limited shall obtain all necessary statutory approvals/clearances required from State and Central Government Departments for setting up of the unit. • The required built-up space and required water is available and will be provided to the unit.
M/o Health & Family Welfare	Licensure of cigarettes and other tobacco products does not fall under the mandate of the National Tobacco Control Programme(NTCP), the COTPA 2003 and PECA 2019 Act. Therefore, the information in respect of NTCP may be treated as Nil

Comments from all the other stakeholders i.e. M/o Corporate Affairs; M/o EFCC; Security Desk- IS-I, MHA; DPIIT and Industries & Commerce Government of Andhra Pradesh are pending and a reminder in this regard has been sent on 01.07.2026.

141.12(ii) Proposal of M/s. GMR Air Cargo and Aerospace Engineering Limited, a SEZ unit at Rangareddy, Telangana for Industrial License under IDR Act, 1951.

Application of M/s. GMR Air Cargo and Aerospace Engineering Limited received from VSEZ seeking Industrial License for the integration of defence equipment and products in aircraft such as "Aircraft - related works for Assembly/Integration of Radar and Electronic Warfare (EW) Systems and MRO related Services for Military Aircraft."

Location of the Factory for proposed activities is Plot No.1 GMR Hyderabad Aviation SEZ Ltd., GMR Aerospace Parks, Rajiv Gandhi International Airport Complex, Shamshabad, Hyderabad, Rangareddy, Telangana – 500108.

It may kindly be noted that As per DPIIT's Press Note 3 dated 11.09.2019 (2019 series), following four industries are compulsory licensable under IDR Act, 1951:

I. Cigar and Cigarettes of tobacco and manufactured tobacco substitutes

II. Electronic Aerospace and Defence equipment

III. Industrial Explosives

IV. Hazardous Chemicals

Also, as per Annexure-I of DPIIT's Press Note 1 (2019 series) dated 01.01.2019; it appears that the above items for which Industrial license has been sought are compulsorily licensable under IDR Act, 1951.

Accordingly, the proposal of the unit was shared with various departments vide O.M. dated 01.04.2026 and Letter dated 01.04.2026. In this regard, comments have been received from Arms Section-MHA, M/o EFCC, Security Desk- IS-I, MHA and O/o DC, VSEZ which have been received as under:

S.N.	Ministries/Departments	Comments
1.	IS-I Division (Arms Section)-MHA	Vide OM dated 13.04.2026, Arms Section-MHA has offered **No Comments** as the subject items do not fall under the category of small arms and ammunitions as per the Arms Act, 1959 & the Arms Rules, 2016.
2.	M/o EF&CC	Vide OM dated 26.04.2026, M/o EF&CC has conveyed that the project proponent shall obtain all requisite permissions/clearances, as applicable, under the relevant Environmental and Forest legislations in force, including but not limited to Environment (Protection) Act, 1986; Forest (Conservation) Act, 1980: Wildlife (Protection) Act, 1972; Air (Prevention and Control of Pollution) Act, 1981; the Water (Prevention and

		Control of Pollution) Act, 1974; E-Waste (Management) Rules, 2022; the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016; and any other applicable statutory provisions under extant environmental laws/regulations.
3.	O/o DC, VSEZ	Vide letter dated 29.04.2026, VSEZ has conveyed their comments as summarized below: "The request of M/s. GMR Air Cargo and Aerospace Engineering Ltd., Hyderabad, for grant of Industrial License under the IDR Act, 1951, to undertake integration of defence equipment and products in aircraft, specifically assembly/integration of Radar and Electronic Warfare systems and MRO-related services for military aircraft arises in the context of M/s. Astra Microwave Products Ltd., a DTA unit participating in a DRDO tender, which lacks the hanger facility and requisite expertise to carry out installation and integration of Electronic Radar Warfare Systems on defence aircraft. Consequently, Astra intends to engage GMR (SEZ unit) as a consortium partner to provide hanger facilities and technical support for the said activity. It is observed that the contractual arrangement for installation, integration, and testing of the Electronic Warfare Radar System will be between the Ministry of Defence and Astra Microwave Products Ltd. The SEZ unit, GMR, would merely provide infrastructural support and expertise to Astra, raising service invoices accordingly. Since the activity does not involve export, but rather provision of services to a domestic client, it does not fall under Rule 43 of SEZ Rules, 2006, nor is it an authorized activity for SEZ units. The proposal is therefore construed as reverse job work for a DTA unit, without export linkage, and hence not covered under the permissible activities of SEZ units."
4.	IS-I Division (Security Desk)- MHA	Vide OM dated 21.05.2026, Security Desk-MHA **enquired about the online status of the application on DPIIT Portal.** From the context of the OM, it appeared that MHA may have mistaken the application from DoC as an application from DPIIT and hence have enquired

		about the online status of the application on DPIIT Portal. However, it is clarified that DoC as of now receives IL applications offline and further processes it. Accordingly, vide email dated 16.06.2026 Security Desk-MHA has been requested to furnish inputs/comments on the instant proposal already sent.

Responses from M/o Corporate Affairs; Security Desk- IS-I, MHA; DoDP; DPIIT; M/o Civil Aviation and Industries and Commerce Government of Telengana are awaited.

Agenda Item No. 141.13:

Miscellaneous [4 proposals – 141.13 (i) – 141.3(iv)]

141.13(i) Proposal of M/s Hanung Toys & Textiles Limited Plot No. 108, 109, 110, 111 & 125, NSEZ for Revival / Renewal and modification of LOA ursuant to NCLT Order dated 28/02/2024

Jurisdictional SEZ: Noida SEZ

Facts of the Case:

M/s. Hanung Toys & Textiles Limited was granted LOA No.08/08/90-NEPZ Dated 10.05.1990, as amended time-to-time, for manufacturing & export of "1) Toys of all kinds including Stuffed Toys, Bags, Powder, Puffs, Textile Fabric Sleeper, Furnishings & Made Ups, Rugs and Sleeping Bags; 2) Steel Frame Chair; 3) Trading Activities; 4) Apron, Pot Holder and Woven Mit". Unit commenced the production on 15/01/1991. The LOA was valid upto 31/03/2021 and as per the available records at NSEZ, the unit is not doing any export activities since 2016. Unit was allotted Plot No. 108, 109, 110, 111 & 125, NSEZ.

M/s. Hanung Toys & Textiles Ltd. was undergoing Corporate Insolvency Resolution Process (CIRP) under the Insolvency & Bankruptcy Code, 2016 (IBC). The Hon'ble NCLT, New Delhi Bench, vide its order dated 28.02.2024, approved the Resolution Plan submitted by M/s Cyfuture India Pvt. Ltd.

<u>Brief facts of the case:</u>

M/s Hanung Toys & Textiles Ltd. was admitted to Corporate Insolvency Resolution Process (CIRP) under the Insolvency & Bankruptcy Code, 2016 by order of Hon'ble NCLT, New Delhi. The CIRP was initiated vide order dated 28.03.2019 and remained under moratorium. The process was delayed due to stay, which was later vacated by Hon'ble Supreme Court in July 2022, and CIRP was revived on 09.09.2022. Subsequently, Hon'ble High Court, Delhi directed handing over of the unit to the Resolution Professional.

The Resolution Plan submitted by M/s Cyfuture India Pvt. Ltd. was approved by Hon'ble NCLT vide order dated 28.02.2024. Accordingly, directions were issued for handing over of records, premises and assets to the successful resolution applicant. It was intimated that the approved Resolution Plan is binding on all stakeholders.

<u>Request for Renewal</u>

The unit has applied for renewal of the existing LOA for the aforementioned plots to enable lawful continuation of operations under NSEZ regulations. The unit has confirmed that all NSEZ dues and obligations as per the approved Resolution Plan and NCLT directives have been discharged.

<u>Modification of Authorized Operations</u>

The unit has stated that erstwhile operations of manufacturing stuffed soft toys are proposed to be lawfully substituted with IT and IT Enabled Services (ITES), consistent with their core business activities. The unit has requested for amendment in authorised operation in LOA as following:

> **DGFT Service Codes**: <u>83131-IT Consulting Services; 83132-IT Support Services, 83142 - IT design and development services for networks and systems, 83159 - Other hosting and IT infrastructure provisioning services, 8316 - IT infrastructure and network management services</u>

<u>Clearance of Legacy Scrap Material</u>

The unit has stated that before commencing fresh operations, they may be granted permission to remove all legacy scrap and waste materials lying at the premises, including iron scrap, cloth remnants, stuffed toys, and other unusable raw material waste. The unit has undertaken that such removal will be carried out strictly in compliance with SEZ rules and with prior coordination with NSEZ authorities.

<u>Background of Promoters and Company</u>: M/s. Cyfuture India Pvt. Ltd. have an existing unit in NSEZ having LOA No. 03/08/2007-Proj/5973 dated 28/09/2007 for undertaking "1) BPO- International Call Centre, Back Office Services. IT Services – Software + Internet Marketing Services; & 2) Services: - i) Data center Services ii) Web hosting iii) Cloud Computing". The unit had been allotted Plot No. 152, 197-198, SDF No. G-13&14 in NSEZ. The unit had commence operation w.e.f. 15/04/2008 and LOA has been renewed upto 14/04/2028.

The unit has submitted manual Form-F1, duly singed by Sh. Munish Mahajan, Director of M/s. Hanung Toys & Textiles Limited. Details related to unit and its proposal, are as under:

1	Name and address	:	Hanung Toys & Textiles Limited Plot No. 108, 109, 110, 111 & 125, NSEZ
2	LOA No. and Dated Date of Production LOA Validity	:	LOA No. 08/08/90-NEPZ dated 10.05.1990 15/01/1991 31/03/2021
3	Operation:		
	Existing (as per NSEZ records)	**:**	**Proposed for renewed period**
	<u>Manufacturing of:</u> 1) Toys of all kinds including Stuffed Toys, Bags, Powder, Puffs, Textile Fabric Sleeper,	:	i. Information Technology / IT-Enabled Services (IT/ITES) including BPO, Technical support, Software development, testing and related IT services, Remote infrastructure Services (CPC – 83131, 83132, 83142, 83159, 8316)

	Furnishings & Made Ups, Rugs and Sleeping Bags; 2) Steel Frame Chair; 3) Trading Activities; 4) Apron, Pot Holder and Woven Mitt.	ii. Trading of Textiles.

4 **Investment in Capital Goods (in Rs. Lakhs)**

	Existing	Proposed
(Indigenous	NA	**15000.00**
(Import)	NA	**300.00**

11 **Investment in Raw Material (in Rs. Lakhs)**

	Existing	Proposed
(Indigenous)	NA	**1000.00**
आयात (Import)	NA	**1000.00**

12 **Input in Services (in Rs. Lakhs)**

	Existing	Proposed
(Indigenous)	NA	**500.00**
(Import)	NA	**200.00**

13 **Employment**

	Existing	Proposed
(Men)	NA	**500**
(Women)	NA	**200**

14 **(FOREX Balance Sheet proposed for next block)** (in Rs. Lakhs):

क्रम सं.	मद	पहला	दूसरा	तीसरा	चौथा	पांचवा	कुल
1	पहले पांच वर्षों के निर्यात का पोत पर्यंत मूल्य	2000	3500	4500	6000	7500	23500
2	पहले पांच वर्षों के लिए विदेशी मुद्रा बहिर्गमन	10000	5000	1500	1500	2500	20500
3	शुद्ध विदेशी मुद्रा उपार्जन पहले पांच वर्षों (1-2) के लिए	(-)8000	(-)1500	3000	4500	5000	3000

In Project Report the unit has mentioned that *'In line with the resolution conditions and to minimize waste, they will continue the export trading of existing toys and* *textiles inventory inherited from Hanung Toys & Textiles Limited (HTTL). No new manufacturing of toys / textiles is planned at the unit, only trading / export of existing stock is to continue, leveraging HTTL's past export markets one last time.'*

The procedure for revival of sick units have been prescribed under Rule 72 of SEZ Rules, 2006, which provides as under:

> *(1) A unit which has been declared sick by the appropriate authority shall submit revival package through Development Commissioner to Board for consideration and the Board shall consider the extension in the period for fulfillment of Positive Net Foreign Exchange for a further period up to a maximum of five years at the prevalent norms.*
>
> *(2) On extension of the period, unutilized raw material and imported or domestically procured capital goods shall be allowed to be carried forward at their original value and the Bond-cum-Legal Undertaking executed by the unit shall be revised accordingly;*
>
> *(3) In case a new entity is willing to take over all the assets and liabilities of a sick Unit, transfer of such assets and liabilities as provided under sub-rule (1) shall be considered by the Board.*
>
> *(4) Where a Unit is granted extension of period for fulfilment of Positive Net Foreign Exchange Earning under sub-rule (1), the space would continue to be in its possession.*
>
> *(5) Where a Unit is taken over by another unit, the liability shall pass on to the new unit which is taking over the sick unit.*

NSEZ Customs had requested for legal opinion regarding disposal of unusable fabric material lying in the units of HTTL. In this regard vide note#15 above, YP-L had opined that "*no decision may be taken on the request of M/s Cyfuture India Pvt. Ltd. for disposal of the unusable fabric at this stage. Further action may be considered only after final disposal of the pending matter before the Hon'ble NCLT and upon settlement of outstanding dues, as may be applicable*."

Estate Management Division, NSEZ has provided its comments as under:

"**Brief details in the matter of M/s Hanung Toys & Textiles Ltd.**

I. BACKGROUND

1. M/s Hanung Toys & Textiles Ltd. was admitted to Corporate Insolvency Resolution Process (CIRP) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) in C.P. No. IB-953/PB/2018 before Hon'ble NCLT, New Delhi Bench-VI.

2. The Resolution Plan was approved by Hon'ble NCLT vide order dated 28.02.2024.

3. As per approved plan, the admitted claim of NSEZ was ₹37,06,226/- against which ₹13,922/- (i.e. 0.56%) was disbursed.

4. Thereafter, the unit voluntarily deposited an additional amount of ₹42,11,945/- via three demand drafts dated 26.04.2024, towards dues for CIRP period and advance lease rent up to March 2025.

5. On 26.07.2024, the unit requested renewal of LOA, submitting that all prior dues have been settled.

II. INTERLOCUTORY APPLICATION BEFORE NCLT

The Corporate Debtor, M/s Hanung Toys & Textiles Ltd., has filed an Interlocutory Application under Section 60(5) of IBC, 2016 before the Hon'ble NCLT, New Delhi, challenging the demands raised by NSEZ vide letters dated 06.11.2024 and 21.01.2025 for payment of transfer charges in connection with renewal of the Letter of Approval (LOA). The Applicant has submitted that after approval of its Resolution Plan by NCLT on 28.02.2024, all pre-CIRP dues stand settled as per Section 31 of IBC, and that the payment of transfer charges does not arise since there has been no transfer of ownership or allotment under SEZ laws. The Applicant has argued that change in management due to resolution plan implementation cannot be equated to a transfer attracting transfer charges under SEZ norms.

Further, the Applicant has contended that the levy of transfer charges post-resolution violates the binding effect of the Resolution Plan under IBC, especially in light of the overriding provisions of Section 238 of IBC. The Applicant has relied upon Supreme Court judgments which clarify those statutory demands not forming part of the approved resolution plan cannot be raised subsequently by government authorities, including SEZ authorities. Accordingly, the Applicant has prayed for setting aside the impugned demand letters and sought directions restraining NSEZ from raising any claim towards transfer charges for renewal of LOA.

III. LEGAL ANALYSIS

Transfer Charges — Whether applicable

- **Policy of transfer charges:-**

i. Transfer charges @ Rs. 550/- or 1000/- per sq. mt is applicable in case of transfer of building constructed at plot. i.e. Transfer under Rule 74A etc.

ii. Further transfer charges are also applicable in case change in partnership or change in ownership or change in shareholding more than 50% as per NSEZ Authority internal decision taken in meetings.

- In the present case:
    - SEZ being a facilitation-driven regime, any strict interpretation imposing transfer charges upon a revived unit may frustrate the legislative objective under Sections 5 of the SEZ Act, 2005.

- Additionally, the voluntary payment of past CIRP-period dues by the unit strengthens the equity principle that NSEZ should adopt a revival-friendly approach consistent with SEZ Act/Rules.

- The Hon'ble Supreme Court in ***Noida Special Economic Zone Authority vs. Manish Agarwal & Ors. (Civil Appeal Nos. 5918-5919 of 2022)*** observed that:

  - The Supreme Court in Noida Special Economic Zone Authority vs. Manish Agarwal & Ors. (Civil Appeal Nos. 5918-5919 of 2022) upheld the orders of the NCLT and NCLAT approving the Resolution Plan under the Insolvency and Bankruptcy Code (IBC), 2016. The appeal by NOIDA SEZ Authority was based on several grievances, notably the acceptance of only ₹50 lakhs against its admitted operational claim of ₹6.29 crores, exclusion from auction proceedings, and concerns regarding exemption clauses that allegedly contravened SEZ Rules. The Court dismissed these arguments, affirming that the valuation was done as per norms, the RP followed due process, and the Committee of Creditors (CoC) acted within its commercial wisdom, which is non-justiciable unless violative of IBC provisions.

  - The Court emphasized the overriding effect of IBC (Section 238) over other laws, rejecting claims of SEZ rule supremacy. It ruled that once the resolution plan is approved and implemented as was the case here with the disbursement of dues and acceptance by NOIDA SEZ — courts cannot re-open settled matters. Relying on precedents such as Essar Steel, Maharashtra Seamless, and Ghanashyam Mishra, the bench concluded that statutory dues not part of the resolution plan stand extinguished and dismissed the appeals as meritless, reinforcing the finality and supremacy of approved resolution plans under IBC.

- **The decision in the Review Petition:** The Supreme Court of India, in its order dated 6th May 2025, dismissed the Review Petition (C) Diary No. 4102/2025 filed by the Noida Special Economic Zone Authority against Manish Agarwal & Ors. in Civil Appeal Nos. 5918–5919 of 2022. The Court, comprising Hon'ble Mr. Justice Abhay S. Oka and Hon'ble Mr. Justice Augustine George Masih, condoned the delay in filing the review petition but found no error apparent on the face of the record in its earlier judgment dated 5th November 2024. Consequently, the review petitions were dismissed, thereby affirming the finality of the earlier decision.

IV. LEGAL OPINION

In view of above:

1. **Transfer Charges/ Lease rent and Renewal of LOA:**

   - NSEZ may reconsider the transfer charges in light of the recent order of the Hon'ble Supreme Court wherein claims of NSEZ Authority i.e. Lease rent and transfer charges not considered.

   - Lease rent may be recalculated considering the previous proposal submitted by the unit, wherein they offered a total amount of ₹42,11,945/-.

- This approach is fully supported by *Noida Special Economic Zone Authority vs. Manish Agarwal & Ors.* and promotes revival of SEZ units.
- Upon payment of the same, LOA renewal may be processed.

2. **I.A. before NCLT:**
   - The above-mentioned process may be initiated only after submission of an undertaking from M/s Hanung Toys stating that they will withdraw their pending I.A. before the Hon'ble NCLT upon receipt of confirmation.

3. **UAC Approval:**
   - The matter may be placed before UAC for appropriate decision on LOA renewal, post receipt of lease rent and completion of other formalities.

The above approach balances legal rights of NSEZ under SEZ Act, 2005, is consistent with Supreme Court judgments, particularly *Noida Special Economic Zone Authority vs. Manish Agarwal & Ors.*, and facilitates the larger policy objective of export promotion through revival of sick SEZ units.

V. Vide NSEZ letter dated 24.06.2025, it was informed to unit that the Competent Authority of NSEZ has accepted their request for payment of 42,11,945/- against the outstanding dues, subject to the submission of an undertaking stating that you will withdraw the pending I.A. before the Hon'ble NCLT. In view of the above, unit was requested to deposit the total amount of 42,11,945/-, which includes lease rent up to March 2025, along with the aforementioned undertaking. It was further clarified that unit shall also be liable to pay lease rent dues accruing from April 2025 onwards i.e. 281427/-.

VI. M/s Hanung Toys & Textiles Ltd. in reply to NSEZ letter dated 24.06.2025 vide their letter dated 24.06.2025 has submitted as under:-

i. *Full and Final Settlement: We agree to pay an amount of 42,11,945/- (Rupees Forty-Two Lakh Eleven Thousand Nine Hundred Forty-Five only) towards full and final settlement of all dues payable to NSEZ in respect of Plot Nos. 108, 109, 110, 111, and 125.*

ii. *Inclusive Charges: This amount is inclusive of lease rent, transfer charges, development charges, penalties or any other charges, whatsoever, due and payable by us up to 31st March 2025.*

iii. *No Further Demands: Upon receipt of the aforesaid payment, NSEZ shall not raise any further demand, financial or otherwise, in the present or future, against the above-mentioned plots in relation to any dues accrued till 31st March 2025.*

iv. *LOA and Lease Deed: Upon payment of the above amount, NSEZ shall process and approve the Letter of Approval (LOA) in our favour and shall facilitate the execution of the Lease Deed with respect to the said plots without any further delay or hindrance.*

v. *Withdrawal of Legal Proceedings: Based on the above undertakings and assurances that there are no other outstanding dues as on 31st March 2025, we shall proceed to withdraw our Interlocutory Application (IA) filed before the Hon'ble NCLT in this regard.*

Unit has also make the payment of Rs. 33,31,945/- however Rs. 8,80,000/-is still pending."

The unit, earlier a sick unit and under investigation by CBI with records in its custody, has now applied for renewal of LOA and amendment in authorised operations. It has been proposed that operations be shifted from manufacturing of toys and textiles to IT/ITES services including IT consulting, support, network design, hosting and infrastructure services. Permission for disposal of old scrap and waste has also been sought.

A detailed revival plan has been submitted wherein transformation of the unit into an AI-enabled IT and data centre hub has been proposed. Establishment of AI-as-a-Service platforms and cloud data centres has been envisaged. Investment of approx. ₹2800 lakhs and employment generation of about 500 persons have been proposed. Export of existing stock has been proposed as a transitional activity. Project vision & scope has been given as under:

(i) **Operation of AI-as-a-Service Platforms** - The unit will host advanced AI-as-a-Service (AIaaS) platforms, offering on-demand artificial intelligence solutions to clients worldwide. This includes setting up GPU-driven compute clusters and AI development sandboxes in the data center. Services will range from machine learning model training and hosting, to AI-based analytics and cognitive services accessible via API.

- The AI platforms will target export markets (North America, Europe, APAC), delivering services such as natural language processing, image recognition, data analytics, and AI-driven process automation as subscription or usage-based offerings. This aligns with market trends - the global AIaaS market is projected to grow from ~$20.3 billion in 2025 to over $91 billion by 2030 (35%+ CAGR) -and positions the unit to tap into this high-growth sector.

(ii) **Establishment and Operation of Cloud Data Centres**: A core component of the project is the establishment of modern cloud data center facilities on-site. The existing industrial buildings will be retrofitted or rebuilt to house server farms with redundant power, cooling, security, and high-speed connectivity. HTTL plans to deploy a Tier-III equivalent data center initially, with ~1.5-2 MW IT load capacity in Phase 1, scaling up in later phases. This data center will support HTTL's own cloud offerings (laaS, PaaS, SaaS) as well as co-location and managed hosting for clients. It will serve both the AI platforms and external cloud hosting customers. The data center will adhere to global standards and leverage green, efficient technologies (like virtualization, modular UPS, solar power augmentation).

(iii) **Proposed authorized operations**:

(a) Information Technology / IT-Enabled Services (IT/ITES) including BPO, Technical support, Software development, testing, and related IT services, Remote infrastructure Services (CPC – 83131, 83132, 83142, 83159, 8316)

(b) Apart from the above authorized operations, they will export old stocks of toys and textile inventory present in the unit premises. This trading activity will be a transitional and subsidiary scope - it will use the existing HTTL export relationships and licenses to sell off the stock over the initial project years. No new manufacturing of toys/textiles is planned at the unit.

(v) **Investment**: The unit has proposed to invest approx. Rs. 1800 Lakhs (*Rs. 1500 Lakhs in indigenous capital goods + Rs. 300 Lakhs in imported capital goods*). The major capital goods/ machineires will include "Server & Storage Hardware, Networking equipment, power and cooling systems, Office IT and Furnishings, Software & Platforms" etc. In addition to the capital goods, they have also proposed to invest Rs. 1000 Lakhs in raw materials (indigenous) i.e. consumables and inventory like data center spare parts, cables, existing toys & textile inventories etc.

(vi) **Employment**: Unit has proposed an employment target of 500 persons (Men-300 + Women-200) when fully operational .

The Approval Committee in its meeting dated 22.09.2025 had recommended renewal/revival of LOA, amendment in authorised operations and lease renewal under SEZ Rules, 2006. It has also been decided that trading of textiles shall be restricted to clearance of old stock. Thereafter the proposal for revival of Sick Unit was placed in 134th consideration of BOA for revival/renewal of LOA, amendment in authorised operations and renewal of lease deed under Rule 72 of SEZ Rules, 2006.

Rule Position:

The procedure for revival of sick units have been prescribed under Rule 72 of SEZ Rules, 2006, which provides as under:

(1) A unit which has been declared sick by the appropriate authority shall submit revival package through Development Commissioner to Board for consideration and the Board shall consider the extension in the period for fulfillment of Positive Net Foreign Exchange for a further period up to a maximum of five years at the prevalent norms.

(2) On extension of the period, unutilized raw material and imported or domestically procured capital goods shall be allowed to be carried forward at

their original value and the Bond-cum-Legal Undertaking executed by the unit shall be revised accordingly;

(3) In case a new entity is willing to take over all the assets and liabilities of a sick Unit, transfer of such assets and liabilities as provided under sub-rule (1) shall be considered by the Board.

(4) Where a Unit is granted extension of period for fulfilment of Positive Net Foreign Exchange Earning under sub-rule (1), the space would continue to be in its possession.

(5) Where a Unit is taken over by another unit, the liability shall pass on to the new unit which is taking over the sick unit.

Decision in 134th meeting of BoA:

The matter was placed in 134th meeting of BoA for SEZs held on 20.11.2025 & 26.11.2025, the decision of BoA is as under:

> "*The Board, took note of comments of DGEP and after due deliberations, deferred the proposal for the next meeting of BoA. The Board further directed the concerned DC to examine the tenability of the proposal since there is an ongoing CBI Investigation and requirement of clearance from CBI. The Board also instructed that flow of payment made in this transaction needs to be ascertained*"

Clarification i.r.o. of BoA Decision regarding the flow of funds and CBI Investigation:

Now, NSEZ, vide letter dated 10.04.2026, has informed that Shri Ashok Kumar Gupta, erstwhile Resolution Professional of M/s Hanung Toys & Textiles Ltd, vide letter received on 08.01.2026 , has submitted following to clarify the flow of funds and payment details:

> ***"1. Approval and Binding Effect of Resolution Plan:***
>
> *The approved Resolution Plan is binding on all stakeholders, including all government authorities, in accordance with Section 31 of the IBC. Further, in terms of Section 238 of the IBC, the provisions of the IBC override all other laws, rules, regulations, and instruments to the extent of any inconsistency.*
>
> ***2. Total inflow & Settlement of Dues:***
>
> *M/s Cyfuture, being the Successful Resolution Applicant ("SRA"), has made payments aggregating to **Rs. 78.15 crores** by June 2024 (prior to the scheduled timelines of October 2024) towards full and final settlement of dues of all creditors, including Financial Creditors, Operational Creditors, and Government Authorities etc. in accordance with the approved Resolution Plan.*

Particulars/Months	***Inflow (Rs.)***
10% of Plan amount Feb 2024	*7,82,00,000*
Mar-24	*2,00,00,000*
Apr-24	*4,50,00,000*
May-24	*1,00,00,000*
Jun-24	*62,83,00,000*
10% adjusted	
Total inflow	***78,15,00,000***

3. Clean Slate / Clean Chit Principle:

*The acquisition of HTTL by the Successful Resolution Applicant ("SRA") has been carried out on a **"clean slate" basis**, in accordance with the law laid down by the Hon'ble Supreme Court in **Ghanashyam Mishra and Sons Private Limited v. Edelweiss Asset Reconstruction Company Limited**, wherein it has been unequivocally held that upon approval of a Resolution Plan under Section 31 of the Insolvency and Bankruptcy Code, 2016, **all claims and liabilities of the Corporate Debtor which are not part of the approved Resolution Plan stand permanently extinguished.***

*4. Accordingly, all past dues, liabilities, claims, demands, proceedings, and encumbrances relating to the period prior to the effective date, including those of statutory and governmental authorities, stand fully and finally settled in terms of the approved Resolution Plan. The existing assets of the Corporate Debtor continue to vest with the Corporate Debtor **free from any past liabilities, claims, charges, or encumbrances**, except to the extent expressly provided for under the Resolution Plan.*

5. Immunity under Section 32A of IBC:

In terms of Section 32A of the IBC, the Successful Resolution Applicant enjoys immunity from any pending criminal proceedings against the erstwhile management and is not liable for any acts or omissions of the previous promoters or management. The SRA may assist authorities with records, if any are available with it.

6. Right to Revival and Continuity of Business:

The new management is fully entitled to revive the Company, including renewal of licenses, leases, registrations, and other statutory approvals, in *line with the fundamental objective of the IBC, which is revival of the Corporate Debtor and maximization of economic value.*

7. Handover of Management:

The Resolution Professional has duly handed over the management, control, and available records of the Corporate Debtor to the Resolution Applicant in accordance with the directions of the Hon'ble NCLT."

Resolution Professional has further stated that this submission is made solely to clarify the flow of funds and payment aspects as sought by NSEZ office.

Further, Shri Ashok Kumar Gupta, Erstwhile RP has stated that full amount of Rs. 78.15 crores were made and distributed as per pay out proposed under approved Resolution Plan, except Rs. 55 Lakhs of EPF for technical issues, against which application filed by SRA for directions, however had provided 100% Financial Guarantee of Bank.

Further, in reply to NSEZ letter dated 03.12.2025 & 21.01.2026, Superintendent of Police, CBI AC-III, New Delhi vide letter dated 02.03.2026 has informed as following:

"2. In this regard, it is mentioned that the subject case was registered by CBI on 11.08.2020 u/s 120-B r/w 420, 468 & 471 of IPC and Section 13 (2) r/w 13 (1) d of PC Act, 1988 on the basis of complaint lodged by Punjab National Bank on behalf of consortium of 12 banks led by PNB against M/s Hanung Toys & Textiles Ltd and others, for causing loss to the tune of Rs. 2040.63 crores to the consortium of 12 banks.

3. The case is presently under investigation.

4. <u>With regard to the proposal for revival of Letter of Authority(LOA) along with change in activities and change in promoters/shareholders pursuant to the NCLT Order dated 28.02.2024, it is to mention that the order of the NCLT dt. 28.02.2024 does not have any bearing on investigation carried out by CBI</u>.

5. It is to further mention that:

(i) <u>The criminal liability, if any, arising out of the acts/omissions committed prior to liquidation/restructuring shall be subject to the outcome of investigation and subsequent legal proceedings</u>.

(ii) It may be ensured that records, books of accounts, electronic data, and other relevant documents are preserved and made available to the CBI as and when required.

(iii) <u>Any change in management/promoters pursuant to NCLT proceedings does not ipso facto extinguish criminal liability of the persons involved in the alleged offences</u>.

6. It is further mentioned that at this stage, no specific comments are being offered on the commercial viability or policy aspects of the proposal."

<u>NSEZ Request for Consideration in 139th meeting of BoA:</u>

NSEZ vide letter dated 10.04.2026 has informed that it has examined the matter as per directions of BoA and observed that payments under the approved Resolution Plan have largely been made by the SRA. Further, CBI has not raised any specific objection to consideration of the proposal for revival/renewal and modification of LOA, while stating that investigation against the erstwhile management will continue and relevant records shall be preserved.

Accordingly, the case for revival/renewal of LOA, amendment in authorized operations, and renewal of lease deed of M/s Hanung Toys & Textiles Ltd. has been forwarded for consideration of the Board of Approval under Rule 72 of SEZ Rules, 2006.

Decision of 139th meeting of BoA

The proposal was also considered in the 139th meeting of BoA for SEZ held on 11.05.206, wherein , the Board observed that the proposal of M/s Hanung Toys & Textiles Ltd. for revival/renewal of LOA and amendment in authorised operations may not be considered at this stage, on account of pendency of serious CBI investigation, substantial losses suffered by Public financial institutions and need for exercise of heightened scrutiny in view of the facts. Accordingly, the Board **<u>rejected</u>** the proposal of M/s Hanung Toys & Textiles Limited for Revival / Renewal and modification of LOA.

Representation of Unit against decision of BoA

Now, subsequent to the decision of BoA in its 139th meeting, M/s Hanung Toys & Textiles Limited has submitted representation and stated that the observation recorded in the BoA minutes regarding common directors between the erstwhile and present management is factually incorrect. It has been stated that the company underwent Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016, and pursuant to the Resolution Plan approved by the Hon'ble NCLT in February 2024, the management was taken over by M/s Cyfuture India Private Limited. The present directors were appointed thereafter and have no association with the erstwhile management.

In light of the representation of Unit, DoC vide OM dated 03.07.2026 request DGEP for their comment in light of their observation at the meeting of 139th BoA and vide letter dated 03.07.2026 requested NSEZ for verifying factual assertions made in the representation in light of DGEP observation at 139 he BOA meeting.

141.13(ii) Proposal of M/s Reliance Industries Ltd., a DTA unit in Dahej for ROU permission for construction of Electricity Tower from DGEN to RIL passing through the Dahej SEZ - reg.

Jurisdictional SEZ- Dahej SEZ

Fact of the Case.

Dahej Manufacturing Division (DMD) of Reliance Industries Limited is manufacturing various petrochemicals and downstream products viz. ethylene, propylene, PTA, PET, PVC etc.

Brief facts of the case are as under: -

M/s Reliance Industries Ltd., a DTA unit in Dahej vide letter No. RIL/CAD-DMD/2025-26/261 dated 19.02.2026 had requested this office for ROU permission for construction of Electricity Tower from DGEN to RIL passing through the Dahej SEZ. They have also submitted the route map showing the proposed construction of towers in the premises of Dahej SEZ. They had received the permission from the CEO, DSL vide letter dated 04.06.2025. the contents of their letter dated 19.02.2026 are placed below: -

"Reliance Industries Limited (RIL) has fully integrated Petrochemical Complex at PCPIR-Dahej having various continuous process plants inclg. Captive Power Plants (-270 MW) at GIDC, Dahej. We have also initiated Development Activity for our major expansion projects of Rs. 33,000+ Crs. at Dahej

As a part of said Expansion Project, RIL is developing Central Transmission Utility (CTU) connectivity for its 600 MW captive power requirement at Dahej Manufacturing Division (DMD). The DGEN in Dahej SEZ is already connected to National Grid via the existing 400 kV Transmission line at Navsari substation. The existing DGEN transmission line infrastructure is presently used to transmit the Power to/from Navsari station which can also be used to transmit the power from Navsari (ISTS) station to RIL's DMD plant through Line In Line Out (LILO).

The proposed Central Transmission Utility connectivity from DGEN to RIL-DMD i.e. Plot# 1 in Dahej Ind. Estate passes through Dahej SEZ area. Hence, we have obtained RoU permission from Dahej SEZ Limited as per the attached route vide above referred letter dt.06.06.2025.

In light of the above, we request your expeditious approval for construction of CTU Connectivity Towers in the approved RoU area within the limit of Dahej SEZ area and oblige".

The 137th Approval Committee held on 17.03.2026 after detailed discussion unanimously decided to forward the proposal of the firm to the BoA for further consideration and suitable decision in this matter. The office of the Development Commissioner, Dahej SEZ shall forward the request of the firm subject to submission of notarized undertakings by the DTA unit.

Further, as per the directions of 137th Approval Committee, M/s. RIL (DTA) unit has also submitted notarized undertakings clearly stating that: -

1. M/s Reliance Industries Ltd. will not avail any duty benefits/exemption on raw materials used in this construction, which are applicable to SEZ units.

2. M/s Reliance Industries Ltd. will not sale electricity to any unit located within the SEZ.

The firm vide letter dated 08.07.2026 has submitted an undertaking stating that they will not cause any hindrance to SEZ units, solely responsible for damage to any infrastructure of SEZ and will not avail any duty benefits.

Recommendation by DC, Dahej SEZ:

The proposal of M/s Reliance Industries Limited seeking ROU permission for construction of transmission line from DGEN in Dahej SEZ to RIL's DMD plant through Line In Line Out.

M/s Reliance Industries Limited has submitted undertaking stating that they will not avail any duty benefits/exemption on raw materials/components to be used in construction of transmission line.

In view of above, the request of RIL has been recommended by the Development Commissioner, Dahej SEZ for approval of the BoA.

141.13(iii) Request of M/s Reliance Industries Ltd., a DTA unit in Dahej for ROU permission for laying of underground 48" dia Angareshwar-DMD Water pipeline (ADWPL) to RIL passing through Dahej SEZ - reg.

Jurisdictional SEZ- Dahej SEZ

Fact of the Case.

Dahej Manufacturing Division (DMD) of Reliance Industries Limited is manufacturing various petrochemicals and downstream products viz. ethylene, propylene, PTA, PET, PVC etc.

Brief facts of the case are as under: -

M/s Reliance Industries Ltd., a DTA unit in Dahej vide letter No. RIL/CAD-DMD/2026-27/3 dated 02.04.2026 had requested this office for ROU permission for laying of underground 48" dia Angareshwar-DMD Water pipeline (ADWPL) passing through the Dahej SEZ. They have also submitted the route map showing the proposed laying of underground 48" dia Angareshwar-DMD Water pipeline (ADWPL) to RIL, Dahej Industrial Estate passing through the Dahej SEZ. They had received the permission from the CEO, DSL (Developer of Dahej SEZ) vide letter dated 16.03.2026. The contents of their letter dated 02.04.2026 are placed below: -

Reliance Industries Limited (RIL) operates its petrochemical complex within Dahej Industrial Estate. We have also initiated Development Activity for our major expansion projects of Rs. 33,000+ Crs. at Dahej as committed during VG-2022.

RIL-Dahej receives water supply from its Angareshwar Intake thru -68 kms 48" dia pipeline since 1996. Presently, Gujarat State Road Development Corporation (GSRDC) is converting existing State Highway into a 45m wide controlled access Expressway. This will adversely impact the existing pipeline and will endanger plant production safety Hence, we are compelled to change the route of the said pipeline. The new route passes thru-13,050 SqM Dahej-SEZ area.

Hence, we have obtained RoU permission from Dahej SEZ Limited vide above referred attached letter dt.16.03.2026.

In light of above, we request your expeditious approval for Laying of underground 48" dia Angareshwar-DMD Water pipeline (ADWPL) through Dahej-SEZ up to RIL's Plot 1 in Dahej-I Estate and oblige.

The 138th Approval Committee held on 21.04.2026 after detailed discussion unanimously decided to forward the request of the firm to the BoA for further consideration and suitable decision in this matter.

The firm vide letter dated 08.07.2026 has submitted an undertaking stating that they will not cause any hindrance to SEZ units, responsible for damage to any infrastructure of SEZ and will not avail any duty benefits.

Recommendation by DC, Dahej SEZ:

The proposal of M/s Reliance Industries Limited, has sought ROU permission for laying of underground 48" dia Angareshwar-DMD water pipeline has been recommended by the Development Commissioner, Dahej SEZ for approval of the BoA.

141.13(iv) Proposal of M/s. Romsons International (Unit-II) for transfer of LOA dated 05/10/2006 to M/s. Ramsons Group Private Limited through Business Transfer Agreement w.e.f. 01/08/2026 in terms of Memorandum of Understanding dated 25/06/2026 signed between them – Clarification on applicability of transfer changes - reg.

Jurisdictional SEZ: Noida SEZ

Facts of the Case:

M/s. Romsons International (Unit-II) has been granted LOA No. 04/02/2006-Proj/11342 dated 05/10/2006 for setting up of unit in NSEZ for *"(i)* ***Manufacturing of instruments & appliances*** *used in medical, surgical, dental or veterinary sciences (disposable medical devices) (under ITC HS code 9018), Ozone therapy, Oxygen therapy, Aerosol therapy, Artificial respiration other therapeutic or apparatus such as Flexi mask (oxygen Mask), Oxy Set (Oxygen Nasal Cannula), Hi Mask (Hi flow Oxygen Mask), Respirometer (Breathing exerciser) etc. (90192090), (2)* ***Trading*** *of instruments/equipment used for medical, surgical, dental or veterinary purpose (under ITC HS 9018, 9619, 9019), Medical dental surgical or veterinary science (disposable medical devices), Medical dental surgical or veterinary science (Disposable medical devices) (under HS codes 9021100, 94042990, 87139090, 90219090, 90191090, 30059040, 30059060). Components of Medical Goods (90330000) for export & DTA sale, Injecta – Luer Lock Syringe with and without needle (90183100), Romopor (Non-woven Dressing)(30059090), Romoguard (PU Transparent Dressing)(30059090)"*. The unit has been allotted Plot No. 9 (4500 Sqmt), Plot No. 59J(C) (2069 Sqmt.) & Plot No. 148 (3449.19 Sqmt), totaling to 10018.19 Sqmt. land area in NSEZ to carry on their authorized operation. The unit had commenced operation w.e.f. 01/12/2009 and LOA has been renewed upto 30/11/2029.

M/s. Romsons International (Unit-II) vide its letter dated 25/06/2026 (copy attached) has informed that they are manufacturer of Disposable Medical Devices having manufacturing facilities at Plot No. 09, 59(C) & 148. Unit has informed that they are part of their parent company 'Romsons Group' and currently working in the name of Romsons International. The unit has further informed that in line with the business expansion plans of the group, Romsons Group will acquire Romsons International w.e.f. through a Business Transfer Agreement. In order to continue manufacturing / business activities un-interrupted, the unit has requested to allow to amend the name of the company from Romsons International to Romsons Group Private Limited, effective from 01/08/2026.

The details of existing partners of M/s. Romsons International & directors of M/s. Romsons Group Private Limited, are as under:-

Partners of Romsons International	Directors of Romsons Group Private Limited.
1. Mr. Lalit Narain Khanna 2. Mr. Vijay Kumar Khanna 3. Mr. Rakesh Narain Khanna 4. Mr. Saourabh Khanna 5. Mr. Kishore Narain Khanna	1. Mr. Lalit Narain Khanna (DIN: 00107978) 2. Mr. Vijay Kumar Khanna (DIN: 00108067) 3. Mr. Rakesh Narain Khanna (DIN: 00108227) 4. Mr. Saourabh Khanna (DIN: 02453162) 5. Mr. Neeraj Khanna (DIN: 02468814) 6. Mr. Rohit Khanna (DIN: 06507901) 7. Mr. Sahil Khanna (DIN: 06507905) 8. Mr. Mohit Khanna (DIN: 06507908) 9. Mr. Kishore Narain Khanna (DIN: 00108143) 10. Mr. Vikas Khanna (DIN: 09559309) 11. Mr. Atar Singh (DIN: 11499101) 12. Mr. Shivam Khanna(DIN: 09634142)

3. The details of shareholding pattern of M/s. Romsons International & M/s. Romsons Group Private Limited, are as under:-

Profit & Loss Ratio (Shareholding) of M/s. Romsons International		Shareholding pattern after amalgamation/ change of name	
Name of Partner	**% shares**	**Name of shareholder**	**% shares**
Sh. Kishore Narain Khanna	23%	Sh. Kishore Narain Khanna	27.23%
		Sh. Kishore Narain Khanna (HUF)	1.89%
Sh. Saourabh Khanna	21%	Sh. Saourabh Khanna	0.84%
		Sh. Sahil Khanna	2.23%
		Smt. Manju Khanna	0.63%
Sh. Lalit Narain Khanna	23%	Sh. Lalit Narain Khanna	27.44%

		Sh. Lalit Narain Khanna (HUF)	1.89%
		Sh. Rohit Khanna	0.80%
		Sh. Mohit Khanna	0.80%
		Smt. Reeta Khanna	0.16%
Sh. Rakesh Narain Khanna	23%	Sh. Rakesh Narain Khanna	27.68%
		Sh. Rakesh Narain Khanna (HUF)	1.89%
		Sh. Shivam Khanna	1.28%
		Smt. Simi Khanna	0.24%
Sh. Vijay Kumar Khanna	10%	Sh. Vijay Kumar Khanna	1.14%
		Sh. Neeraj Khanna	1.59%
		Sh. Vikas Khanna	1.59%
		Smt. Asha Khanna	0.39%
		Sh. Lakshya Khanna	0.29%
Total	**100%**	**Total**	**100%**

4. The unit has submitted a Memorandum of Understanding signed between M/s. Romsons International and M/s. Romsons Group Private Limited on 25/06/2026, wherein M/s. Romsons Group Private Limited has been recognized as 'Buyer' and M/s. Romsons International has been recognizes as 'Seller'. In the said MOU, following have been mentioned:-

Target Business: Target Business means the entire operating business of Romsons International comprising of units situated at Plot No. 9, 59J(C) & 148, NSEZ and carrying on the business of manufacture of Disposable & non-disposable medical devices.

Proposed Transaction: The proposed transaction refers to acquisition of the target business of Romsons International by Romsons Group. In line with the business expansion plans of the group and to consolidate the businesses of the group held under different entities to attract investors, Romsons Group shall acquire the target business of Romsons International from 01/08/2026.

Purchase consideration: Bases on information provided till date and certain assumptions, Romsons Group will pay to Romsons Inernational, for transfer of target business, the value based on the valuation arrived at by the approved valuer.

Other assumptions: All employees of target business will continue with their existing role, on existing terms and conditions.

Relevant provisions: It may be mentioned that DoC has issued Instruction No. 109 dated 18/10/2021, as under:

> *"Reorganization including change of name, change of shareholding pattern, **business transfer arrangements,** court approved mergers and demergers, **change of constitution**, change of Directors, etc. may be undertaken by the Unit Approval Committee (UAC) concerned subject to the condition that the Developer / Co-developer / Unit shall not opt out or exit out of the Special Economic Zone and continues to operate as a going concern. **All liabilities of the Developer / Co-developer / Unit shall remain unchanged on such reorganization**."* Such reorganization shall be subject to the safeguards mentioned in the said instruction.

The said proposal was placed before the Approval Committee in its meeting held on 07/07/2026, for consideration in terms of Instruction No. 109 dated 18/10/2021. The Committee discussed the proposal in details and some members of the Committee was of the view that transfer charges shall be applicable in the instant case as 'Romsons International (Unit-II)' (partnership firm) and 'Romsons Group Private Limited' are separate legal entities. In past also, in a similar case, 'M/s Narayan Exports' (partnership firm) and 'M/s Narayan Industries Global Ltd.' (a public limited company) applied for transfer of LoA and subsequent change of name and the matter was taken up in the Approval Committee meeting held on 08.12.2025 wherein it was decided that they are two distinct companies and that there is no provision in SEZ Rules for transfer of LoA. The said proposal was thereafter rejected and it was directed that the existing unit may apply for transfer of assets & liabilities under Rule 74A of the SEZ Rules, 2006.

Mr. Saurabh Khanna, Partner and Mr. Mukesh Agarwal, General Manager of M/s. Romsons International appeared before the Approval Committee and explained the proposal. They stated that since all the 05 partners of the Romsons International (Partnership firm), having 100% of the partnership share, already hold 84.33% shares in the parent company, M/s. Romsons Group Private Limited. Furthermore, the balance 15.67% shares of the company are already held by the blood relatives of the partners. Hence, transfer changes may not be applicable in respect of their proposal.

The Committee noticed that the unit has submitted a Memorandum of Understanding signed between M/s Romsons International and M/s. Romsons Group Private Limited on 25/06/2026, wherein M/s. Romsons Group Private Limited has been recognized as '**Buyer**' and M/s. Romsons International has been recognized as

'**Seller**'. However, in the present case, the committee couldn't arrive at a general consensus on the applicability of transfer charges.

The Committee observed that as per proviso to Section 13(5) of SEZ Act, 2005, *'Provided that in case the Approval Committee is unable to decide any matter by a general consensus, such matter shall stand referred to the Board of Approval.*

After detailed deliberations, since no general consensus was made amongst the members of the Committee on applicability of transfer charges, the chairman decided to **refer** the proposal to the Board of Approval, in terms of proviso to Section 13(5) of SEZ Act, 2005.

Recommendation by DC, Noida SEZ:

The proposal of M/s. Romsons International (Unit-II) for transfer of LOA dated 05/10/2006 to M/s. Ramsons Group Private Limited through Business Transfer Agreement w.e.f. 01/08/2026 in terms of Memorandum of Understanding dated 25/06/2026 signed between them, is forwarded herewith for placing the case before the Board of Approval, for decision on applicability of transfer charges upon transfer of aforesaid LOA from M/s. Romsons International (Partnership firm) to M/s. Ramsons Group Private Limited (a Private Limited Company), being 'Group Company' and Partners of M/s. Romsons International holds 84.33% shares of M/s. Ramsons Group Private Limited.

Agenda Item 141.14: Appeal [2 case: 141.14(i)-141.14(ii)]

<u>Rule position</u>: - *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.*

141.14(i) Appeal filed under section 15(4) of SEZ Act, 2005 and Rule 56(2) of SEZ Rules, 2006 by Resolution Professional of M/s Arshiya Limited against decision of Unit Approval Committee, SEEPZ-SEZ - reg.

Jurisdictional SEZ – SEEPZ SEZ

Brief Facts of the Case:

The appeal was filed under Section 15(4) of SEZ Act 2005 read with Rule 56(2) of the Special Economic Zones Rules, 2006 by Shri Pankaj Mahajan, Resolution Professional of M/s Arshiya Limited, challenging the decision of the Unit Approval Committee (UAC), SEEPZ-SEZ, whereby the proposal (Agenda Item No. 4) of M/s Swiftlog Shipping Services Private Limited for setting up a new unit in the Arshiya Free Trade Warehousing Zone (FTWZ) at Panvel, Raigad, Maharashtra, was rejected in 170th meeting of Approval Committee held for Arshiya FTWZ, held on 22.01.2026 and communicated to the appellant on 03.02.2026.

The total notified area of the SEZ is 57.898 hectares, out of which approximately 30.625 hectares has been developed and put to use for authorized operations, while the remaining 27.105 hectares is presently vacant and earmarked for future development. It is further noted that M/s Ascendas Panvel FTWZ Private Limited has been approved as a Co-Developer within the said SEZ vide approval dated 05.12.2016 for provision of infrastructure facilities.

M/s Arshiya Limited is presently undergoing Corporate Insolvency Resolution Process (CIRP) pursuant to order dated 23.04.2024 passed by the Hon'ble National Company Law Tribunal, Mumbai Bench, and the affairs of the Developer are being managed by the Resolution Professional.

Aggrieved by the aforesaid decision of UAC, Resolution Professional of M/s Arshiya Limited (the appellant) filed the present appeal before the Board of Approval after a delay of 13 days beyond the period of limitation of 30 days from the date of communication of the impugned order.

In this regard, submission made by DC, SEEPZ-SEZ is as follows:

- The appeal has been filed by the Resolution Professional of M/s Arshiya Limited against the decision of the UAC rejecting the proposal of M/s Swiftlog Shipping Services Pvt. Ltd. for setting up a unit in Arshiya FTWZ, Panvel.
- The UAC rejected the proposal as the proposed open/container yard area is a common/shared area and was not shown to be clearly demarcated or under the exclusive possession and control of the proposed unit, as required under the SEZ framework.

- No documentary evidence was submitted to establish exclusive possession, demarcation or operational control over the proposed area. Accordingly, the proposal was found not to be in conformity with Rules 17 and 18 of the SEZ Rules, 2006.
- The Co-developer, M/s Ascendas Panvel FTWZ Pvt. Ltd., objected to the proposal on the ground that it had neither been consulted nor had consented to the proposed use of common areas/shared infrastructure. The Co-developer has also not been impleaded as a party in the present appeal.
- SEEPZ has submitted that approval of a unit in a common/shared area with disputed rights and control may lead to operational and legal issues and is not envisaged under the SEZ framework.
- It has further been submitted that while M/s Arshiya Limited is under CIRP, the objective of value maximisation cannot override the statutory provisions of the SEZ Act, 2005 and SEZ Rules, 2006. Similar contentions raised before the Hon'ble NCLT were also not accepted.
- SEEPZ has stated that the deficiencies identified by the UAC, namely lack of demarcation, absence of exclusive possession/control and unresolved objections of the Co-developer, remain unaddressed in the appeal. Accordingly, the appeal does not merit acceptance and may be rejected.

The appellant appeared, virtually, before the Board and made following submissions:

- The Appellant has contended that the UAC misinterpreted Rules 17 and 18 of the SEZ Rules, 2006. It has been submitted that the proposal fulfilled the requirements under Rule 17 and that Rule 18(2) contemplates execution of a sub-lease only after grant of approval. Therefore, insistence on exclusive possession and control prior to approval is not justified.
- It was submitted that issues relating to demarcation of the proposed area are procedural and curable in nature and could have been addressed through conditional approval subject to submission of site plans, boundary marking and execution of the sub-lease agreement.
- The Appellant has further submitted that there is no prohibition under the SEZ Act or Rules against container yard/open yard based storage activities and that absence of precedent cannot be a ground for rejection of an otherwise permissible activity.
- It was contended that the objections raised by the Co-developer relate to contractual issues between the Developer and the Co-developer and should not affect consideration of the unit approval proposal, which is required to be examined independently under the provisions of the SEZ Act and Rules.
- The Appellant has stated that the proposed unit would contribute to export promotion, employment generation and positive NFE and that rejection of the

proposal on the ground of demarcation is disproportionate and contrary to the objectives of the SEZ framework.

- It was also submitted that the proposal did not suffer from any statutory disqualification such as ineligibility of the applicant, prohibited activities or failure to meet NFE requirements, and therefore the rejection is based only on demarcation issues, absence of precedent and objections raised by the Co-developer.
- The Appellant has prayed that the order of rejection passed by the Unit Approval Committee be set aside, and that approval be granted for establishment of the proposed warehousing unit within Arshiya FTWZ-SEZ, Panvel. In the alternative, the Appellant has requested that the matter be remanded to the Approval Committee for fresh consideration, subject to appropriate conditions, modifications or clarifications regarding demarcation of the area and execution of lease/sub-lease under Rule 18(2) of the SEZ Rules, 2006. The Appellant has further prayed for any other order deemed fit in the interest of justice.

The Board made following observations:

i. Rule 17 of the SEZ Rules, 2006 requires that an application for seeking Permission for setting up of a Unit must be accompanied with allotment of land/ industrial sheds in the Special Economic Zone.

ii. Rule 18 of the SEZ Rules, 2006 stipulates that the Approval Committee shall approve the proposal of setting up of unit if availability of space is confirmed by the Developer in writing provided the Developer shall enter into a lease agreement and give possession of the space in the SEZ to the entrepreneur only after the issuance of Letter of Approval of Development.

iii. The objections raised by the Co-developer pertain to contractual issues between the Developer and the Co-developer, and that approval of a unit in a common/shared area where rights and control are disputed may give rise to operational and legal complications and is not envisaged under the SEZ framework.

Accordingly, the Board after deliberation in its 140th meeting of BoA for SEZs held on 15.06.2026, decided to condone the delay in filing the appeal and **deferred** the appeal with **instruction to the appellant** to furnish written submission. The Board, further, **directed DC, SEEPZ** to examine the matter after considering the written submissions in light of extant provisions of SEZ Act/ Rules ensuring principle of natural justice is afforded to the appellant and contractual obligation between Developer and Co-Developer are also protected.

Appellant submission after 140th meeting of BoA:

after the 1389Now the appellant has made written submission on behalf of the Resolution Professional ("RP") of Arshiya Limited (under CIRP) ("Appellant/Developer"), pursuant to oral submissions made before the Hon'ble Board dated 15th June 2026 in the 140th meeting of the Board of Approval (BoA) for SEZs-Agenda Item No. 140.(7)(iii).

2. This is to bring to your kind notice that the Corporate Insolvency Resolution Process ("CIRP") of Arshiya Limited ("Company" or "Corporate Debtor") was initiated under the Insolvency and Bankruptcy Code, 2016 ("Code") by the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") vide order dated 23rd April, 2024 ("Insolvency Commencement Date") ("CIRP Order"). The Hon'ble NCLT vide the same order appointed Mr. Nitin Vishwanath Panchal as the Interim Resolution Professional ("IRP") of the Corporate Debtor. Subsequently, the undersigned was confirmed as the Resolution Professional ("RP") of the Corporate Debtor vide order of the Hon'ble NCLT, Mumbai Bench dated 25th September 2024.

3. The present matter arises from the decision of the Ld. Unit Approval Committee (UAC), SEEPZ-SEZ, in its 170th meeting dated 22nd January 2026, whereby the proposal for issuance of Letter of Approval ("LOA") to the proposed unit of M/s Swiftlog Shipping Services Private Ltd. ("Swiftlog") was rejected.

4. At the outset, it is respectfully clarified, based on the RP counsel and subject expert's (Nodal Officer) opinion, that:

a. The present appeal does not arise from an LOA cancellation, but from a pre-approval rejection of LOI-based proposal
b. The proposed activity is strictly limited to storage of sealed containers within the designated open/container yard area which is not demised to Ascendas Panvel FTWZ Private Limited ("Ascent FTWZ")
c. No processing, de-stuffing, or value addition activities were to be involved.
d. The proposal is fully compliant with the SEZ Act, 2005 and SEZ Rules, 2006.

A. FACTUAL MATRIX

a. 19.09.2025-Provisional LOI was issued by Developer (Arshiya Limited) confirming availability of space.
b. 03.10.2025-Form F was filed by proposed Unit Holder M/s Swiftlog
c. 06.10.2025-Application by the proposed Unit Holder was received by the Office of DC, SEEPZ-SEZ.
d. 22.01.2026 The said Application was discussed in 170th UAC meeting and subsequently rejected based on grounds mentioned.
e. 02.02.2026 Minutes of the 170th Unit Approval Meeting were issued recording rejection of the proposed Unit Holder's Application.

B. NATURE OF DISPUTE AND CORE ISSUE:

1. The rejection by the Ld. UAC is based on the following principal grounds:

a. Absence of exclusive possession and clear demarcation for the areas proposed to be allotted to the proposed Unit Holder.
b. Characterization of container yard as "common area" and that therefore, the area would be unsuitable to be allotted to a single Unit Holder.
c. Lack of precedence for the approval sought.
d. Co-developer raises substantive issues.
e. Alleged non-compliance with Rules 17 and 18 of the SEZ Rules, 2006.

2. In this regard, it is respectfully submitted that:

a) All statutory requirements under Rule 17 were fulfilled.

I. Provisional LOI was issued by the undersigned which confirmed availability of space.
II. Form F was duly submitted by the proposed Unit Holder in the prescribed format and the same was accepted.
III. The said Proposal was thoroughly scrutinized and placed before Ld. Unit Approval Committee
IV. It is submitted that Rule 17 does not require a pre-existing lease agreement, physical demarcation or exclusive possession at proposal stage. Therefore, no deficiency under Rule 17 has been made out.

b) All mandatory conditions under Rule 18(2) were satisfied.

i. It is submitted that the statutory sequencing as required under Rule 18(2) is as under and the same has been duly complied with in the present case:

1. Provisional LOI
2. UAC approval
3. Issuance of LOA
4. Execution of Lease/Sub-lease
5. Possession and demarcation

ii. The Developer through the Provisional LOI has duly confirmed the availability of space and infrastructure being 40,000 sq. ft. Open Yard, 15,000 Sq. Ft. Container Yard and supporting infrastructure, pursuant to which the proposal was submitted by the proposed Unit Holder to the Ld. UAC. The Developer has at its disposal a Container Yard admeasuring 3,75,000 sq. ft., an Open over-dimensional cargo ("ODC") Yard admeasuring 1,20,000 sq. ft., and an Empty Yard admeasuring 30,000 sq. ft., all located adjacent to the Customs Office building. Since the Resolution Professional assumed charge on 25/09/2024, these yards have remained entirely vacant and have neither held nor stored any cargo belonging to or on account of the Corporate Debtor, Arshiya Limited.

Although the Minutes dated 22/01/2026 partially record the Developer's objection to the Co-developer's use of the Yard land, they omit the Developer's specific contention that the Co-developer has been monetizing such use despite possessing only non-exclusive easementary rights. The Ld. UAC has not addressed this contention, nor has it been rebutted by the Co-developer.

Further, the ongoing operations of Ascent FTWZ establish that, for the past eight to ten months, Units have been permitted to handle containers, ISO tanks, and other cargo within the Yard land under the Developer's control, and to monetize such operations, notwithstanding the absence of exclusive control or physical demarcation. The requirement of exclusive control and physical demarcation has therefore not been treated as a precondition for the use and monetization of the Yard land, rendering its invocation in the present case arbitrary and inconsistent.

iii. However, despite compliance with the Rule 18(2), the Ld. UAC reversed the abovementioned sequence by demanding a registered lease, perfect demarcation and exclusive possession before approval of proposal. It is respectfully submitted that this demand and the rejection of the proposal on this ground is contrary to the express proviso to Rule 18(2).

iv. The Ld. Unit Approval Committee has attempted to invert the statutory sequence by requiring lease execution and perfected possession prior to approval, which cannot be a valid ground for rejection of an otherwise SEZ compliant Application.

3. It is submitted that the provisional LOI that was issued by the Developer after the thorough perusal of the proposal of the proposed Unit Holder M/s. Swiftlog expressly provided that the Provisional LOI shall be subject to SEZ approval. Further, it also clearly laid down that a Sub-Lease Agreement would be executed post receipt of LOA under Rule 18(2 and that the final demarcation would occur at lease execution stage.

4. Therefore, the UAC's insistence on exclusive possession is misplaced because lease cannot be executed prior to LOA [as per Rule 18(2)] and therefore, exclusive possession cannot arise pre-approval. The Ld. UAC, vide the decision dated 22/01/2026 has effectively required compliance with a condition that is legally impossible at the present stage.

C. NATURE OF PROPOSED ACTIVITIES IS INTRINSIC TO FTWZ OPERATIONS AND DOES NOT GO AGAINST THE SEZ FRAMEWORK

I. Additionally, the undersigned respectfully submits that the proposed activity involves storage of sealed containers within designated yard space without processing or interference with infrastructure and no destuffing of goods from the Containers.

II. Therefore, it is submitted that the proposed Unit Holder's activities are purely warehousing/logistical in nature, intrinsic to FTWZ operations and are unlikely to cause any disruption to the activities of other Unit Holder or the Co-Developer.

III. It is also submitted that statutorily, no prohibition exists against open yard/container-based storage, warehousing is not limited to built-up structures and container-based storage is an accepted logistics practice. The activity is therefore fully aligned with SEZ objectives and authorized operations, and no objections can be sustained on that front.

a. Proposed area has not been demised to the Co-Developer:

I. It is submitted that the decision dated 22/01/026 of the Ld. UAC which rejects the proposal of the proposed Unit Holder explicitly takes into account the objections raised by the Co-Developer.
II. In this regard, it is respectfully submitted that there is no evidence which establishes exclusive rights of the Co-developer over the yard.
III. Therefore, it is humbly submitted that in the absence of any contract/clause creating rights of the Co-Developer on the proposed area, the Developer retains authority in absence of proven exclusivity. Thus, the Co-Developer's objections that the Co-developer was not informed of the proposal are unjustified as the Co-developer's consent is not mandatory for approval of Unit Holder in an area on which the Co-Developer has no right.
IV. It is further submitted that the very contract that the Co-Developer is relying on is presently sub judice before the appropriate forum, therefore, the Co-developer objections on this ground cannot be taken into account, especially in the absence of any other non-compliance.

b. "Common Area" objection is not statutory.

I. The undersigned submits that the decision dated 22/01/2026 classifies the proposed areas as common areas and therefore, lays down that the same cannot be approved for use by one Unit Holder. It is respectfully submitted that the said classification of the container yard as a "common area" is unsupported by any conclusive evidence and more importantly, does not constitute a ground under Rules 17 or 18 for rejection of proposal at this stage.
II. Further, it is submitted that the proposed activity is limited to warehousing and storage and will not impact on shared infrastructure.

c. Absence of precedent is irrelevant for approval of Unit Holder in the absence of statutory non-compliance.

I. It is submitted that the Ld. UAC has relied on lack of precedent while rejecting the proposal of the proposed Unit Holder. However, it is submitted that the SEZ framework is an enabling legislation and the mere absence of precedent may not be construed as prohibition.
II. It is respectfully submitted that in the absence of express prohibition and if consistent with the Act, the activity as proposed is permissible and therefore ought to be approved.

D. THERE HAS BEEN NO FINDING OF ANY STATUTORY VIOLATION

i. The undersigned submits that the Ld. UAC, in its decision dated 22/01/2026, has not recorded any findings of:

a. Net Foreign Exchange non-compliance
b. Prohibited activity
c. Environmental violation
d. Lack of infrastructure
e. Misrepresentation

ii. Therefore, the undersigned submits that the rejection is merely precautionary and not statutory and cannot be sustained.

E. VIOLATION OF PRINCIPLES OF NATURAL JUSTICE

1. It is respectfully submitted that the said concerns regarding the demarcation were raised for the first time during hearing. Arshiya Limited has had no operational Unit under its control since August 2024. In such circumstances, there was no impediment to the Ld. UAC granting Permission for issuance of the LOA. If and when a subsequent application for grant of Unit status to any LOI-holder were to be submitted, the requirements relating to exclusive control and physical demarcation could have been examined at that stage, i.e. after issuance of the LOA. Therefore, these considerations did not warrant withholding or delaying or rejecting Permission for grant of the LOA.

2. Thus, no opportunity was given to cure deficiencies nor was any additional documentation invited before rejection of the proposal of the proposed Unit Holder. This goes against the set principles of natural justice and therefore, the said rejection/decision dated 22/01/2026 ought to be set aside.

F. PRAYER

In light of the above, it is most respectfully prayed that this Hon'ble Board may:

1. Set aside the rejection dated 22 January 2026 by the Ld. UAC;
2. Direct issuance of LOA to the proposed unit of M/s Swiftlog;
3. Grant conditional approval with appropriate safeguards, including:

    - Submission of demarcation plan
    - Execution of sub-lease within prescribed timeline

<u>In view of above comments of DC, SEEPZ dt 01.07.2026 is as follows:</u>

The written submissions of the appellant have been examined in the light of the provisions of the Special Economic Zones Act, 2005 and the SEZ Rules, 2006, while also taking into consideration the principles of natural justice and the contractual rights and obligations of the Developer and the Co-Developer.

2. At the outset, it is submitted that the proposal considered by the Unit Approval Committee (170th UAC Meeting) pertained to a fresh application submitted by M/s Swiftlog Shipping Services Private Limited for setting up a new Unit in Arshiya FTWZ and not to an existing approved Unit. Consequently, there was no pre- existing approval of space by the UAC nor any executed Lease/Sub-Lease Agreement in favour of the applicant Unit.

3. The proposal was examined under the provisions of Rules 17 and 18 of the SEZ Rules, 2006, particularly:

- Rule 17(1)(j) requiring submission of the relevant building approval plan of the proposed premises;
- Rule 18(2)(ii) requiring confirmation regarding availability of space for the proposed Unit; and
- Rule 18(4)(f) requiring compliance with the conditions governing the approved proposal and availability of identifiable operational space.

4. The applicant failed to establish, through documentary or technical evidence, the existence of an identified, demarcated and exclusively controlled operational area.

5. The Resolution Professional had relied upon a Provisional Letter of Intent indicating proposed availability of Open Yard Area, Container Yard Area, Shed Area, ISO Container storage facilities and refrigerated container plug points. However, This is common user place approved by planning authority not designated as a unit plots.

6. During consideration of the proposal, the UAC also took note that the proposed area formed part of the common-use Open Yard/Container Yard infrastructure of the FTWZ. No documentary or technical evidence was produced to establish exclusive possession or operational control over the proposed area. Further, the Co-Developer, M/s Ascendas Panvel FTWZ Private Limited, raised objections regarding the proposed utilization of areas stated to be under its possession, management and control, including common/shared infrastructure. In the absence of an identified and exclusively controlled area, permitting approval could have prejudicially affected the rights and operations of other existing Units utilizing the shared infrastructure.

7. Accordingly, the UAC concluded that the proposal did not satisfy the statutory requirements of the SEZ Rules, 2006 and rejected the proposal. The decision was therefore based upon objective statutory deficiencies and the factual position placed before the Committee, and not upon any private contractual dispute alone.

8. It is further submitted that the appellant was afforded adequate opportunity to present its proposal before the UAC. The proposal, supporting documents, submissions of the Resolution Professional and objections of the concerned Co-Developer were duly considered before arriving at the decision. Thus, the principles of natural justice were duly observed during the decision-making process.

9. As regards the observations of the Board regarding protection of contractual obligations between the Developer and the Co-Developer, it is respectfully submitted that the Office of the DC has not adjudicated upon the inter se contractual rights of the parties. The UAC confined itself to examining whether the proposal fulfilled the statutory requirements prescribed under the SEZ Act, 2005 and the SEZ Rules, 2006 for grant of approval to a new Unit. Since the proposal itself lacked an identifiable and exclusively available operational space and was subject to unresolved competing claims over the proposed area, approval could not be granted under the statutory framework.

The appeal is now submitted before BoA for its consideration.

141.14(ii) Appeal filed by M/s Dahej SEZ Limited dated 04.06.2026 against the decisions of the 138th UAC held on 21.04.2026- reg.

Jurisdictional SEZ – Dahej SEZ

Brief Facts of the Case:

Submission by the appellant is as follows:

1. M/s. Dahej SEZ Limited is the joint venture company/SPV of Gujarat Industrial Development Corporation and M/s. ONGC Limited, which is created for setting up a Multi-Products Special Economic Zone at Village Dahej, Taluka Vagra, District Bharuch-392130, Gujarat, India.

2. M/s. Dahej SEZ Limited (hereinafter referred to as "DSL") has been granted the Letter of Approval under F. No. F.2/9/2003-EPZ dated September 21st, 2005 for setting up a Multi-Products SEZ at Dahaj, Taluka Vagra, District Bharuch-392130, in the State of Gujarat India.

3. The said Dahej SEZ Limited has been notified vide SEZ Notification No. S.O. 2131(E) dated December 20, 2006,

4. Dahej SEZ Limited has created various infrastructural faclities for the development of the said SEZ as allowed under the Letter of Approval and as per the decision of the Board of Directors of Dahej SEZ Ltd. and invested heavily in creating such infrastructural facilities in the said SEZ

5. The said Dahej SEZ Limited has commenced the commercial operations on 04/08/2009

6. As per Section 14 (2) of Gujarat SEZ Act, 2004, user charges or fees as may be approved by the Development Committee for providing infrastructural facilities, amenities and services.

7. As per Section 13 (1) & (12) of Gujarat SEZ Act, 2004 read with Rule 6 (12) & 7 of Gujarat SEZ Authority Rules, 2005, the Development Committee Determine the charges for infrastructural facilities, amenities and services provided by the Developer.

8. As per Section 14 (2) of Gujarat SEZ Act, 2004, user charges or fees as may be approved by the SEZ Development Committee for providing infrastructural facilities, amenities and services and as per Section 13 (1) & (12) of Gujarat SEZ Act, 2004 read with Rule 6 (12) & 7 of Gujarat SEZ Authority Rules, 2005, the Development Committee Determine the charges for infrastructural facilities, amenities and services provided by the Developer. Please note that DC and his nominee is also the part of the SEZ Development Committee.

9. The Applicant state and submit that only the SEZ Development Committee is empowered to determine the charges, fees, levies, rentals etc. for infrastructural facilities, amenities and services provided by the Developer and not the DC nor UAC

10. The Applicant state and submit that nowhere in the SEZ Act and SEZ Rules, there is a provision which empowers either the DC or the UAC to decide such charges, fees, levies, rentals etc. for infrastructural facilities, amenities and services or entertain any disputes with respect to such charges, levies and fees or not to change them or obliterate them or provide waiver of such charges, fees, levies, rentals etc.

11. As per Section 7 (2) (d) of the Gujarat SEZ Regulation 2007, any dispute, complaint or issues with respect to charges, fees, levies, rentals etc. for infrastructural facilities, amenities and services by the SEZ Unit has to be made to the Development Committee by way of appeal and it is the prerogative of only and only the Development Committee to decide on such matters and not the DC or UAC. Other than these disputes, complaints or issues with respect to charges, fees, levies, rentals etc. for infrastructural facilities, amenities and services by the SEZ Unit, the DC or UAC may entertain other disputes or complaints of other the nature except the one specified in this para as and if allowed under the SEZ Act, 2005 and SEZ Rules, 2006.

12. M/s. Dahej SEZ Limited has charged the following charges to M/s. Arham Biochem Private Limited (erstwhile M/s. Bitumode International Pvt. Ltd.) which is subject matter of case and it is also charged all SEZ units uniformly as and when due in the Dahej SEZ based on the decisions of the Board of Directors and the SEZ Development Committee of the Dahej SEZ Ltd and/or as per surrender policy of DSL and agreement of plot from time to time:

12.1 Boundary Wall Charges

12.2 Plantation Fees & Non-Plantation Penalties / Charges.

12.3 Non-Utilization of Plot Charges

12.4 Transfer Fees part of surrender policy

13. As per the decision of Board of Director Dahej SEZ Limited, the SEZ Developer, the following charges are charged to all the SEZ Units and other entities located in the Dahej SEZ from time to time without making any partiality:

Description of Service Charges, Fees & Levies	Applicable to	Decision taken in the Board of Director (DSL) and Development Committee Meeting of DSL (Enclosed)	Copy of the decision enclosed
Boundary Wall Charges	All SEZ Units & other Entities in SEZ which are utilising the		Exhibit-D (Copy of allotment

	boundary wall constructed by the Developer.		letter enclosed)
Plantation Fees & Non- Plantation Penalties /Charges.	All SEZ units & other Entities in SEZ	4th Development Committee Meeting, 38th Development Committee Meeting, 66th Board of Director of DSL Meeting	Exhibit-E
Non-Utilization of Plot Charges	All SEZ units & other Entities in SEZ	26th Development Committee Meeting, 40th Board of Director of DSL Meeting	Exhibit-F
Transfer Fees	All SEZ units & other Entities in SEZ	40th Board of Director of DSL Meeting, 6.3 and 6.4 Para of Sub lease deed copy of Bitumode erstwhile name of Arham	Exhibit-G

14. DSL levies various charges like service charges, lease rent, ROU charges including above as and when due in the Dahej SEZ based on the decisions of the Board of Directors and the SEZ Development Committee of the Dahej SEZ Ltd and/or as per surrender policy of DSL and agreement of plot from time to time for financing the operational costs and smooth functioning of the said SEZ.

15. The Applicant also encloses herewith the copies of MIHAN SEZ Policy as well as Mundra SEZ Policy wherein the SEZ Developers of these SEZs also charges transfer charges if there is change of ownership or equities by any means.

Enclosed herewith and marked as Exhibit-C to such transfer of plot policy of MIHAN SEZ.

16. M/s. Bitumode International Pvt. Ltd. has applied for allotment of Land in Dahej SEZ Limited vide their Letter No. NIL dated 12/03/2012 as per the Policy of the Dahej SEZ Ltd. reflected in the Website of M/s. Dahej SEZ Limited at the rates and terms and conditions mentioned therein in APPLICATION FOR ALLOTMENT OF PLOT OF LAND IN DAHEJ SEZ available on the Website of the Dahej SEZ.

17. M/s. Bitumode International Pvt. Ltd. has obtained the Letter of Approval No. Dahej SEZ/II/36/BIPL/2011-12/6545 dated 02/04/2012 for setting up an SEZ Unit in Dahej SEZ Limited for manufacturing and export of "Waterproofing Membranes, Bitumode Liquids, Waterproofing Paints, Road Paving Materials, Geotextile, Thermal Insulation, Processed Plastic under Chapter 39,56,68 of ITC)"

18. Sub-Lease Deed between M/s. Dehaj SEZ Limited and M/s. Bitumode International Pvt. Ltd. on 08/05/2014.

19. M/s. Arham Biochem Private Limited has taken over M/s. Bitumode International Pvt. Ltd. by way of 100% share transfers of the said company and appointed all the new Directors of the said Company and changed the name of the company from M/s. Bitumode International Pvt. Ltd. to Arham Biochem Private Limited and applied for transfer of the said plot of lease hold land in the name of M/s, Arham Biochem Private Limited by way of Transfer Deed.

20. As per Clause No. 6.4 of the Sub-Lease Deed dated 08/05/2014, if there is a change in the shareholding pattern of the company such transfer of shares in view of the change in the in the name of the company of merger, de-merger, joint venture and takeover, its Boards of Directors and Managing Committee by whatever name called, is treated as change of the constitution of the sub-lease and deemed to be a transfer by the Sub-Lessee of its interest in the demised premises in favour of another person irrespective of whether there is a change in the legal entity or not which amounts to transfer of leasehold right/interest to another person for the purpose of charging transfer charges/fees as per surrender policy of DSL as provided in Clause no. 6.3 of sub-lease deed and accordingly the Applicant have raised the bill.

21. M/s. Arham Biochem Private Limited has obtained the Letter No. DAHEJ-SEZ/11/36/BIPL/2011-12/5396 dated 29/12/2022 for change of name from M/s. Bitumode International Pvt. Ltd. to M/s. Ahram Biochem Pvt. Ltd.

22. M/s. Arham Biochem Private Limited has again sold/transferred the said plant and machinery including land and building to M/s. Kumar Organic Products Pvt. Ltd. and approached M/s. Dahej SEZ Limited, the SEZ Developer for transferring such plot of land by way of transfer of sub-lease in the name of M/s. Kumar Organic Products Pvt. Ltd. vide their letter No. NIL dated 21/07/2025.

23. As per the land lease transfer under surrender policy of the SEZ Developer and as per the Condition No. 6.3 and 6.4 of the Sub-Lease Deed, M/s. Dahej SEZ Limited has demanded the transfer charges of Rs. 1,11,11,104/- vide their Invoice/Bill No. 25-26/B2B/D/346 dated LTD 24/02/2026 which was paid by the transferee M/s. Kumar Organic Products Pvt. Ltd.

24. M/s. Arham Biochem Pvt. Ltd. Has applied for exit from SEZ Unit Scheme and the Exit Order dated 18/11/2025 is issued to them by the Honourable DC as per the decision of the 133rd UAC Minutes of the Meeting (Item No. 133.02.01) and M/s. Arham Biochem Pvt. Ltd. was no longer a SEZ Unit in the Dahej SEZ with effect from 18/11/2025.

25. For transferring the said sub-lease from M/s. Arham Biochem Pvt. Ltd. to M/s. Kumar Organic Products Pvt. Ltd., the SEZ Developer M/s. Dahej SEZ Limited demanded the Undertaking cum Consent Letter for doing so and M/s. Ahram Biochem

Pvt. Ltd. issued the Undertaking cum Consent Letter dated 23/02/2026 for execution of Sub-Lease Deed in favour of M/s. Kumar Organic Products Pvt. Ltd.

26. M/s. Arham Biochem Pvt. Ltd. raised various complaints for waiver of various charges imposed by Dahej SEZ Limited, the SEZ Developer of the Dahej SEZ vide their Letter No. NIL dated 20/11/2025 and such complaints were inducted in the agenda of the 135th UAC Meeting of Dahej SEZ.

27. M/s. Dahej SEZ Ltd., the SEZ Developer of the Dahej SEZ, has replied to such complains and issues raised by M/s. Ahram Biochem Pvt. Ltd. vide their Letters DSL/DC/2025/2115 and dated 12/12/2025.

28. The 138th UAC Meeting was attended on 21/04/2026 by M/s. Dahej SEZ Ltd. and their Advocate Adv. Arun P. Sawant, who made serval submissions, arguments and presentations, which were not recorded in the said UAC Meeting.

29. Vide Letter/ Email Ref. No. DSL/DC-UAC138/REP/2026-27/2440 dated 27/04/2026 were submitted their written submissions along with supporting documents to Honourable DC.

30. Without considering any of the submissions made by the Applicant, the UAC took the decision which are conveyed by way of Minutes of the Meeting of 138th Unit Approval Committee of Dahej SEZ, which was received by the Applicant on 07/05/2026.

31. Being aggrieved with the decisions of the said Minutes of the Meeting of 138th Unit Approval Committee of Dahej SEZ and without passing the speaking order in the said matter, which is very arbitrary and high-handed actions on the part of the DC, thereby putting the Applicant in grave financial hardship, the Applicant prefers an Appeal before your Lordship the Board of Approval, Ministry of Commerce & Industry, Udyog Bhavan, New Delhi-110 001 for fair justice.

GROUNDS OF APPEAL

1. The Applicant states & submits that all the decision of UAC taken relating to imposition of various charges, fees and levies by the SEZ Developer is not applicable to SEZ Units and such charges, fees and levies shall be refunded back to SEZ Units since such SEZ Units have raised complaint against such service charges, fees and levies is so arbitrary and without considering the principle of natural justice.

2. As per Section 14 (2) of Gujarat SEZ Act, 2004, user charges or fees as may be approved by the SEZ Development Committee of the SEZ for providing infrastructural facilities, amenities and services.

3. As per Section 13 (1) & (12) of Gujarat SEZ Act, 2004 read with Rule 6 (12) & 7 of Gujarat SEZ Authority Rules, 2005, the SEZ Development Committee of the SEZ determine the charges for infrastructural facilities, amenities and services provided by the Developer.

4. As per Section 12 (1) of the Gujarat SEZ Act, 2004, the SEZ Development Committee consist of the following members, namely:-

(i) Developer or his nominee;

(ii) DC of the Zone or his nominee;

(iii) Nominee of the State Government.

As per Section 12 (2), the Developer or his nominee shall be the Chairperson of the Development Committee.

As per Section 12 (3), the Development Committee may invite representatives of Units, residents, service providers and other interested persons in the meeting of the Committee.

As per Section 12 (4), the Development Committee shall meet at such place and observe such rules of procedure for transaction of its business at the meeting as it may deem fit.

5. As per Rule 7 (2) of the Gujarat SEZ Authority Rules, 2025, also if there is any grievances with respect to any charges and fees, an aggrieved person may appeal to the Development Committee against claim of the Developer or Co-developer or any measures as may be taken, within three months of the date of such claim or measures taken, provided that the Development Committee shall decide on the appeal, after giving a reasonable opportunity of being heard, to both the parties. In view of this, if there is any issue or grievance by the SEZ Unit, they should raise it or file the appeal to the Development Committee where the Honourable DC is also the Member of the Development Committee. The UAC has no power to entertain such issues, complaints and appeal by the SEZ Unit with respect to charges, levies and fees charged by the SEZ. Developer.

6. The UAC is heavily depending upon the Regulation 5 (3) of the Gujarat SEZ Regulations, 2007, which is reproduced below for your ready reference:

Regulation 5 (3): The Unit Approval Committee shall adopt the following procedure to resolve any dispute between the units and the Developer regarding infrastructure facilities, amenities and services: -

(a) A complaint received from the units and the DC shall examine the Developer or Co-developer.

(b) Comments shall be invited from the units and the Developer or Co- developer.

(c) The agenda shall be prepared and placed in the meeting of Unit Approval Committee for decision.

(d) The DC shall communicate the decision of the Unit Approval Committee to consumer and the Developer or Co-developer.

7. Your lordship will observe that under Regulation 5 (3) of the Gujarat SEZ Regulations, 2007, the Unit Approval Committee shall adopt the procedure to resolve any dispute between the units and the Developer regarding infrastructure facilities, amenities and services and not entertain the dispute relating to infrastructure facilities charges, amenities charges and services charges. Please note that the UAC can entertain disputes from SEZ Units with respect to any lacunae or shortage or inefficiency of providing infrastructural facilities or amenities or any services provided by the SEZ Developer, but such regulation does not authorise UAC to entertain disputes or complaints in the nature of commercial domain i.e. charges, fees and levies imposed by the SEZ Developer for providing such infrastructural facilities or amenities or any services and by doing so the UAC and the Honourable DC has travelled beyond their jurisdiction of entertaining such disputes and resolving it by taking arbitrary decisions, failure do understand the basic tenant of law and the authority given under Regulation 5 (3) of Gujarat SEZ Regulations, 2007 makes the decisions taken by UAC is illegal and beyond their jurisdiction and needs to be quashed and withdrawn immediately on this ground alone.

8. Your Lordship will appreciate that as per Regulation 7 (2) (d), of the Gujarat SEZ Regulations, 2007, if there is any grievances with respect to any charges, fees & levies charged by the SEZ Developer with respect to providing infrastructural facilities, amenities or services, an aggrieved person may appeal to the Development Committee against claim of the Developer or Co-developer or any measures as may be taken, within three months of the date of such claim or measures taken, provided that the Development Committee shall decide on the appeal, after giving a reasonable opportunity of being heard, to both the parties. In view of this, if there is any issue or grievance by the SEZ Unit, they should raise it or file the appeal to the Development Committee where the Honourable DC is also the Member of such Development Committee of the SEZ. Neither the UAC nor the DC has any power to entertain such issues, complaints and appeal by the SEZ Unit with respect to charges, levies and fees

charged by the SEZ Developer, failure to understand the law in this regards by the UAC and the Honourable DC, the decisions taken by them on issues which are not under their jurisdictional domain is illegal, bad and not tenable under the law and on this ground also the decision taken in the 138th UAC Meeting by the UAC shall be withdrawn or quashed.

9. The Honourable DC has asked the SEZ Developer in the 138th UAC Meeting under which Section of SEZ Act, 2004 & SEZ Rules, 2006, the SEZ Developer is authorised to levy the charges, fees and levies for providing various infrastructural facilities, amenities and services and the Applicant also requested the Honourable DC to let them know which Section of the SEZ Act, 2005 or Rules of the SEZ Rules, 2006 restricts the SEZ Developer to charge such charges, fees, levies, rentals, non-compliances charges etc. The Honourable DC did not provide any such Section of the SEZ Act, 2005 or Rules of the SEZ Rules, 2006 in the UAC as well as in the Minutes of the Meeting of 138th UAC Meeting in this regard.

10. In the 138 UAC Meeting, the Applicant, SEZ Developer, also requested the Honourable DC to let them know under which Section of the SEZ Act, 2005 or Rules of the SEZ Rules, 2006 the Honourable DC Developer is allowed to entertain complaints and dispute with respect to infrastructural facilities charges, amenities charges and service charges and decide on such matters. The Honourable DC did not provide any such Section of the SEZ Act, 2005 or Rules of the SEZ Rules, 2006 in the UAC as well as in the Minutes of the Meeting of 138 UAC Meeting in this regard and any decision taken in this regard without the powers conferred under SEZ Act. 2004 and SEZ Rules 2006 is bad in law and needs to be quashed on this ground alone.

11. All the charges, fees and payments to be made by SEZ Unit for availing the infrastructural facilities, amenities and services in the SEZ are approved in the Board Meeting of the SEZ Developer and/or the Development Committee Meetings from time to time and it is the prerogative of the SEZ Developer to charge such fees, levies and charges for running the said SEZ. Also, please note that these charges and fees are charged across the board to all the SEZ Units and there is no partiality done with respect to any one SEZ Unit. Those Units which do not want such charges or fees to be paid, they can any time to decide to set-up their Units in other SEZ Units or they are free to move away. Without these charges & fees it will be very difficult for the SEZ Developer to run and maintain the said SEZ. Let us be very clear, the UAC is the authority for implementation of SEZ Act and Rules and collect taxes or provide exemptions as allowed under various laws and ensure statutory compliances by the SEZ Units and SEZ Developer is the authority to run and maintain the said SEZ by charging service charges, lease rentals, premiums, maintenance fees, other charges and fees which are required to ensure smooth functioning of the said SEZ and nobody is allowed to interfere in the jurisdictions of each other.

12. As per Section 14 (2) of Gujarat SEZ Act, 2004, user charges or fees as may be approved by the SEZ Development Committee for providing infrastructural facilities, amenities and services and as per Section 13 (1) & (12) of Gujarat SEZ Act, 2004 read

with Rule 6 (12) 87 of Gujarat SEZ Authority Rules, 2005, the Development Committee Determine the charges for infrastructural facilities, amenities and services provided by the Developer. Please note that DC and his nominee is also the part of the SEZ Development Committee.

13. The Applicant state and submit that only the SEZ Development Committee is empowered to determine the charges, fees, levies, rentals etc. for infrastructural facilities, amenities and services provided by the Developer and not the DC nor UAC.

14. The Applicant state and submit that nowhere in the SEZ Act and SEZ Rules, there is a provision which empowers either the DC or the UAC to decide such charges, fees, levies, rentals etc. for infrastructural facilities, amenities and services or entertain any disputes with respect to such charges, levies and fees or not to change them or obliterate them or provide waiver of such charges, fees, levies, rentals etc.

15. As per Section 7 (2) (d) of the Gujrat SEZ Regulation 2007, any dispute, complaint or issues with respect to charges, fees, levies, rentals etc. for infrastructural facilities, amenities and services by the SEZ Unit has to be made to the Development Committee by way of appeal and it is the prerogative of only and only the Development Committee to decide on such matters and not the DC or UAC. Other than these disputes, complaints or issues with respect to charges, fees, levies, rentals etc. for infrastructural facilities, amenities and services by the SEZ Unit, the DC or UAC may entertain other disputes or complaints of other the nature except the one specified in this para as and if allowed under the SEZ Act, 2005 and SEZ Rules, 2006.

16. Neither the DC nor the UAC has powers to interpret the meaning and scope of user charges or fees providing infrastructural facilities, amenities and services and charges for infrastructural facilities, amenities and services provided by the Developer and it is only and only the Developer and Development Committee have the powers to do it. Even though there is any issues with respect to interpretation, the SEZ Unit can approach the Court for seeking clarification and interpretation of the meaning and scope of user charges or fees providing infrastructural facilities, amenities and services by the SEZ Developer.

17. The said SEZ Unit (M/s. Ahram Biochem Pvt. Ltd.) has already applied for exit from SEZ Scheme and exited on 18/11/2025 and they are no longer SEZ Unit of the said SEZ and they have no right now to raise any issues, complaint or appeal at this stage after they exit as SEZ Unit. However, since they have transferred the said business with assets and liabilities to the buying SEZ Unit, such buying SEZ Unit is free to raise such issues, complaints and appeals, if any, to the Development Committee of the SEZ. By entertaining such complaints by the UAC and the Honourable DC, they have violated the basic principles of SEZ Acts and Rules.

18. The Applicant state and submit that it is very important to note that when the Exit Order of M/s. Arham Biochem is issued on 18/11/2025, how can the Honourable DC or UAC entertain any letter or complaint letter dated 20/11/2025 of M/s. Ahram

Biochem and include such subjects which are not under the purview of jurisdiction of the DC or UAC in their UAC meeting on 22/12/20257 Once the exit order is issued, M/s. Arham Biochem is no more SEZ Unit and ceases to be the SEZ Unit with effect from 18/11/2025 and any attempt to include their letters after 18/11/2025 is illegal and bad in law.

19. The Application would like give below their item wise response on various complaints raised in the UAC as follows:

19.1 Item No. 138.05.01.01 M/s Arham Biochem Private Limited, erstwhile SEZ unit (Request for refund of penalty for Tree plantation amounting of Rs 94000/- and Rs 188000/- paid to the DSL)

a) DSL Reply vide letter dated 12.12.2025 has submitted that:

1. As per policy decided by DSL board in the DSL 39th Board meeting held on 24.4.2017, unit has to carry out tree plantation as per norms of GDCR, SEZ and will have to maintain for 5 years from the date of plan approval. After 5 years of issuance of development Permission, DSL representative shall inspect the site for verification of tree plantation, if found satisfactory, the security deposit amount shall be refunded or else forfeited.

2. To ensure proper maintenance of tree plantation after 5 years from the date of plant approval, penalty for tree planation has been discussed and decided in the DSL, 58th Board meeting held 10.6.2021 and circular to that effect was issued on 21.8.2021. It was decided to levy the penalty @ 500/- per tree every year after completion of 5 years.

3. As per GDCR, SEZ, unit has to plant 3 Nos. of Tree for every 200 SQ. MT. of its plot Area wherein Land area consists of 12547.83 SQ. MT. hence Units in question must has to plant 188 Nos. of Trees as per GDCR norms.

4. Looking to the negligence on part of unit in Tree plantation as per norm of GDCR, SEZ, Dahej SEZ Development committee in its meeting held on 03.2.2023 decided to levy penalty @ Rs 1000/- per tree and the same has been discussed and approved by DSL Board in the meeting held on 28.3.2023, DSL has conducted site visit and found that no any tree plantation works carried out by unit as per GDCR, SEZ norms and hence penalty of Rs 188000/-ie. 1000 per tree 188 trees was imposed.

a) Issue raised in UAC: Wherein the committee had sought some clarifications from the Developer regarding the relevant rule positions which authorises the developer to raise such claims against the units?

b) Written submssion of the Noticee after Personal Hearing held on 21/04/2026:

1. As per Section 14 (2) of Gujarat SEZ Act, 2004, user charges or fees as may be approved by the Development Committee for providing infrastructural facilities, amenities and services.

2. As per Section 13 (1) & (12) of Gujarat SEZ Act, 2004 read with Rule 6 (12) & 7 of Gujarat SEZ Authority Rules, 2005, the Development Committee Determine the charges for infrastructural facilities, amenities and services provided by the Developer.

3. Annexure-II Declaration is made by the Applicant for Land / SEZ Unit approval for payment of charges and fees under Rule 4 of Gujrat SEZ Authority Rules, 2005.

4. The said funds collected by SEZ Developer are utilised for development of green belt in SEZ Area.

5. As per Rule 7 (2) of the Gujarat SEZ Authority Rules, 2025, also if there is any grievances with respect to any charges and fees, an aggrieved person may appeal to the Development Committee against claim of the Developer or Co- developer or any measures as may be taken, within three months of the date of such claim or measures taken, provided that the Development Committee shall decide on the appeal, after giving a reasonable opportunity of being heard, to both the parties. In view of this, if there is any issue or grievance by the SEZ Unit, they should raise it or file the appeal to the Development Committee where the Honourable DC is also the Member of the Development Committee. The UAC has no power to entertain such issues, complaints and appeal by the SEZ Unit with respect to charges, levies and fees charged by the SEZ Developer

6. The said SEZ Unit has already applied for exit from SEZ Scheme and exited on 18/11/2025 and they are no longer SEZ Unit of the said SEZ and they have no right now to raise any issues, complaint or appeal at this stage. However, since they have transferred the said business with assets and liabilities to the buying SEZ Unit, such buying SEZ Unit is free to raise such issues, complaints and appeals, if any, to the Development Committee.

7. We also request the Honourable DC to let us know which Section of the SEZ Act, 2005 or Rules of the SEZ Rules, 2006 restricts the SEZ Developer to charge such user fees, charges, rentals, non-compliances charges etc.

8. All the charges, fees and payments to be made by SEZ Unit for availing the facilities, amenities and services in the SEZ are approved in the Board Meeting of the SEZ Developer and/or the Development Committee Meetings from time to time and it is the prerogative of the SEZ Developer to charge such fees and charges for running the said SEZ. Also, please note that these charges and fees are charged across the board to all the SEZ Units and there is no partiality done with respect to any one SEZ Unit. Those Units which do not want such charges or fees to be paid, they can any time to decide to set-up their Units in other SEZ Units or they are free to move away. Without these charges & fees it will be very difficult to run and maintain the said SEZ, Let us be very clear, the UAC is the authority for implementation of SEZ Act and Rules and collect taxes or provide exemptions as allowed under various laws and ensure statutory compliances by the SEZ Units and SEZ Developer is the authority to run and maintain

the said SEZ by charging service charges, lease rentals, premiums, maintenance fees, other charges and fees which are required to ensure smooth functioning of the said SEZ and nobody is allowed to interfere in the jurisdictions of each other.

19.2 Item No. 138.05.01.02, M/s Arham Biochem Private Limited, erstwhile SEZ unit (Request for refund of Compound wall charges amounting of Rs 397280/- paid to the DSL)

a) The CEO, DSL, vide letter dated 12.12.2025 has submitted that:

1. As per terms and condition stipulated in offer cum allotment letter issued by DSL vide letter dated 11.4.2012 to Bitumode International Pvt Ltd., it was clearly mentioned that "Unit will be required to make payment towards boundary wall constructed by DSL The amount will be indicated separately."

2. UAC has no power to resolve the disputes covered under Section 9(1)(v) and Section 9(1)(vi) of the Gujarat SEZ Act, 2004.

b) Issues raised in UAC: 135th UAC wherein the committee had sought some clarifications from the Developer regarding the relevant rule positions which authorises the developer to raise such claims against the units?

c) Written submission of the Noticee after Personal Hearing held on 21/04/2026:

1. Sir, the Compound Wall of the entire SEZ is different than the Compound Wall of the Unit. The Unit has to construct the boundary of wall of their Unit, however, wherever the plot is located near the SEZ Boundary Wall, the Unit is using the SEZ Boundary wall as one side of the Compound Wall of the Unit and the other three side of Compound Wall of Unit are only constructed by the Unit and we are charging for only the SEZ Boundary Wall being used as Compound Wall by those Units whose plots are near to SEZ Boundary Wall. We are not charging it to Units, which are not using SEZ Boundary Wall constructed by the SEZ Developer.

2. This is a part of our land Offer-Cum-Allotment Letter at "Para 4 (d) You will be required to make payment towards boundary wall constructed by DSL" and the SEZ Unit allottee is bound to make the payment of boundary wall contrasted by DSL which is being used by such SEZ Unit.

3. As per Section 13 (1) & (12) of Gujarat SEZ Act, 2004 read with Rule 6 (12) & 7 of Gujarat SEZ Authority Rules, 2005, the Development Committee Determine the charges for infrastructural facilities, amenities and services provided by the Developer.

4. As per Rule 7 (2) of the Gujarat SEZ Authority Rules, 2025, also if there is any grievances with respect to any charges and fees, an aggrieved person may appeal to the Development Committee against claim of the Developer or Co- developer or any measures as may be taken, within three months of the date of such claim or measures taken, provided that the Development Committee shall decide on the appeal, after giving a reasonable opportunity of being heard, to both the parties. In view of this, if

there is any issue or grievance by the SEZ Unit, they should raise it or file the appeal to the Development Committee where the Honourable DC is also the Member of the Development Committee. The UAC has no power to entertain such issues, complaints and appeal by the SEZ Unit with respect to charges, levies and fees charged by the SEZ. Developer

1. The said SEZ Unit has already applied for exit from SEZ Scheme and exited on 18/11/2025 and they are no longer SEZ Unit of the said SEZ and they have no right now to raise any issues, complaint or appeal at this stage. However, since they have transferred the said business with assets and liabilities to the buying SEZ Unit, such buying SEZ Unit is free to raise such issues, complaints and appeals, if any, to the Development Committee.

2. We also request the Honourable DC to let us know which Section of the SEZ Act, 2005 or Rules of the SEZ Rules, 2006 restricts the SEZ Developer to charge such user fees, charges, rentals, non-compliances charges etc.

3. All the charges, fees and payments to be made by SEZ Unit for availing the facilities, amenities and services in the SEZ are approved in the Board Meeting of the SEZ Developer and/or the Development Committee Meetings from time to time and it is the prerogative of the SEZ Developer to charge such fees and charges for running the said SEZ. Also, please note that these charges and fees are charged across the board to all the SEZ Units and there is no partiality done with respect to any one SEZ Unit. Those Units which do not want such charges or fees to be paid, they can any time to decide to set-up their Units in other SEZ Units or they are free to move away. Without these charges & fees it will be very difficult to run and maintain the said SEZ. Let us be very clear, the UAC is the authority for implementation of SEZ Act and Rules and collect taxes or provide exemptions as allowed under various laws and ensure statutory compliances by the SEZ Units and SEZ Developer is the authority to run and maintain the said SEZ by charging service charges, lease rentals, premiums, maintenance fees, other charges and fees which are required to ensure smooth functioning of the said SEZ and nobody is allowed to interfere in the jurisdictions of each other.

19.3 Item No. 138.05.01.03, M/s Arham Biochem Private Limited, erstwhile SEZ unit (Request for refund of Transfer Fee of Rs 96,61,829/- paid to the DSL)

b) The CEO, DSL, vide letter dated 12.12.2025 has submitted that:

1. As per DSL policy, allottee is allowed to transfer plot to any person who has been granted letter of approval from DC, Dahej SEZ provided allottee has started unit before closing down and pay 35% of the prevailing allotment price as a transfer fee at the time of transfer to DSL.

2. DSL will enter into a fresh lease deed with the new allottee and as above DSL had demanded the transfer fees of Rs 9661829/- considering 35% of the prevailing allotment price l.e. 2200/- per SQ.MT. (12547.83 Area of unit 2200 allotment price prevailing 0.35).

3. The objective of implementing transfer policy is to restrict the Real Estate business in SEZ area to gains from price of land and promote SEZ for industrial use rather as investment vehicle.

c) Issues raised in UAC: 135th UAC wherein the committee had sought some clarifications from the Developer regarding the relevant rule positions which authorises the developer to raise such claims against the units.

d) Written submission of the Noticee after Personal Hearing held on 21/04/2026:

1. As per Section 13 (1) & (12) of Gujarat SEZ Act, 2004 read with Rule 6 (12) & 7 of Gujarat SEZ Authority Rules, 2005, the Development Committee Determine the charges for infrastructural facilities, amenities and services provided by the Developer.

2. As per SEZ Developer Policy reflected on SEZ Developer Internet Page under Para No. 2 of "Cancellation or Surrender of LOA the allottee may be allowed to transfer the plot to another unit who has been granted Letter of Approval from DC, Dahej SEZ, provided allottee has started unit before closing down and pays 35% of the prevailing allotment price as a transfer fee at the time of transfer to DSL.

3. As per Clause No. 6.4 of the Sub-Lease Deed dated 08/05/2014, if there is a change in the shareholding pattern of the company such transfer of shares in view of the change in the in the name of the company of merger, de-merger, joint venture and takeover, its Boards of Directors and Managing Committee by whatever name called, is treated as change of the constitution of the sub-lease and deemed to be a transfer by the Sub-Lessee of its interest in the demised premises in favour of another person irrespective of whether there is a change in the legal entity or not which amounts to transfer of leasehold right/interest to another person for the purpose of charging transfer charges/fees as per surrender policy of DSL as provided in Clause no. 6.3 of sub-lease deed and accordingly the Applicant have raised the bill.

4. This is also the practice being followed by MIDC, GIDC, Mihan SEZ, Adani SEZ etc.

5. As per SEZ Instruction No. 109 dated 18/10/2021, Para (ii) (f), such reorganisation shall be subject to following safeguards (f) the applicant shall comply with Relevant State Government Laws including those relating to lease of land as applicable.

6. Also, UAC Agenda says that "all liabilities of the Developer/Co-developer/Unit shall remain unchanged on such reorganization', which clearly states that Unit's liability of transfer fees remains unchanged when the plot of land is transferred to the purchasing/ transferee Unit same as the SEZ Developer liabilities remained unchanged.

7. As per Rule 7 (2) (d) of the Gujarat SEZ Authority Rules, 2025, also if there is any grievances with respect to any charges and fees, an aggrieved person may appeal to the Development Committee against claim of the Developer or Co- developer or any measures as may be taken, within three months of the date of such claim or measures

taken, provided that the Development Committee shall decide on the appeal, after giving a reasonable opportunity of being heard, to both the parties. In view of this, if there is any issue or grievance by the SEZ Unit, they should raise it or file the appeal too the Development Committee where the Honourable DC is also the Member of the Development Committee. The UAC has no power to entertain such issues, complaints and appeal by the SEZ Unit with respect to charges, levies and fees charged by the SEZ. Developer.

8. The UAC is heavily depending upon the Regulation 5 (3) of the Gujarat SEZ Regulations, 2007, which is reproduced below for your ready reference:

Regulation 5 (3): The Unit Approval Committee shall adopt the following procedure to resolve any dispute between the units and the Developer regarding Infrastructure facilities, amenities and services: -

(a) A complaint received from the units and the DC shall examine the Developer or Co-developer.

(b) Comments shall be invited from the units and the Developer or Co-developer.

(c) The agenda shall be prepared and placed in the meeting of Unit Approval Committee for decision.

(d) The DC shall communicate the decision of the Unit Approval Committee to consumer and the Developer or Co-developer.

Your lordship will observe that under Regulation 5 (3) (d) of the Gujarat SEZ Regulations, 2007, the Unit Approval Committee shall adopt the procedure to resolve any dispute between the units and the Developer regarding infrastructure facilities, amenities and services and not entertain the dispute relating to infrastructure facilities charges, amenities charges and services charges. Please note that the UAC can entertain disputes from SEZ Units with respect to any lacunae or shortage or inefficiency of providing infrastructural facilities or amenities or any services provided by the SEZ Developer, but such regulation does not authorise UAC to entertain disputes or complaints in the nature of commercial domain i.e. charges, fees and levies imposed by the SEZ Developer for providing such infrastructural facilities or amenities or any services and by doing so the UAC and the Honourable DC has travelled beyond their jurisdiction of entertaining such disputes and resolving it by taking arbitrary decisions, failure do understand the basic tenant of law and the authority given under Regulation 5 (3) (d) of Gujarat SEZ Regulations, 2007 makes the decisions taken by UAC is illegal and beyond their jurisdiction and needs to be quashed and withdrawn immediately on this ground alone.

9. As per Regulation 7 (1): Levy of user charges and Fees: The Developer shall levy user charges or fees as may be approved by the Development Committee under sub-regulation (12) of regulation 6 for providing infrastructure facilities and amenities and services.

As per Regulation (7(2) The procedure for the levy of user charges or fees by the Developer or Co-developer shall be as under: -

(a) The Developer or Co-developer shall prepare the bill for the services used.

(b) The Developer or Co-developer shall arrange for distribution of bills and recover the charges and give receipts.

(c) The Developer or Co-developer shall take such measures as laid down by the Development Committee in the case of failure to pay fees and user charges as laid down by the Development Committee.

(d) An aggrieved person may appeal to the Development Committee against claim of the Developer or Co- developer or any measures as may be taken, within three months of the date of such claim or measures taken, provided that the Development Committee shall decide on the appeal, after giving a reasonable opportunity of being heard, to both the parties.

10. Your Lordship will appreciate that as per Regulation 7 (2) (d), of the Gujarat SEZ Regulations, 2007, if there is any grievances with respect to any charges, fees & levies charged by the SEZ Developer with respect to providing infrastructural facilities, amenities or services, an aggrieved person may appeal to the Development Committee against claim of the Developer or Co- developer or any measures as may be taken, within three months of the date of such claim or measures taken, provided that the Development Committee shall decide on the appeal, after giving a reasonable opportunity of being heard, to both the parties. In view of this, if there is any issue or grievance by the SEZ Unit, they should raise it or file the appeal to the Development Committee where the Honourable DC is also the Member of such Development Committee of the SEZ. Neither the UAC nor the DC has any power to entertain such issues, complaints and appeal by the SEZ Unit with respect to charges, levies and fees charged by the SEZ Developer, failure to understand the law in this regards by the UAC and the Honourable DC, the decisions taken by them on issues which are not under their jurisdictional domain is illegal, bad and not tenable under the law and on this ground also the decision taken in the 138th UAC Meeting by the UAC shall be withdrawn or quashed.

11. The said SEZ Unit has already applied for exit from SEZ Scheme and exited on 18/11/2025 and they are no longer SEZ Unit of the said SEZ and they have no right now to raise any issues, complaint or appeal at this stage. However, since they have transferred the said business with assets and liabilities to the buying SEZ Unit, such buying SEZ Unit is free to raise such issues, complaints and appeals, if any, to the Development Committee.

12. The Honourable DC has asked the SEZ Developer in the 138 UAC Meeting under which Section of SEZ Act, 2004 & SEZ Rules, 2006, the SEZ Developer is authorised to levy the charges, fees and levies for providing various infrastructural facilities, amenities and services and the Applicant also requested the Honourable DC to let

them know which Section of the SEZ Act, 2005 or Rules of the SEZ Rules, 2006 restricts the SEZ Developer to charge. such charges, fees, levies, rentals, non-compliances charges etc. The Honourable DC did not provide any such Section of the SEZ Act, 2005 or Rules of the SEZ Rules, 2006 in the UAC as well as in the Minutes of the Meeting of 138th UAC Meeting in this regard.

13. In the 138 UAC Meeting, the Applicant, SEZ Developer, also requested the Honourable DC to let them know under which Section of the SEZ Act, 2005 or Rules of the SEZ Rules, 2006 the Honourable DC Developer is allowed to entertain complaints and dispute with respect to infrastructural facilities charges, amenities charges and service charges and decide on such matters. The Honourable DC did not provide any such Section of the SEZ Act, 2005 or Rules of the SEZ Rules, 2006 in the UAC as well as in the Minutes of the Meeting of 138th UAC Meeting in this regard and any decision taken in this regard without the powers conferred under SEZ Act, 2004 and SEZ Rules 2006 is bad in law and needs to be quashed on this ground alone.

14. All the charges, fees and payments to be made by SEZ Unit for availing the facilities, amenities and services in the SEZ are approved in the Board Meeting of the SEZ Developer and/or the Development Committee Meetings from time to time and it is the prerogative of the SEZ Developer to charge such fees and charges for running the said SEZ. Also, please note that these charges and fees are charged across the board to all the SEZ Units and there is no partiality done with respect to any one SEZ Unit. Those Units which do not want such charges or fees to be paid, they can any time to decide to set-up their Units in other SEZ Units or they are free to move away. Without these charges & fees it will be very difficult to run and maintain the said SEZ Let us be very clear, the UAC is the authority for implementation of SEZ Act and Rules and collect taxes or provide exemptions as allowed under various laws and ensure statutory compliances by the SEZ Units and SEZ Developer is the authority to nun and maintain the said SEZ by charging service charges, lease rentals, premiums, maintenance fees, other charges and fees which are required to ensure smooth functioning of the said SEZ and nobody is allowed to interfere in the jurisdictions of each other.

19.4 Item No. 138.05.01.04, M/s Arham Biochem Private Limited, erstwhile SEZ unit (Request for refund of non-utilization of plot charges amounting of Rs 4,91,046/-paid to the DSL)

a) The CEO, DSL vide letter dated 12.12.2025 has submitted that:-

1. The Board of DSL in its 40th Board meeting held on 27.6.2017 formulated and approved policy related to Non- Utilization of Land in Dahej SEZ and the circular to that effect was published on 22.11.2017.

b) Issue raised in UAC: The Approval Committee also directed the Developer to provide justification as how the plot can be classified as non-utilized, if a unit had started commercial production. The Developer shall also provide the details of units which had been penalized for non-utilization of plot to the DC within 20 days of intimation in this regard?

c) Written submission of the Noticee after Personal Hearing held on 21/04/2026

1. These non-utilization of plot charges are also being charged by GIDC, the main Lessor of the SEZ Land and all the GIDC Lands spread all over the State of Gujarat.

2. We are charging the non-Utilisation of plot charges as per SEZ Developer Board Decision dated 27/06/2017 and this policy is applicable to all the Units and is not meant for a particular unit.

3. As per Rule 7 (2) of the Gujarat SEZ Authority Rules, 2025, also if there is any grievances with respect to any charges and fees, an aggrieved person may appeal to the Development Committee against claim of the Developer or Co-developer or any measures as may be taken, within three months of the date of such claim or measures taken, provided that the Development Committee shall decide on the appeal, after giving a reasonable opportunity of being heard, to both the parties. In view of this, if there is any issue or grievance by the SEZ Unit, they should raise it or file the appeal to the Development Committee where the Honourable DC is also the Member of the Development Committee. The UAC has no power to entertain such issues, complaints and appeal by the SEZ Unit with respect to charges, levies and fees charged by the SEZ. Developer.

4. We also request the Honourable DC to let us know which Section of the SEZ Act, 2005 or Rules of the SEZ Rules, 2006 restricts the SEZ Developer to charge such user fees, charges, rentals, non-compliances charges etc.

5. All the charges, fees and payments to be made by SEZ Unit for availing the facilities, amenities and services in the SEZ are approved in the Board Meeting of the SEZ Developer and/or the Development Committee Meetings from time to time and it is the prerogative of the SEZ Developer to charge such fees and charges for running the said SEZ. Also, please note that these charges and fees are charged across the board to all the SEZ Units and there is no partiality done with respect to any one SEZ Unit. Those Units which do not want such charges or fees to be paid, they can any time to decide to set-up their Units in other SEZ Units or they are free to move away. Without these charges & fees it will be very difficult to run and maintain the said SEZ. Let us be very clear, the UAC is the authority for implementation of SEZ Act and Rules and collect taxes or provide exemptions as allowed under various laws and ensure statutory compliances by the SEZ Units and SEZ Developer is the authority to run and maintain the said SEZ by charging service charges, lease rentals, premiums, maintenance fees, other charges and fees which are required to ensure smooth functioning of the said SEZ and nobody is allowed to interfere in the jurisdictions of each other.

19.5 Item No. 138.05.04, M/s HLE Engineers Pvt. Ltd., Dahej SEZ Request of the firm for intervention and direction to DSL for waiver of wrongly invoked non-utilisation penalty.

a) Issue raised in UAC: DSL requested for various information to be obtained from HLE and place them in the next UAC.

b) Written submission of the Noticee after Personal Hearing held on 21/04/2026

1. These non-utilization of plot charges are also being charged by GIDC, the main Lessor of the SEZ Land and all the GIDC Lands spread all over the State of Gujarat.

2. We are charging the non-Utilisation of plot charges as per SEZ Developer Board Decision dated 27/06/2017 and this policy is applicable to all the Units and is not meant for a particular unit.

3. As per Rule 7 (2) of the Gujarat SEZ Authority Rules, 2025, also if there is any grievances with respect to any charges and fees, an aggrieved person may appeal to the Development Committee against claim of the Developer or Co-developer or any measures as may be taken, within three months of the date of such claim or measures taken, provided that the Development Committee shall decide on the appeal, after giving a reasonable opportunity of being heard, to both the parties. In view of this, if there is any issue or grievance by the SEZ Unit, they should raise it or file the appeal to the Development Committee where the Honourable DC is also the Member of the Development Committee. The UAC has no power to entertain such issues, complaints and appeal by the SEZ Unit with respect to charges, levies and fees charged by the SEZ. Developer

4. We also request the Honourable DC to let us know which Section of the SEZ Act, 2005 or Rules of the SEZ Rules, 2006 restricts the SEZ Developer to charge such user fees, charges, rentals, non-compliances charges etc.

5. All the charges, fees and payments to be made by SEZ Unit for availing the facilities, amenities and services in the SEZ are approved in the Board Meeting of the SEZ Developer and/or the Development Committee Meetings from time to time and it is the prerogative of the SEZ Developer to charge such fees and charges for running the said SEZ. Also, please note that these charges and fees are charged across the board to all the SEZ Units and there is no partiality done with respect to any one SEZ Unit. Those Units which do not want such charges or fees to be paid, they can any time to decide to set-up their Units in other SEZ Units or they are free to move away. Without these charges & fees it will be very difficult to run and maintain the said SEZ. Let us be very clear, the UAC is the authority for implementation of SEZ Act and Rules and collect taxes or provide exemptions as allowed under various laws and ensure statutory compliances by the SEZ Units and SEZ Developer is the authority to run and maintain the said SEZ by charging service charges, lease rentals, premiums, maintenance fees, other charges and fees which are required to ensure smooth functioning of the said SEZ and nobody is allowed to interfere in the jurisdictions of each other.

Common Written Submissions for all the above agenda points:

1. As per Section 14 (2) of Gujarat SEZ Act, 2004, user charges or fees as may be approved by the Development Committee for providing infrastructural facilities, amenities and services and as per Section 13 (1) & (12) of Gujarat SEZ Act, 2004 read with Rule 6 (12) & 7 of Gujarat SEZ Authority Rules, 2005, the Development Committee Determine the charges for infrastructural facilities, amenities and services provided by the Developer. Please note that DC and his nominee is also the part of the Development Committee.

2. Please note that only the Development Committee is empowered to determine the charges, fees, levies, rentals etc. for infrastructural facilities, amenities and services provided by the Developer and not the DC nor UAC.

3. Nowhere in the SEZ Act and SEZ Rules, there is a provision which empowers the power either the DC or the UAC to decide such charges, fees, levies, rentals etc. for infrastructural facilities, amenities and services.

4. Nowhere in the SEZ Act and SEZ Rules, there is a provision which empowers the power either the DC or the UAC to decide whether any charges, fees, levies, rentals etc. for infrastructural facilities, amenities and services are in order or not or change them or obliterate them or provide waiver of such charges, fees, levies, rentals etc.

5. Any dispute, complaint or issues with respect to charges, fees, levies, rentals etc. for infrastructural facilities, amenities and services by the SEZ Unit has to be made to the Development Committee by way of appeal and it is the prerogative of only and only the Development Committee to decide on such matters and not the DC or UAC. Other than these disputes, complaints or issues with respect to charges, fees, levies, rentals etc. for infrastructural facilities, amenities and services by the SEZ Unit, the DC or UAC may entertain other disputes or complaints of other nature except the one specified in this para as and if allowed under the SEZ Act, 2005 and SEZ Rules, 2006.

6. Neither the DC nor the UAC has powers to interpret the meaning and scope of user charges or fees providing infrastructural facilities, amenities and services and charges for infrastructural facilities, amenities and services provided by the Developer and it is only and only the Developer and Development Committee have the powers to do it. Even though there is any issues with respect to interpretation, the SEZ Unit can approach the Court for seeking clarification and interpretation of the meaning and scope of user charges or fees providing infrastructural facilities, amenities and services by the SEZ Developer.

7. When the said complainant is no more SEZ Unit with effect from 18/11/2025, what is the special interest of the DC or UAC to entertain such complaints and include it in the UAC scheduled on 21/04/2026?

8. When the said complainant has transferred their business with assets and liabilities to another SEZ Unit and exited as SEZ Unit on 18/11/2025, in which case if there is any issues or complaints against any user charges or fees providing infrastructural facilities, amenities and services and charges for infrastructural facilities, amenities

and services provided by the Developer, such new SEZ Unit can raise the complaint or file the appeal before the Development Committee and not before the DC or UAC. If such new SEZ Unit is not satisfied with the decision of the Development Committee, they can still approach the court of law, which is the competent authority to decide such cases and not the DC or UAC.

9. The Developer nor the Development Committee interfere in the jurisdiction of the DC or UAC when they are discharging the functions allowed under the SEZ Act, 2005 and SEZ Rules, 2006 and based on this principle, the DC or UAC should also not interfere in the jurisdiction of the Developer and Development Committee.

10. Please note that user charges or fees providing infrastructural facilities, amenities and services and charges for infrastructural facilities, amenities and services provided by the Developer are charged to all the SEZ Units in the said SEZ without any partiality and all the SEZ Units are paying them from time to time since the inception of the SEZ and not charged only to a particular or select SEZ Unit.

11. Please note that all the information regarding the user charges or fees providing Infrastructural facilities, amenities and services and charges for infrastructural facilities, amenities and services provided by the Developer are reflected on the website of the SEZ Developer and after going through them only the prospective SEZ Units approach the SEZ Developer and agree to obtain the lease hold land for setting up SEZ Unit and undertake to pay such user charges or fees providing infrastructural facilities, amenities and services and charges for infrastructural facilities, amenities and services provided by the Developer from time to time.

12. It is astonishing to note that the said SEZ Unit has not raised any issues with respect to user charges or fees providing infrastructural facilities, amenities and services and charges for infrastructural facilities, amenities and services provided by the Developer when they were working in the SEZ and they have raised such issues only and only after they exited from the SEZ Unit. We failed to understand the motive and also the interest of the DC and UAC for entertaining such issues and complaints after the SEZ Unit has exited? Is not clearly the hands-in-gloves system of the said SEZ Unit and working of the DC and UAC?

20 We crave to leave, add, alter, modify, withdraw, amend all or any of the submissions made herein above and also craves to rely on various judicial decisions applicable to the case.

21 Based on what has been stated and submitted herein above, the Applicant sincerely request your Honour as follows:

21.4 To quash the decisions taken in the 138 UAC Meetings by the Honourable DC and UAC with respect to infrastructural facilities charges, amenities charges, service charges and other non-compliances charges levied by the SEZ Developer from time to time.

21.5 To remand back the said case back to the SEZ Development Committee and requesting the SEZ Units to raise complaints or grievances with respect to infrastructural facilities charges, amenities charges, service charges and other non-compliances charges levied by the SEZ Developer to the SEZ Development Committee with the limitation period.

21.6 To instruct the Honourable DC and UAC not to entertain any disputes or complaints with respect to infrastructural facilities charges, amenities charges, service charges and other non-compliances charges levied by the SEZ Developer and refer such complaints and disputes to the SEZ Development Committee where the Honourable DC or his nominee himself is a member of such SEZ Development Committee.

21.7 To allow the personal hearing in the said matter before any final decision is taken or speaking order is passed in the said matter.

21.8 Any other relief as your Lordship may deem it fit.

PRAYER of appellant:

1. To quash the decisions taken in the 138th UAC Meetings by the Honourable DC and UAC with respect to infrastructural facilities charges, amenities charges, service charges and other non-compliances charges levied by the SEZ Developer from time to time.

2. To remand back the said case back to the SEZ Development Committee and requesting the SEZ Units to raise complaints or grievances with respect to infrastructural facilities charges, amenities charges, service charges and other non-compliances charges levied by the SEZ Developer to the SEZ Development Committee with the limitation period.

3. To instruct the Honourable DC and UAC not to entertain any disputes or complaints with respect to infrastructural facilities charges, amenities charges, service charges and other non-compliances charges levied by the SEZ Developer and refer such complaints and disputes to the SEZ Development Committee where the Honourable DC or his nominee himself is a member of such SEZ Development Committee.

4. To allow the personal hearing in the said matter before any final decision is taken or speaking order is passed in the said matter.

5. Any other relief as your Lordship may deem it fit.

Para wise comments of O/o DC Dahej SEZ on the Appeal filed by M/s Dahej SEZ Limited dated 04.06.2026 against the decisions of the 138th UAC held on 21.04.2026. is as follows:

A. **Facts of the case**

Reply to Para No. 1 to 7. - No comment

Reply to Para No. 8. – Section 14 of the Gujarat SEZ Act, 2004 empowers the SEZ Development Committee to impose user charges for infrastructure facilities, services and amenities. The boundary wall charges, plantation fee and non-utilization of plot charges, transfer fees cannot be categorised as charges for infrastructure facilities, amenities and services provided by the Developer. Non plantation charges and non-utilization of plot charges as imposed by the Developer can be classified as penalties for non-compliance or breach of rules or laws and only the Unit Approval Committee is empowered under Section 9 (2) of the Gujarat SEZ Act, 2004 to impose such type of penalties for breach or non-compliance of rules or laws. The relevant text of Section 9(2) is placed below: -

> *The Approval committee shall supervise and monitor, clearances, approvals, licences or registrations granted by it and may take appropriate action under the relevant applicable laws for breach of or noncompliance of any terms and conditions of any such clearance, approval, licence or registration.*

Reply to Para No. 9. - Section 9(1)(v) of the Gujarat SEZ Act, 2004 empowers the UAC to resolve commercial disputes and the decisions taken by the 138th UAC are mainly related to disputes of commercial nature between the Developer and the SEZ unit. SEZ Development Committee is neither empowered to levy penalties for non-compliance, breach of rules or laws nor authorized to resolve commercial disputes between SEZ units and Developer.

Reply to Para No. 10. & 11. - The UAC has not imposed any user charges or rentals. Further, Sub-Regulations 7(2) of the Gujarat SEZ Regulations, 2007 only talks about the power of Development Committee to decide on the appeals related to user charges for infrastructure facilities and amenities. It is being reiterated that the boundary wall charges, plantation fee and non-utilization of plot charges, transfer fees cannot be categorised as charges for infrastructure facilities, amenities and services provided by the Developer.

Reply to Para No. 12. to 14. - No comment

Reply to Para No. 15. - If the facts regarding transfer charges provided by the Appellant are true, then such policies adopted by either MIHAN SEZ or Mundra SEZ are violative of INSTRUCTION No. 109 (SEZ Section) Dated 18th October, 2021. The relevant text of the Instruction No. 109 is being produced below: -

> *Reorganization including change of name, change of shareholding pattern, business transfer arrangements, court approved mergers and demergers, change ofconstitution, change of Directors, etc. may be undertaken by the unit Approval Committee (LIA C) concerned subject to the condition that the Developer/ Co-developer/ unit shall not opt out or exit out of the Special Economic Zone and continues to operate as a going concern. All liabilities of the Developer/ Co-developer/ unit shall remain unchanged on such reorganization.*

Further, such a policy adopted by other SEZs are not in congruence with the decision of the High Court of Gujarat in a similar matter. It is pertinent to refer the decision of Hon'ble High Court of Gujarat in case of Kumaka Industries Limited vs. Gujarat

Industrial Development Corporation in SCA No. 12864 of 2017. The relevant text of the Order dated 12.10.2017 is placed below: -

> *Therefore, the lease agreement which has been entered into between the Ashok Organic Industries Limited as a Company incorporated under the Companies Act as Lesser and the Respondent Corporation as Lessor would clearly suggest that* ***only the name of the Lessee Company has been changed and there is nothing to suggest by which it could be said to be a transfer of the plot of the GIDC*** *allotted in favour of Ashok Organic Industries Limited.*
>
> *The Circular dated 6.7.2017 issued by the Respondent Corporation which has been relied upon has no legs to stand as it only refers to the transfer of such a plot, which is not the case herein. The circular everywhere refers transfer and the decision of the Respondent Corporation dated 9.10.2017 which is placed on record also refers transfer. men there is no transfer as such, it is rather misleading the statutory provisions. The Circular issued by the Respondent Corporation dated 6.72017 will not have any application as it cannot be said to be any transfer.*
>
> *Though the plot or the shade is allotted by the Respondent Corporation on a lease, the title remains with the Respondent Corporation and what is given is limited leasehold rights, meaning thereby, when the limited rights are given, then the submission made by the learned Advocate for the Respondent Corporation about the transfer strictly speaking would not have any application.*

Reply to Para No. 16. to 18. - No comment

Reply to Para No. 19. - M/s. Arham Biochem Private Limited has the same PAN and GSTN as those of M/s. Bitumode International Private Limited. Hence, the legal entity remains the same.

Reply to Para No. 20. - Clause No. 6 (4) of Sub-Lease Deed dated 08.05.2014 is violative of INSTRUCTION No. 109 (SEZ Section) Dated 18th October, 2021. It is also not in congruence with the decision of Hon'ble High Court of Gujarat in case of Kumaka Industries Limited vs. Gujarat Industrial Development Corporation in SCA No. 12864 of 2017.

Reply to Para No. 21. - No comment

Reply to Para No. 22. - M/s. Kumar Organic Products Limited is a separate legal entity and hence paid the transfer fees and M/s. Arham Biochem Private Limited has requested for exit from SEZ and transfer of its assets and liabilities to M/s. Kumar Organic Products Limited.

Reply to Para No. 23. – This is a case of extreme form of apathy and injustice by the Developer to a SEZ unit. Although the payment of transfer fee of Rs 96,61,829/- was made by M/s Arham Biochem Private Limited in March, 2025 the sub-lease deed has not been signed by the CEO, DSL till date. This appeal is not related to transfer charges paid by M/s Kumar Organic Products Limited to the Developer.

Reply to Para No. 24. - The Developer has raised the demand vide invoice No. 24-25/B2B/D/524 dated 24.03.2025 and M/s. Arham Biochem Private Limited has made payment of all the charges to the Developer in March, 2025. Since the disputed invoice/demand pertains to the period prior to exit of the firm from Dahej SEZ hence, M/s. Arham Biochem Private Limited is allowed as per Section 9(1)(v) of the Gujarat SEZ Act, 2004 to approach the Unit Approval Committee for resolution of their disputes.

Reply to Para No. 25. - No comment

Reply to Para No. 26. & 27. - No comment

Reply to f Para No. 28. & 29. - All the submissions, arguments and presentation of M/s Dahej SEZ Limited has been heard and taken on record by the UAC. The minutes of the previous UAC meetings may kindly be referred to for details. Further, the submissions made by the Appellant were merely reiteration of the facts provided by them in their previous letters.

Reply to Para No. 30. & 31. - All the submissions made by the Appellant were duly considered by the UAC and the UAC took decisions based upon the facts provided by the SEZ unit and the Developer. Minutes of the 138th UAC is a speaking order because it covers all aspects and material facts provided by the unit and the Developer. There is no financial hardship faced by the appellant as the charges/penalties are not related to provisioning of any services or amenities.

B. **Grounds of appeal**

Reply to Para No. 1. - The principle of natural justice has been followed by the UAC in all meetings and sufficient opportunity of hearing were given to both the parties. The same can be seen from the minutes of 135th UAC held on 22.12.2025, 137th UAC held on 17.03.2026 and 138th UAC held on 21.04.2026.

Reply to Para No. 2., 3. & 4. - The boundary wall charges, plantation fee and non-utilization of plot charges, transfer fees cannot be categorised as charges for infrastructure facilities, amenities and services provided by the Developer. Non plantation charges and non-utilization of plot charges as imposed by the Developer can be classified as penalties for non-compliance or breach of rules or laws and only the Unit Approval Committee is empowered under Section 9 (2) of the Gujarat SEZ Act, 2004 to impose such penalty. The relevant text of Section 9(2) is placed below: -

> *The Approval committee shall supervise and monitor, clearances, approvals, licences or registrations granted by it and may take appropriate action under the relevant applicable laws for breach of or noncompliance of any terms and conditions of any such clearance, approval, licence or registration.*

It is necessary to emphasize here that SEZ Development Committee is not empowered to levy any penalty for non-compliance or breach of rules or laws. Further, Section 9(1)(v) of the Gujarat SEZ Act, 2004 empowers the UAC to resolve commercial disputes.

Reply to Para No. 5. – The SEZ Development Committee is not empowered to levy penalties for non-compliance or breach of rules or laws. Sub-Regulation 7(2) of the Gujarat SEZ Regulations, 2007 only talks about the power of Development Committee to decide on the appeals related to user charges for infrastructure facilities and amenities. Regulation 7 of the Gujarat SEZ Regulations, 2007 is placed below for reference of the BoA: -

7. Levy of user charges and Fees: -

(1) The Developer shall levy user charges or fees as may be approved by the Development Committee under sub-regulation (12) of regulation 6 for providing infrastructure facilities and amenities and services.

(2) The procedure for the levy of user charges or fees by the Developer or Codeveloper shall be as under: -

(a) The Developer or Co-developer shall prepare the bill for the services used.

(b) The Developer or Co-developer shall arrange for distribution of bills and recover the charges and give receipts.

(c) The Developer or Co-developer shall take such measures as laid down by the Development Committee in the case of failure to pay fees and user charges as laid down by the Development Committee.

(d) An aggrieved person may appeal to the Development Committee against claim of the Developer or Co- developer or any measures as may be taken, within three months of the date of such claim or measures taken, provided that the Development Committee shall decide on the appeal, after giving a reasonable opportunity of being heard, to both the parties.

It is being reiterated that the boundary wall charges, plantation fee and non-utilization of plot charges, transfer fees cannot be categorised as charges for infrastructure facilities, amenities and services provided by the Developer. Whereas, Section 9(1)(v) of the Gujarat SEZ Act, 2004 empowers the UAC to resolve such commercial disputes between SEZ unit and Developer.

Reply to Para No. 6. - No comment

Reply to Para No. 7. - Sub-Regulation 5 (2) of the Gujarat Special Economic Zone Regulations, 2007 provides that: -

(2) The Unit Approval Committee shall adopt the following procedure to resolve disputes of commercial nature between the agencies providing services and consumers: -

(a) A complaint received from the consumer shall be examined by the Development Commissioner.

(b) Comments shall be invited from the service provider.

(c) The agenda shall be prepared and placed in the meeting of Unit Approval Committee for decision.

(d) The Development Commissioner shall communicate the decision of the Unit Approval Committee to consumer and the Developer or Co-developer.

By carefully going through the above provisions, one can conclude that the UAC has power to hear disputes of commercial nature between SEZ units and Developer. The UAC has acted upon and decided the matter that falls under its purview. The Appellant is trying to misguide the BoA by quoting Sub-Regulation 5 (3) of the Gujarat Special Economic Zone Regulations, 2007 instead of Sub-Regulation 5(2) of the Gujarat Special Economic Zone Regulations, 2007.

Reply to Para No. 8. - Sub-Regulation 7(2) (d) of the Gujarat SEZ Regulations, 2007 only talks about the power of Development Committee to decide on the appeals related to user charges for infrastructure facilities and amenities. It is being reiterated that the boundary wall charges, plantation fee and non-utilization of plot charges, transfer fees cannot be categorised as charges for infrastructure facilities, amenities and services provided by the Developer. Whereas, Section 9(1)(v) of the Gujarat SEZ Act, 2004 empowers the UAC to resolve commercial disputes.

Reply to Para No. 9. – It is to emphasize here that neither Gujarat SEZ Act, 2004 nor Gujarat SEZ Regulations, 2007 authorizes the Developer to exercise **quasi-judicial power** and impose penalty upon the units for non-compliance. The boundary wall charges, plantation fee and non-utilization of plot charges, transfer fees cannot be categorised as charges for infrastructure facilities, amenities and services provided by the Developer. Non plantation charges and non-utilization of plot charges as imposed by the Developer can be classified as penalties for non-compliance or breach of rules or laws. Whereas, the Unit Approval Committee is empowered under Section 9 (1) (v) of the Gujarat SEZ Act, 2004 to resolve commercial disputes.

Reply to Para No. 10. - The office of the Development Commissioner, Dahej SEZ vide letter dated 27.11.2025 has already provided the relevant rule positions to the Developer. It is being reiterated that the Unit Approval Committee is empowered under Section 9 (1) (v) of the Gujarat SEZ Act, 2004 to resolve commercial disputes between SEZ units and the Developer. The Minutes of Meeting of 138th has clearly mentioned the relevant rule position to the Developer.

Reply to Para No. 11. & 12. - Neither Gujarat SEZ Act, 2004 nor Gujarat SEZ Regulations, 2007 authorizes the Developer or the Development Committee to exercise **quasi-judicial power** and impose penalty upon the units for non-compliance. The attention of the Board of Approval is being drawn towards the fact that the boundary wall charges, plantation fee and non-utilization of plot charges, transfer fees collected from the SEZ units should have been maintained separately by the Developer and such fund should not be used to run and maintain the SEZ. The Appellant has correctly mentioned that service charges, lease rentals, maintenance fees etc. can be used to run and maintain an SEZ.

Reply to Para No. 13. & 14. – The Unit Approval Committee has never interfered in the jurisdiction of SEZ Development Committee. The UAC has neither determined nor imposed the charges, fees, levies, rentals etc. for infrastructure facilities, services and amenities provided by the Developer.

Reply to Para No. 15. & 16. - The complaints received from M/s. Arham Biochem Private Limited & M/s. HLE Engineers Private Limited are not related to provisioning of any infrastructural facilities, amenities and services. Rather those are commercial disputes and Sub-Regulation 5 (2) of the Gujarat Special Economic Zone Regulations, 2007 provides for resolution of commercial disputes.

Reply to Para No. 17. & 18. - The Developer has raised multiple demands vide invoice No. 24-25/B2B/D/524 dated 24.03.2025 and M/s. Arham Biochem Private Limited has made payment of all the charges to the Developer in March, 2025. Hence, the disputed invoice/demand pertains to the period much prior to exit of the firm from Dahej SEZ.

Reply to Para No. 19. 1 - This is a fit case of double jeopardy by the Developer. The Developer has crossed the limit of exploitation by forfeiting the amount of tree plantation deposited by the unit at the time of execution of sub-lease deed and subsequently imposing penalty for not able to maintain sufficient number of trees in their premises. It is surprising that the Developer is neither empowered by any Act or Regulation to collect the deposit amount for tree plantation nor empowered to impose penalty upon the units. The Developer has not provided any service to the unit in this case. The Developer has relied upon the **Comprehensive Development Control Regulations, 2017**. The specific provision related to tree plantation is placed below:

25.5 Tree Plantation

I. All buildings shall provide tree plantations conforming to the following:

2. Building unit having area of more than 100 sq.mt shall be provided with minimum three trees for every 200 sq.mt area or part thereof.

3. The Trees shall preferably be shade-giving and from the species listed in Schedule 24.

4. The requirement of trees shall be reduced on the basis of the number of grown existing trees that are conserved and not affected by the proposed development.

5. Trees shall be planted on site and guarded by the tree guards and shall be maintained Properly.

6. Trees shall be planted without causing obstruction to the easy movement of fire fighting vehicles in case of fire emergency.

7. A person applying for permission to carry out any development shall have to pay ***tree plantation deposit*** *along with his application to the Competent Authority at the rates decided by the Competent Authority time to time. This deposit shall be refundable after the period of five years with the condition that trees planted on the site shall be grown-up and maintained properly, otherwise the deposit shall be forfeited and shall be utilised only for tree plantation and maintenance by the Competent Authority.*

8. Competent Authority may consult Forest and Environment Department for tree typology, plantation and maintenance, etc. if required.

The said Regulation only empowers the Competent Authority to **forfeit** the tree plantation deposit amount in case of non-compliance. **The Developer of an SEZ is not a competent authority as per the said Regulation** because this regulation is not applicable to SEZs operational in Gujarat state.

The said Regulation also mentions that the deposit shall be used **ONLY for tree plantation and its proper maintenance** by the Competent Authority. <u>The said regulation nowhere talks about the penalty, which is over and above the forfeited deposit amount</u>. In this specific case, even after forfeiting the deposited amount the CEO, DSL has imposed penalty on the SEZ units and thus penalized the firm TWICE for non-plantation of tree and **they have not utilized the forfeited amount for tree plantation in the premises of the SEZ unit as mandated by the said Regulation.**

Hence, in the view of above provisions the Approval Committee in its 138th meeting unanimously decided that as per the Comprehensive Development Control Regulations, 2017, the CEO, DSL has no statutory authority to impose penalty upon the units for non-plantation of tree. **Since the deposited amount has already**

been forfeited by the DSL, imposition of penalty is illegal. Therefore, the Committee directed the CEO, DSL to refund the penalty amount of Rs 94000/- and Rs 188000/ - collected by them from M/S Arham Biochem Private Limited within 20 days of intimation.

Reply to Para No. 19.2 - The dispute related to boundary wall charges is still unresolved. The 138th Approval Committee made following observations in this case:

I. Construction of the boundary wall is a prerequisite for notifying an area as a SEZ. Thus the Developer is solely responsible for erection and maintenance of the boundary wall of the entire SEZ.
2. Despite the direction of the 135th UAC, the Developer has not provided the details of the units who had been asked by the CEO, DSL to pay the boundary wall charges by them.
3. The Offer-Cum-Allotment Letter clearly mentions at Para 4 (d) that the unit will be required to make payment towards boundary wall constructed by DSL.
4. The outstanding demand has been raised only when the firm had applied for transfer of their LOA to another unit. Raising of demand by an official other than CFO raises doubt about the intention of the CEO in the entire process.

The Approval Committee after detailed discussion unanimously decided to seek following information from the Developer:
I. Since **the demand has been raised after more than 10 years from the year of allotment** of land, an explanation may be provided by the Developer as to why the outstanding amount had not been collected from the unit in ten years.
2. The Developer has to provide the details of the units who had been asked to pay the boundary wall charges by them.
3. The Developer shall also provide the method of calculation of boundary wall charges (measurement, valuation, etc.) to justify the outstanding amount charged from the SEZ units.
4. The Developer shall also provide a Declaration stating that the outstanding amount for compound wall charges have not been collected from M/ s Bitumode International Private Limited and it has been shown in their balance sheet as **receivables.**

The Developer shall provide above details to the office of Development Commissioner within 20 days of intimation in this regard. The matter will be discussed in the next UAC.

The Appellant has not provided any information with respect to method of calculation of boundary wall charges to the o/o DC, Dahej SEZ till date. Further, they are unable to explain the fact that even if it is uniformly collected from all the units, why the same have not been collected from M/ s Bitumode International Private Limited and whether it has been shown in their balance sheet as **receivables or not.**

Reply to Para No. 19.3 - The Appellant is trying to create a confusion by considering reorganization of a SEZ unit as a transfer of asset. In this regard, it is necessary to mention the **INSTRUCTION No. 109 (SEZ Section) dated 18th October, 2021** written to all the Chief Secretaries of the State Governments and all the Development Commissioners. The relevant text of the Instruction No. 109 is being produced below: -

__Reorganization__ including change of name, change of shareholding pattern, business transfer arrangements, court approved mergers and demergers, change of constitution, change of Directors, etc. may be undertaken by the unit Approval Committee (LIA C) concerned subject to the condition that the Developer/ Co-developer/ ***unit shall not opt out or exit out of the Special Economic Zone and continues to operate as a going concern.*** *All liabilities of the Developer/ Co-developer/ unit shall remain unchanged on such reorganization.*

It is also pertinent to refer the decision of Hon'ble High Court of Gujarat in case of Kumaka Industries Limited vs. Gujarat Industrial Development Corporation in SCA No. 12864 of 2017.

The relevant text of the Order dated 12.10.2017 is placed below: -

Therefore, the lease agreement which has been entered into between the Ashok Organic Industries Limited as a Company incorporated under the Contpanies Act as Lesser and the Respondent Corporation as Læssor would clearly suggest that only the name of the Lessee Company has been changed and there is nothing to suggest by which it could be said to be a transfer of the plot of the GIDC allotted in favour of Ashok Organic Industries Limited.

The Circular dated 6.7.2017 issued by the Respondent Corporation which has been relied upon has no legs to stand as it only refers to the transfer of such a plot, which is not the case herein. The circular everywhere refers transfer and the decision of the Respondent Corporation dated 9.10.2017 which is placed on record also refers transfer. men there is no transfer as such, it is rather misleading the statutory provisions. The Circular issued by the Respondent Corporation dated 6.72017 will not have any application as it cannot be said to be any transfer.

Though the plot or the shade is allotted by the Respondent Corporation on a lease, the title remains with the Respondent Corporation and what is given is limited leasehold rights, meaning thereby, when the limited rights are given, then the submission made by the learned Advocate for the Respondent Corporation about the transfer strictly speaking would not have any application.

Based on the above instruction and the Judgement of the Hon'ble High Court of Gujarat, the 138th Approval Committee made following observations:

1. **The sub-lease deed has not been signed by the CEO, DSL till date despite the payment of transfer Fee of Rs 96,61,829/- made by the firm in February, 2025.**
2. The sub-lease deed has not been signed by the CEO, DSL even after instructions given by **the 131st and 133rd UAC in** this regard.
3. Since the demand for payment of transfer fee has been raised by the CEO, DSL in the absence of CFO and the CEO, DSL himself has delayed the execution of the sub-lease deed, the process itself raises question about the intention of the CEO, DSL behind serving the notice to the firm.
4. The Clause No. 6.4 of the Sub-Lease Deed dated 08.05.2014, is in contrary to the Instruction No. 109 (SEZ Section) dated 18th October, 2021 and the decision of Hon'ble High Court of Gujarat in SCA No. 12864 of 2017.

Therefore, the Committee after considering the above-mentioned facts and after detailed discussion unanimously decided that a clause mentioned in the Sub-lease Deed cannot override the Instruction No. 109 issued by the Department of Commerce, Government of India. Further, the clauses mentioned in the Sub-lease Deed cannot justify arbitrary recovery by the Developer because the change of name from M/S Bitumode International Private Limited to M/ s Arham Biochem Private Limited cannot be considered as a transfer as per the provisions of Section 5 of the Transfer of Property Act. Moreover, **since the sub-lease deed has not been signed by the CEO, DSL till date therefore collecting the transfer fee is illegal.** Therefore, the Committee directed the CEO, DSL to refund the amount of Rs 96,61,829/ to M/ s Arham Biochem Private Limited within 20 days of intimation.

-

Reply to Para No. 19.4 - Dahej SEZ Limited might be the only Developer to impose non-utilization charges on an operational unit after ten years of existence. None of the statues viz. SEZ Act, 2005, SEZ Rules, 2006, Gujarat SEZ Act, 2004, Gujarat SEZ Rules, 2005 and Gujarat SEZ Regulations, 2007 empowers the Developer to impose non-utilization charges on a SEZ unit.

The 138th Approval Committee made following observations w.r.t. non-utilization of plot charges demanded by the Developer:

I. The Developer failed to provide the relevant statutory provision which empowers them to levy charges for non-utilization of plot. It proves that the Developer has no statutory authority to impose such charges.
2. There is no provision in the SEZ Act, 2005, SEZ Rules, 2006, Gujarat SEZ Act, 2004 and the Gujarat SEZ Rules, 2005 empowering the Developer to impose penalty/ charges for non-utilization of plot to any unit in SEZ.
3. The imposition of penalty/charges for non-utilization of plot (after 10 years of commencement) without any statutory authority and in the absence of CFO raise doubt about the intention of the CEO, DSL.
4. The Developer has not provided the criteria used by them to classify a plot as non-utilized.
5. The CEO, DSL has imposed non-utilization charges on a unit which was fully operational. Thus, the demand raised by the CEO, DSL may be considered as null and void.

The Approval Committee after considering all the above-mentioned facts and after detailed discussion concluded that imposition of non-utilization charges on the unit without any statutory authority is null and void. Hence, it is necessary for the Committee to intervene in this matter.

The Committee directed the CEO, DSL to refund the amount of Rs 4,91,046/- illegally collected by them from M/S Arham Biochem Private Limited within 20 days of intimation.

The Approval Committee also took a serious note of the fact that the Developer has imposed non utilization charges on a unit despite the fact that the unit was fully operational.

Reply to Para No. 19.5 -

This is an exceptional case of non-cooperation and apathetic approach of the Developer towards the SEZ Unit and imposition of irrational penalty on the unit. It is equally surprising that despite all odds, the SEZ unit took all steps to resolve the issues and used all resources including the settlement with miscreants and started construction. They dispatched first consignment from their plant on 07.10.2023. it has been informed by the unit that the Appellant has not executed sub-lease deed for the plot on which the unit is operational since 2023.

The non-utilisation of land was neither wilful nor intentional, but occurred due to infrastructure deficiencies, repeated plot changes approved by DSL, statutory approval delays, COVID-19 related force majeure conditions (2020-2022), and law and-order issues.

During the meeting of the Approval Committee, the representative of the Developer confirmed that there was no approach road for Plot No. Z/Ill/B at that time. They also confirmed that DSL approved allotment of Plot No. Z/96/B (Present Location) on 12th April 2018, against which swapping charges (Rs. 2,73,989/-) were duly paid by the unit.

The Approval Committee made following observations: -

1. The Developer failed to provide the relevant statutory provision which empowers them to levy charges for non-utilization of plot. It proves that the Developer has no statutory authority to impose such charges.
2. There is no provision in the SEZ Act, 2005, SEZ Rules, 2006 and the Gujarat SEZ Act, 2004 empowering the Developer to impose penalty/charges to any unit in SEZ for non-utilization of plot.

Further, considering the factors like the hardship faced by the unit due to infrastructure deficiencies, repeated plot changes approved by DSL, statutory approval delays, COVID-19 related force majeure conditions (2020-2022), and law-and-order issues, the Committee was of the opinion that these circumstances were not in the control of the firm. Hence, there was a delay in setting up of a factory on the land which was allotted to them in April, 2018. Furthermore, imposition of penalty/ charges for non-utilization of plot in the year 2022 (after 3 years) for the period 12.01.2016 to 11.01.2019 without any statutory authority raises doubt about the intention of the Developer.

The Approval Committee after considering all the above-mentioned facts and after detailed discussion concluded that imposition of non-utilization charges on the unit without any statutory authority is null and void. Therefore, the Committee directs the Developer to refund the amount, if collected from the unit.

The Approval Committee also took serious note of the fact that **the Developer has not executed the Sub-Lease Deed till date despite the unit having a valid Letter of Approval issued by the Development Commissioner, Dahej SEZ.** Hence, the CEO, DSL is directed to execute the Sub-Lease Deed within 20 days of intimation.

<u>Reply to Common Written Submissions: -</u>

In view of the above-mentioned facts as well as the observations of the Approval Committee, one can conclude that the Appellant has been following unfriendly and apathetic approach towards the SEZ units and have taken all measures to exploit the SEZ units by imposing various penalties and charges, which are illegal and irrational. In the worst case of M/s. HLE Engineers Private Limited, the Developer has ensured that the unit could not get bank loans by not executing the sub-lease deed.

It is to emphasize that the boundary wall charges, plantation fee and non-utilization of plot charges, transfer fees etc. cannot be categorised as charges for infrastructure facilities, amenities and services provided by the Developer. Rather, these charges are nothing but penalties for non-compliance or breach of rules or laws. Hence, only the Unit Approval Committee is empowered under Section 9 (2) of the Gujarat SEZ Act, 2004.

Further, the SEZ Development Committee is not empowered to levy penalties for non-compliance or breach of rules or laws. As per Section 9 (2) of the Gujarat SEZ Act, 2004 the Unit Approval Committee is fully empowered to take decision in such cases. The decisions taken by the 138th UAC are mainly related to disputes of commercial nature between the Developer and the SEZ unit and the Section 9(1)(v) of the Gujarat SEZ Act, 2004 empowers the UAC to resolve such disputes.

Reply to Para No. 20. - No comment

Reply to Para No. 21. - Based on the details provided in the above paragraphs and the legal provisions it is submitted before the Board of Approval that the boundary wall charges, plantation fee and non-utilization of plot charges, transfer fees etc. cannot be categorised as charges for provisioning of infrastructure facilities, amenities and services by the Developer and imposition of such charges may be considered as harassment of SEZ units by the Developer. Hence, the Appeal of the Developer may be summarily rejected by the Board of Approval as the Section 9(1)(v) Gujarat SEZ Act, 2004 empowers the UAC to resolve such disputes.

It is also prayed to direct the Appellant to refund the charges illegally collected by them from the concerned SEZ units.

It is also requested that the Developer may be instructed to shift their focus on improving the infrastructural facilities in the Dahej SEZ and may be discouraged from taking any harsh action against the units which are detrimental to the export from the Dahej SEZ.