

No. F.2/6/2018-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 16th November, 2018

OFFICE MEMORANDUM

Subject: Agenda for the (86th) Meeting of the Board of Approval on Special Economic Zones (SEZs) scheduled to be held on 22nd November, 2018 at 3.00 A.M in Room No. 108 Udyog Bhawan, New Delhi – Forwarding agenda thereof.

In continuation of this Department's O.M of even number dated 12th November, 2018 the undersigned is directed to forward herewith the **Agenda** for the 86th meeting of the Board of Approval for SEZs scheduled to be held on 22nd November, 2018, for information and necessary action. Copy of the agenda has also been hosted on the website: www.sezindia.nic.in. The addressees located outside Delhi are requested to download the agenda from the above mentioned website.

2. The addressees are requested to make it convenient to attend the meeting.



(G. Srinivasan)

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To

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2. Central Board of Direct Taxes, Member (IT), Department of Revenue, North Block, New Delhi. (Telefax: 23092107).
3. Joint Secretary, Ministry of Finance, Department of Financial Services, Banking Division, Jeevan Deep Building, New Delhi (Fax: 23344462/23366797).
4. Joint Secretary, Department of Industrial Policy and Promotion, 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. Secretary, Department of Electronics & Information Technology, Electronics Niketan, 6, CGO Complex, New Delhi. (Fax: 24363101)
12. Joint Secretary (IS-I), Ministry of Home Affairs, North Block, New Delhi (Fax: 23092569)
13. Joint Secretary (C&W), Ministry of Defence, Fax: 23015444, South Block, New Delhi.
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15. Joint Secretary & Legislative Counsel, Legislative Department, M/o Law & Justice, A-Wing, Shastri Bhavan, New Delhi. (Tel: 23387095).
16. Joint Secretary, (Justice-I), Department of Legal Affairs, M/o Law & Justice, New Delhi (Tel: 2338 3037).
17. Secretary, Department of Chemicals & Petrochemicals, Shastri Bhawan, New Delhi
18. Joint Secretary, Ministry of Overseas Indian Affairs, Akbar Bhawan, Chanakyapuri, New Delhi. (Fax: 24674140)
19. Chief Planner, Department of Urban Affairs, Town Country Planning Organisation, Vikas Bhavan (E-Block), I.P. Estate, New Delhi. (Fax: 23073678/23379197)
20. Director General, Director General of Foreign Trade, Department of Commerce, Udyog Bhavan, New Delhi.
21. Director General, Export Promotion Council for EOUs/SEZs, 8G, 8th Floor, Hansalaya Building, 15, Barakhamba Road, New Delhi – 110 001 (Fax: 223329770)
22. Dr. Rupa Chanda, Professor, Indian Institute of Management, Bangalore, Bennerghata Road, Bangalore, Karnataka
23. Development Commissioner, Noida Special Economic Zone, Noida.
24. Development Commissioner, Kandla Special Economic Zone, Gandhidham.
25. Development Commissioner, Falta Special Economic Zone, Kolkata.
26. Development Commissioner, SEEPZ Special Economic Zone, Mumbai.
27. Development Commissioner, Madras Special Economic Zone, Chennai
28. Development Commissioner, Visakhapatnam Special Economic Zone, Visakhapatnam
29. Development Commissioner, Cochin Special Economic Zone, Cochin.
30. Development Commissioner, Indore Special Economic Zone, Indore.
31. Development Commissioner, Mundra Special Economic Zone, 4th Floor, C Wing, Port Users Building, Mundra (Kutch) Gujarat.
32. Development Commissioner, Dahej Special Economic Zone, Fadia Chambers, Ashram Road, Ahmedabad, Gujarat
33. Development Commissioner, Navi Mumbai Special Economic Zone, SEEPZ Service Center, Central Road, Andheri (East), Mumbai – 400 096
34. Development Commissioner, Sterling Special Economic Zone, Sandesara Estate, Atladra Padra Road, Vadodara - 390012
35. Development Commissioner, Andhra Pradesh Special Economic Zone, Udyog Bhawan, 9th Floor, Siripuram, Visakhapatnam – 3
36. Development Commissioner, Reliance Jamnagar Special Economic Zone, Jamnagar, Gujarat
37. Development Commissioner, Surat Special Economic Zone, Surat, Gujarat
38. Development Commissioner, Mihan Special Economic Zone, Nagpur, Maharashtra
39. Development Commissioner, Sricity Special Economic Zone, Andhra Pradesh.
40. Development Commissioner, Mangalore Special Economic Zone, Mangalore.
41. 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 (Fax: 0771-2583651).

Copy to: PPS to CS / PPS to AS (BBS) / PA to DS (SNS).

**Agenda for the 86th meeting of the Board of Approval to be held on 22nd November, 2018
in Room No. 108, Udyog Bhawan, New Delhi.**

Item No. 86.1: Confirmation of minutes of the follow up meeting of the 84th BoA held on 05.10.2018 and 85th meeting of the BoA held on 02.11.2018.

Item No. 86.2 Requests for extension of LoP beyond 3rd Year onward (two proposals)

- 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 Permission (LoP)s i.r.o units in SEZs are governed by Rule 19(4) of SEZ Rules.
- Rule 19(4) states that an LoP shall be valid for one year. First Proviso grants power to DCs for extending the LoP not exceeding 2 years. Second Proviso grants further power to DCs for extending the LoP for one more year but subject to the condition that two-thirds of activities including construction, relating to the setting up of the Unit is complete and a Chartered Engineer's certificate to this effect is submitted by the entrepreneur.
- Extensions beyond 3rd year (*in cases where two-third activities are not complete*) and 4th year 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.

86.2(i) Request of M/s. Xenosoft Technologies (India) Pvt. Ltd. a unit in M/s APIIC Ltd. IT/ITES SEZ at Rushikonda, Madhurawada, Visakhapatnam for extension of Letter of Approval beyond 3rd year for a period of 6 months upto 19th July, 2019.

- LOP issued on (date): 20.01.2015
- Nature of business of the Unit:- IT/ITES
- No of Extensions: 03 (three)
- LOP valid up to: 19.01.2019
- Request: For further extension for 6 months upto 19.07.2019.

Present Progress:

(a) Details of Business plan:

Sl. No.	Type of Cost	Proposed Investments (Rs. in crores)
1.	Building	30.00
2.	Plant & Machinery	5.00
3.	Project related cost	5.00
	Total	40.00

(b) Incremental investment made so far and incremental investment since last extension:-

S. No.	Type of Cost	Total Investment made so far (Rs. in crores)	Incremental investment since last extension (Rs. in crores)
1.	Land cost	1.86	0.03
2.	Material procurement	11.04	6.83
3.	Construction	7.19	3.26
	Total	20.19	10.12

(c) Details of physical progress till date:-

S. No.	Activity	% Completion	% completion during last one year	Deadline for completion of balance work
1.	Land cost	100%	--	July, 19, 2019
2.	Procurement (capital)	50%	25%	
3.	Construction	75%	25%	

Detailed Reasons for delay:

- The unit has stated that their project is very typical and getting the structure to the 1st slab level (from 120m slope to 1st Slab level) itself is equivalent to 50% of the total work involved and getting to the ground floor slab can be given weightage of 15% of total project and with great difficulty and against all odds they achieved this during the last one year.
- The activity of digging of pits for footings and pillars has consumed longer time as the depth of minimum excavation recommended by the Geo Technical Investigation team is 4 meters and at some places and some other places due to contours has to go up to 9 meters.
- High Speed wind and heavy rains during the last one year obstructed the progress of their work several times.
- Since the plot is full of rocks, excavation work for footing and columns has taken longer time and due to lack of availability of soil, they filled the pits and footings with soil bought and brought from outside and thereafter chemically packing the soil for stabilization.

Recommendation by DC

DC, VSEZ has recommended the request of extension of LOA for a period of 6 months i.e. upto 19.07.2019.

The request is placed before BOA for its consideration.

86.2(ii) Request of M/s. Lupin Ltd. Plot NO. 6B₂ in the MIHAN - SEZ for extension of letter of Permission (LOP) beyond 26.12.2018 for 4th Extension upto 25.12.2019.

- LOP issued on (date) : 26.12.2014
- Nature of business of the Unit : Pharmaceutical Products
- No of Extensions : 03 by DC MIHAN SEZ
- LOP valid upto (date) : 25.12.2018
- Request : for further extension for one year, up to 25.12.2019

(a) Details of Business plan:

S.No	Type of Cost	Proposed investment (Rs. in Cr)
1	Land Cost	5.79
2	Construction Cost	46.47
3	Plant and Machinery- Imported and Indigenous both	149.77
4	Electrical Installation	6.43
5	Furniture & Office Equipments	2.85
Total		211.31

(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 (Rs. in Cr)
1	Land Cost	5.80	0.01
2	Construction Cost	62.05	15.58
3	Plant and Machinery- Imported and Indigenous both	200.10	50.33
4	Electrical Installation	10.68	4.25
5	Furniture & Office Equipment's	4.38	1.53
Total		283.01	71.70

(c) Details of Physical Progress till date:-

S.No.	Activity	% completion as on 31.08.2018	% completion during last one year
1	Generator Room/Electric Substation/FO Generators (To augment MSEB Power)/UPS Room/Distribution substation/HSD Yard	100%	95%
2	Internal Roads with street Lighting and signage's	100%	95%
3	Boundary walls/ Gates/ Fencing/Security office/ Security Posts	100%	95%
4	All civil and Interior work/Electrical work/BMS/Air Conditioning/Fire Protection system	100%	95%
5	Development of Landscaping/Garden space	100%	95%
6	Recruitment of Employees	100%	95%
7	Building Completion certificate and occupancy certificate	Applied to MADC and certificate awaited	NA

Detailed reasons for delay:

The facility validation is completed. Currently Exhibit batches for certain products have been taken and put on stability studies. Post completion of such stability studies, filing would be made with the overseas regulatory authorities for seeking approval. Commencement of production, once the approval is received from these regulatory authorities.

Recommendation by DC

DC, MIHAN SEZ has recommended the request of extension of LOP for a period of one year up to 25.12.2019.

The request is placed before BOA for its consideration.

Item No. 86.3 Requests for co-developer (three proposals)

86.3(i) Request of M/s. Accel Limited (formerly known as Accel Transmatic Limited), Chennai for co-developer status in Kerala Industrial Infrastructure Development Corporation (KINFRA) IT/ITES SEZ, Trivandrum in an area of 2 acres to develop and operate the business and other related activities

The above mentioned SEZ was notified on 12th April, 2017 over an area of 10.121 hectares (25 acre) for setting up of sector specific SEZ for IT (Animation and Gaming). The sector changed to 'IT/ITES' in 2012.

M/s. Accel Limited (formerly known as Accel Transmatic Limited), Chennai has submitted an application for co-developer status to develop and operate the business and other related activities in the SEZ in an area of 2 acres.

Co-developer agreement dated 19.07.2018 entered into with the developer has been provided. The proposed amount of investment by the co-developer in the SEZ is Rs. 43 Crores.

Recommendation by DC:

DC, CSEZ has recommended the proposal

The request of the co-developer is submitted for consideration of BoA.

86.3(ii) Request of M/s. Worldtech Software Solutions Private Limited for co-developer status in M/s. APIIC Limited IT/ITES SEZ at Hill No. 3, Madhurwada, Visakhapatnam

The above mentioned SEZ was notified on 28th December, 2006 over an area of 36 hectares.

M/s. Worldtech Software Solutions Private Limited has submitted an application for co-developer status in M/s. APIIC Ltd. to create infrastructure facilities in the form of construction of buildings with 28,000 sft. (approx.) for the units including existing space in the SEZ in an area of 1.00 acres.

Co-developer agreement dated 19th March, 2016 entered into with the developer has been provided. The proposed amount of investment by the co-developer in the SEZ is Rs. 5 Crores.

Recommendation by DC:

DC, VSEZ has recommended the proposal

The request of the co-developer is submitted for consideration of BoA.

86.3(iii) Request of M/s. Arshiya Northern Projects Private Limited for Co-developer status in the Free Trade and Warehousing Zone of M/s. Arshiya Northern FTWZ Ltd. at Village Ibrahimipur, Junaidpur urf Maujpur, Tehsil Khurja, Distt. Bulandshahr (U.P.) for Operation, Maintenance and leasing of three nos. existing warehouses (Warehouse No. 52, 53 & 54 constructed on land admeasuring 3.42 Hectare).

The above mentioned Free Trade and Warehousing Zone of M/s. Arshiya Northern FTWZ Ltd. stands notified on 16.11.2010 over an area of 51.4394 hectare.

M/s. Arshiya Northern Projects Private Limited has submitted a proposal for becoming a co-developer in the aforesaid FTWZ for Operation, Maintenance and Leasing of three nos. of existing warehouses i.e. Warehouse No. 52, 53 & 54 constructed on land admeasuring 3.42 Hectare.

Co-developer Agreement dated 13.11.2018 entered into with the FTWZ Developer has been provided. The proposed amount of investment by the co-developer in the FTWZ is Rs.935 lakhs.

Recommendation of DC:

Development Commissioner, NSEZ has recommended the proposal.

The request of the co-developer is submitted for consideration of BoA.

Item No. 86.4 : Proposals for setting up of SEZs (one proposal)

86.4(i) Request of M/s. Divi's Laboratories Limited for setting up of a sector specific SEZ for Pharma at Lingoigudem Village, Choutuppal Mandal, Yadadri Bhuvanagiri District, Telangana over an area of 51.38 hectares.

S. No	Name of the Developer	Location	Sector	Area (in ha)	Land Possession	State Govt. Recommendation	Status of application
(i)	M/s. Divi's Laboratories Limited	Lingoigudem Village, Choutuppal Mandal, Yadadri Bhuvanagiri District, Telangana	Pharma	51.38	Yes	Yes (30.10.2018)	New

- (i) Proposed Investment : Rs. 600 crores
- (ii) Projected employment of the project : Direct 1000 and indirect 1000
- (iii) Foreign Investment : No

DC VSEZ has recommended the proposal.

The proposal of the developer is submitted for consideration of BoA.

Item No. 86.5: Change of Shareholding Pattern / change of name (two proposals)

86.5(i) Request of M/s. Laxmipati Balaji Supply Chain Management Ltd. co-developer in M/s. Arshiya Limited at Village Sai, Taluka-Panvel, District-Raigad for change of 100% shareholding pattern.

M/s. Laxmipati Balaji Supply Chain Management Ltd. has been granted co-developer status on 01.10.2018 for distribution of utilities (electricity and water supply) in both the sectors of FTWZ and Additional sector for Electronic Hardware and Software (including ITES) in the said SEZ.

The co-developer has sought permission for change in the shareholding pattern and stated that there is no change of Directors before and after change of shareholding pattern.

The details of shareholding pattern of the company are as follows:-

S. No.	Existing Shareholding Pattern		S. No.	Proposed Shareholding Pattern	
	Name of Shareholder	No. of equity shares		Name of Shareholder	No. of equity shares
1	M/s. Arshiya Limited	49,400	1	M/s. Mira Supply Chain Management Limited	49,400
2.	Mr. Ajay S. Mittal	100			
3.	Mrs. Archana A. Mittal	100			
4.	Mr. Navnit Choudhary	100			
5.	Mr. Vinod Kumar Jain	100	2	M/s. Mira Supply Chain Management Limited jointly with Mr. Rakesh Shah	600
6.	Mr. Pramod Raghavan	100			
7.	Mr. Ashutosh Sharma	100			
	Total	50,000			50,000

The co-developer has further stated that they have already started planning and conceptualizing the proposed project in the FTWZ and realized that it is not the core competent of the shareholders and hence, included new shareholders who has plenty of experience in projects and have transferred the shares to the new shareholders.

Recommendation by DC.

DC, SEEPZ SEZ has recommended the proposal for change of shareholding pattern.

The request is placed before BoA for its consideration.

86.5 (ii) Proposal of M/s. Mageo Instant Services Pvt. Ltd., a Co-Developer of M/s Span Ventures Pvt. Ltd., an IT/ITES SEZ at Coimbatore for change of name of the company to “M/s Mageo Instant Services LLP”.

M/s. Mageo Instant Services Pvt. Ltd., a Co-developer in M/s Span Ventures Pvt. Ltd., an IT/ITES SEZ at Eachanari, Coimbatore in Tamil Nadu has submitted a proposal for change of name of the company to “M/s Mageo Instant Services LLP”.

The Co-developer has informed that the designated partners and shareholding pattern remains the same as submitted in the original application. An undertaking has been submitted by M/s Mageo Instant Services LLP that the assets and liabilities of M/s Mageo Instant Services Pvt. Ltd. is taken over by M/s Mageo Instant Services LLP.

The Co-developer has submitted a copy of Certificate of Registration on Conversion of name dated 28.09.2018 issued by ROC, Coimbatore.

Recommendation by DC:

DC, MEPZ SEZ has recommended the proposal of the Co-developer for change of name to M/s Mageo Instant Services LLP for consideration of BoA in terms of DoC’s Instruction No. 89 dated 17.05.2018.

The request is placed before BoA for its consideration.

Item no. 86.6: Proposals for renewal of LoP for plastic units (28 proposals).

Requests for renewal of plastic recycling units have been received from Kandla SEZ, Falta SEZ and NSEZ. Majority of the LoAs of such units are valid till 30.11.2018. The Plastic recycling units are governed by the provision of Rule 18(4) (a) of SEZ Rules, 2006 which provides that no new proposal shall be considered for this industry and the LoAs of the units existing at the time enactment of SEZ Act, 2005 can only be renewed by BoA.

Recently, in the follow up meeting of the Board of Approval held on 05.10.2018 in the case of M/s Anita Exports in KASEZ the Board had decided that if the renewal of extension of LoA is considered, this again would become precedent for such cases in future and consequently the larger policy intent of phasing out such units would remain unachieved. Accordingly, the BoA decided not to accede to the request of M/s. Anita Exports, for renewal of its LoA for recycling of plastic waste and scrap.

This Department had received 7 proposals for renewal in case of plastic recycling units from NSEZ and Falta SEZ for the 85th meeting of the BoA held on 02.11.2018. The Board deferred the cases for the next meeting and directed that a Group of Development Commissioners comprising of DC, NSEZ, DC, KASEZ and DC, FSEZ may be set up to examine all aspects, including social issues, and come out with its recommendations before proposals are

decided in a meeting of BoA. Now, 21 such proposals have been received from Kandla SEZ. The details of all 28 proposals are as follows :

Plastic recycling Units in KASEZ

S. No	Name of Unit	Date of LoP		
1.	Add Polymers Pvt. Ltd.	16.10.1995 for "Recycled Plastics like Agglomerate and Granules, Garbage Bags, Flexible intermediate bulk container (FIBC) Plastic Woven sacks/bags and tarpaulins". The unit commenced its export production w.e.f. 08.04.1997 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 6830.16 Lakhs
			Forex Outgo	Rs. 6566.49 Lakhs
			NFE Earning	Rs. 263.67 Lakhs
2.	Ansa Polymers Ltd.	20/07/1995 for "Recycled plastic granules, Flakes, Agglomerates, Pallets Bars, Lumps and Powder". The unit commenced its export production w.e.f. 01/05/1997 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 12210.00 Lakhs
			Forex Outgo	Rs. 10257.00 Lakhs
			NFE Earning	Rs. 1954.00 Lakhs
3.	Blaze International	27/01/1998 for "Reprocessed of LDPE/HDPE/HD/PP/PVC/PE granules out of plastic waste viz. Flakes, agglomerates, powder, granules, sweepings". The unit commenced its export production w.e.f. 23/09/1999 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 14407.20 Lakhs
			Forex Outgo	Rs. 13968.80 Lakhs
			NFE Earning	Rs. 438.40 Lakhs
4.	Harish Processors Pvt. Ltd.	04/06/1997 for "Recycled Plastic Granules, Flakes, Agglomerates, Pellets Bars, Lumps and Powder, HDPE woven sacks, sheets and carry bags with flexo printing, Filled compound, Master batch and polymer compound". The unit commenced its export production w.e.f. 20/04/1998 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 6105.00 Lakhs
			Forex Outgo	Rs. 4946.00 Lakhs
			NFE Earning	Rs. 1158.60 Lakhs
5.	Imperial Overseas	28/10/1997 for "All types of reprocessed plastic raw material in granules, agglomerates, LDPE/HDPE/PP Flakes, Lumps, Pallets, Bars Powder". The unit commenced its export production w.e.f. 08/12/1999 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 7791.10 Lakhs
			Forex Outgo	Rs. 6906.90 Lakhs
			NFE Earning	Rs. 884.20 Lakhs
6.	Kandla Polyplast	12/02/1997 for "Plastic Polymer Granules, Flakes lumps/Powder / Grinding / Pallets / Bars / Agglomerates and all other such forms garbage / carry bags, polyster / pet grinding / drip irrigation pipes etc.". The unit commenced its export production w.e.f. 15/11/1997 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 11936.00 Lakhs
			Forex Outgo	Rs. 10445.00 Lakhs
			NFE Earning	Rs. 1491.00 Lakhs
7.	Kutch Polymers	27/01/1998 for "All types of reprocessed plastic raw materials in granules, Agglomerates, shredding, griding pieces, crushing chips from, lumps and chunks, Ropes of all types and sizes made of polymers". The	FOB value of Export	Rs. 7161.21 Lakhs
			Forex Outgo	Rs. 6892.66 Lakhs
			NFE Earning	Rs. 268.55 Lakhs

		unit commenced its export production w.e.f. 07/01/1998 and its LOA is valid till 30/11/2018		
8.	Luckystar International	04/06/1997 for "All types of plastic bags, Garbage collection, carry bags, shopping bags, house hold and allied items and plastic granules, shredding, grinding pieces, chrushings, sheets, extruded and moulded articles, Agglomerates, colored tarpaulins". The unit commenced its export production w.e.f. 25/09/1998 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 9849.35 Lakhs
			Forex Outgo	Rs. 9012.46 Lakhs
			NFE Earning	Rs. 836.89 Lakhs
9.	Mokshstar International	31/12/1996 for "Plastic Granules/ Shredding/ Grinding/Pieces etc. from waste/scrap/discarded/ obsolete plastic items, Plastic moulded articles". The unit commenced its export production w.e.f. 25/07/1998 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 9470.52 Lakhs
			Forex Outgo	Rs. 8665.82 Lakhs
			NFE Earning	Rs. 804.70 Lakhs
10.	New Plastomers India Ltd.	20/05/1996 for "All types of plastic bags, garbage collection bags, carry bags, shopping bags, household and allied items". The unit commenced its export production w.e.f. 18/04/1997 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 5443.01 Lakhs
			Forex Outgo	Rs. 4898.71 Lakhs
			NFE Earning	Rs. 544.30 Lakhs
11.	Oswal Polymers	06/02/1998 for "Recycling of plastic scrap/ waste into plastic Granules, Agglomerates, Flakes, Pallets Bars, Powder and other plastic items". The unit commenced its export production w.e.f. 01/02/1998 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 7709.81 Lakhs
			Forex Outgo	Rs. 6745.20 Lakhs
			NFE Earning	Rs. 964.61 Lakhs
12.	Plast-O-Fine Industries	27/01/1998 for "Recycled plastic granules and articles". The unit commenced its export production w.e.f. 24/09/1999 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 4115.00 Lakhs
			Forex Outgo	Rs. 3288.00 Lakhs
			NFE Earning	Rs. 827.00 Lakhs
13.	Polyrec Processors Pvt. Ltd.	04/10/1994 for "Recycling of HDPE / LDPE Scrap". The unit commenced its export production w.e.f. 04/01/1996 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 9500.00 Lakhs
			Forex Outgo	Rs. 9025.00 Lakhs
			NFE Earning	Rs. 475.00 Lakhs
14.	Prasar Enterprises	22/03/1996 for "Plastic articles like plastic carry bags, tarpaulins and recycled granules, etc.". The unit commenced its export production w.e.f. 14/11/1997 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 16624.30 Lakhs
			Forex Outgo	Rs. 13989.03 Lakhs
			NFE Earning	Rs. 2635.27 Lakhs
15.	Renew Plastics	25/01/1996 for "Plastic Granules/Shredding/Grinding/Pieces etc. from waste / scrap / discarded / obsolete plastic items, Flakes, Agglomerates, conduits, Bars, Powder, Lumps". The unit commenced its export production w.e.f. 24/09/1996 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 8836.00 Lakhs
			Forex Outgo	Rs. 6982.00 Lakhs
			NFE Earning	Rs. 1854.00 Lakhs

16.	Rudraksh Plastics Pvt. Ltd.	15/10/1997 for "All type of Plastic Bags, Household Items and Granules/shreddings, Grinding, Pieces Crushings, Sheets, Extruded and Moulded Articles". The unit commenced its export production w.e.f. 07/10/2014 (transferred from Surat SEZ) and its LOA is valid till 21/11/2018	FOB value of Export	Rs. 5508.70 Lakhs
			Forex Outgo	Rs. 5297.00 Lakhs
			NFE Earning	Rs. 211.70 Lakhs
17.	Satguru Polyfab Pvt. Ltd.	12/11/1997 for "Pellets, agglomerates, granules, LDPE/HDPE/PP/PVC/ABB etc.". The unit commenced its export production w.e.f. 15/01/1998 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 22729.28 Lakhs
			Forex Outgo	Rs. 20798.02 Lakhs
			NFE Earning	Rs. 1931.26 Lakhs
18.	Shivam Scrap Recycling Pvt. Ltd.	04/06/1997 for "Recycled plastic granules, Flakes, Agglomerates, Pellets Bars, Lumps Powder etc.". The unit commenced its export production w.e.f. 11/05/1998 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 10676.25 Lakhs
			Forex Outgo	Rs. 8212.50 Lakhs
			NFE Earning	Rs. 2463.75 Lakhs
19.	Shreeji Polymers	09/02/1998 for "Recycling of LDPE/HDPE Scrap in to granules, Agglomerates & Lumps, Garbage bags, Refuse Bags, Tublings, Moulded goods and films". The unit commenced its export production w.e.f. 30/07/1999 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 8468.53Lakhs
			Forex Outgo	Rs. 7748.98Lakhs
			NFE Earning	Rs. 719.55 Lakhs
20.	Sunrise International	27/11/1996 for "Recycled Plastic Granules/Flakes/Agglomerates/Pallet/Bars/Powder etc.". The unit commenced its export production w.e.f. 05/05/2000 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 36945.30 Lakhs
			Forex Outgo	Rs. 27192.50 Lakhs
			NFE Earning	Rs. 9752.85 Lakhs
21.	Tex-poly Polymers	14/02/1996 for "Agglomerates, Plastic Granules, Plastic Refuse/garbage bags using plastic scrap/waste". The unit commenced its export production w.e.f. 01/04/1997 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 9142.98Lakhs
			Forex Outgo	Rs. 8615.50 Lakhs
			NFE Earning	Rs. 527.48 Lakhs

Plastic recycling Units in FSEZ

S. No.	Name of Unit	Date of LoP	
1.	Alps Overseas Pvt. Ltd.	09.05.1997 for manufacture and export of 'LDPE/HDPE/PP Granules/Plastic Sheets/Films and strips, Plastic Lay Flat Tube. Date of Commencement of Production - 16/12/1998	
2.	Amarnath Enviroplast Limited	07.03.1996 for manufacture and export of 'LDPE/HDPE/PP Granules/Plastic Sheets/Films and strips, Plastic Lay Flat Tube. Date of Commencement of Production - 24/04/1997	
3.	KKalpana	26.03.1997 for manufacture and export of	

	Industries	Plastic/PVC Granules/garbage bags/films, polymer compounds etc. , has requested vide their letter dated 17.07.18 for renewal of LOA, which will be expiring on 30.11.2018, for a further period of 5 years. The unit had commenced production on 01.12. 2000	
4.	Nara Exim Pvt. Ltd	18.12.1996 for manufacture and export of Plastic Granules / Agglomerates/Lay Flat Tube has requested vide letter dated 30.05.2018 for renewal of LOA, which will be expiring on 30.11.2018, for a further period of 5 years. The unit had commenced production on 12.02.1999	
5.	Precision Polyplast Private Limited	18/12/1997 for manufacture and export of Plastic Flour/Reprocessed Plastic Lay Flat Tubes/Reprocessed Floor Sweeping has requested vide letter dated 19.07.2018 & 19.09.2018 for renewal of LOA, which will be expiring on 30.11.2018, for a further period of 5 years. The unit had commenced production on 02.06.1998	
6.	Sukhi India Pvt. Ltd.	18.10.1996 for manufacture and export of Plastic Granules/Lay Flat tubing & Reprocessed Plastic Agglomerates Agglomerates, has requested vide letter dated 30.05.2018, & 13.09.2018 for renewal of LOA, which will be expiring on 30.11.2018, for a further period of 5 years. The unit had commenced production on 13.07.1999	

Plastic recycling Units in NSEZ

S. No.	Name of Unit	Date of LoP		
1.	Plastic Processors & Exporter Pvt. Ltd.	05/11/1997 for “Plastic Agglomerates /Granules and Plastic Components and Articles”. The unit commenced its export production w.e.f. 15/04/1998 and its LOA is valid till 29/11/2018	FOB value of Export	Rs. 34125.00 Lakhs
			Forex Outgo	Rs. 22190.00 Lakhs
			NFE Earning	Rs. 11935.00 Lakhs

As per the report of the Committee, following are the active plastic recycling units in various SEZs in India:

Kandla SEZ : 21 units
Noida SEZ : 1 unit
Falta SEZ : 6 units (one is non-operational)

The Committee noted that the plastic recycling units in SEZ are currently governed by “Policy on units in SEZs carrying on recycling of Plastic scrap & waste” dated 17.09.2013. The major highlight of the policy dated 17.09.2013 is its provision (x) which is:

(x) "To ensure that plastic reprocessing units in SEZ fulfill their export obligations, **in addition to meeting their NFE obligation**, all such units would be required to ensure that certain minimum percentage of the unit's annual turnover is physically exported out of the country. The minimum physical export levels to be achieved by such a unit on a gradual upward scale, as a percentage of the unit's total turnover is prescribed as under:-

Period	Minimum Physical Export obligation
At the end of 2 nd year	Not less than 40% of the total annual turnover
At the end of 4 th year	Not less than 80% of the total annual turnover
At the end of 6 th year	Not less than 100% of the total annual turnover

The unit will be required to continue to physically export 100% of their annual turnover, thereafter."

Subsequently an amendment to above policy was issued on 13.02.2018. The amendment was:

3(x) of the communication dated 17.09.2013 are unachievable. On examination of the matter, it has been decided to **replace with immediate effect, para 3(x) of the aforesaid communication as under:**

"To ensure that plastic reprocessing units in SEZ fulfill their export obligations, in addition to meeting their NFE obligation, all such units would be required to export not less than 35% of the total annual turnover."

Aggrieved with the conditions of the Policy dated 17.09.2013, majority of plastic units in Kandla-SEZ approached the Hon'ble High Court of Gujarat. The single Judge of Hon'ble High Court of Gujarat quashed the Policy dated 17.09.2013 on 24.01.2017. Subsequently, MoC and DC KASEZ filed an appeal before the double bench of Hon'ble Gujarat High Court and since then the appeal by the Government is pending for final hearing. **Thus, legally as-of-today the Policy dated 17.09.2013 on plastic recycling unit is NOT alive. The final legal validity of the policy will be subject to the outcome of the appeal.**

Further, in Noida SEZ, M/s Plastic Processors & Exporter Pvt. Ltd. has filed a Writ Petition (C) No. 708/2018 before the Hon'ble High Court of Allahabad and the Court has decided that the operation of the impugned circular dated 13.02.2018 (amendment to policy circular dated 17.09.2013) shall remain stayed so far as petitioner is concerned.

The Committee of DCs in its report dated 06.11.2018 (**Annexure -1**) has recommended:-

- (i) Renewal of LoA of plastic recycling units should be considered based on their export performance and NFE achievement status in the block period of 2013-18.

- (ii) Facility of achievement of NFE by way of supply of goods in the DTA against EEFC account under Rule 53 has been discontinued. These units will have to achieve NFE as per amended Rule 53 by way of "Free On Board value of exports against freely convertible currency". All these units may be asked to submit application for renewal for LoA in Form F-1, as prescribed in Rule 19 (6A) (1) of SEZ Rules.
- (iii) The Committee suggests that LoA of these units, which have achieved NFE in the last block period, may be renewed for a period of 3 years. Accordingly, based on decision of BoA DC may extend LoA of these units by 3 years.
- (iv) While renewing the LoA for a period of three years, the projections of FOB value of exports as given by the unit in Form F-1 may be prescribed in Form F-2 and the LOA renewal may be issued in the Form F-2 as prescribed in Rule 19 (6A)(3) of SEZ Rules, incorporated on 19th September, 2018.
- (v) In case unit achieves NFE as per the amended Rule, in the renewed period of three years, LoA of the unit may be extended further beyond three years. In case a unit fails to achieve prescribed NFE in this extended period of three years then no further extension in LoA shall be granted.
- (vi) In case a unit does not import plastic scrap in accordance with Rule and /or import quantity higher than stipulated quantity in LoA, then Approval Committee must initiate and take necessary action for cancellation of LoA under Section 16 of SEZ Act, 2005.
- (vii) Department of Commerce may also like to have consultation with stakeholders before taking a final decision. Alternatively, a personal hearing may be given to these units by BoA to these units whose NFE turns out to be negative.

Zonal DC, Kandla SEZ has suggested the following in addition to the above recommendations:

- (i) It has to be NFE positive, as suggested above.
- (ii) Physical export out of country needs to be minimum 50% by quantity of total sales.
- (iii) Physical export out of country needs to be minimum 67% by value of the total sales (These provisions are being suggested to keep it at par with the policy provisions for worn clothings, as per circular dated 13.02.2018. In addition, now China has opened up in a big way for exports of plastic modules etc.
- (iv) DGFT notification No. 92 dated 01.01.2000 should be amended from "nearest CPET" to read "CPET, CRL labs across India" with the written permission of the Development Commissioner of the zone, if Development Commissioner so desires.
- (v) No spitting of LoA should be allowed.

- (vi) Ministry of Commerce should amend new rule #18(4)(B)(C) to include plastic recycling along with used clothing.
- (vii) Subsequent to amendment in rule 18(4)(B)(C), MOC should issue a notification and incorporate in this notification all the rules and regulations for export obligation it wants the plastic recycling units to follow (in order to avoid any new litigation).

Accordingly, the proposals are placed before the BoA.

**Item no. 86.7 : Proposals for renewal of LoA for worn and used clothing units
(15 proposals).**

Requests for renewal of LoA of worn and used clothing units have been received from Kandla SEZ. Majority of the LoAs of such units are valid till 30.11.2018. The Plastic recycling units are governed by the provision of Rule 18(4) (c) of SEZ Rules, 2006 which broadly provides that no new 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 blankets or shawls provided that extension of LoA for an existing unit shall be decided by the BoA.

This Department had received 15 proposals for renewal in worn and used clothing units from KASEZ as detailed below:

S. No.	Name of Unit	Date of LoP		
1.	Afcan Impex Pvt. Ltd.	06.06.2003 for "Manufacturing of Shoddy Synthetic Yarn, Shoddy Woollen Yarn, Blankets". The unit commenced its export production w.e.f. 20.07.2003 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 8700.00 Lakhs
			Forex Outgo	Rs. 6740.00 Lakhs
			NFE Earning	Rs. 1960.00 Lakhs
2.	Anita Exports	15.05.1996 for "Manufacturing of Shoddy Synthetic Yarn, Shoddy Woollen Yarn, Blankets". The unit commenced its export production w.e.f. 20.07.2003 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 13111.7 Lakhs
			Forex Outgo	Rs. 7932.25 Lakhs
			NFE Earning	Rs. 5197.45 Lakhs
3.	Babu International	16.06.2003 for "Manufacturing of Shoddy Synthetic Yarn, Shoddy Woollen Yarn, Blankets, Synthetic pulled fiber, blazer cloth and furnishing fabrics includes an intermediate product". The unit commenced its production w.e.f. 25.07.2003 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 15263.00 Lakhs
			Forex Outgo	Rs. 11447.00 Lakhs
			NFE Earning	Rs. 3816.00 Lakhs
4.	Canam International Pvt. Ltd.	03.05.2001 for "Reprocessing/Reconditioning of used garments/textiles". The unit commenced its production w.e.f. 23.10.2001 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 60103.00 Lakhs
			Forex Outgo	Rs. 48763.00 Lakhs
			NFE Earning	Rs. 11340.00 Lakhs

5.	Flax Apparels Pvt. Ltd.	15.05.1996 for "Reprocessing of used garments for export". The unit commenced its production w.e.f. 25.05.1996 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 49508.10 Lakhs
			Forex Outgo	Rs. 39256.35 Lakhs
			NFE Earning	Rs. 10251.75 Lakhs
6.	Jindal Fibres	03.03.2003 for "Processing and segregation of Textile waste, reconditioning of clothing and manufacturing of yarn and yarn products". The unit commenced its production w.e.f. 13.04.2005 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 14400.00 Lakhs
			Forex Outgo	Rs. 10000.00 Lakhs
			NFE Earning	Rs. 4400.00 Lakhs
7.	Lotus Recyclers	03.10.2000 for "Segregation of textile of waste/waste yarn, reconditioned clothing, rags, blankets made from raw materials and export yarn made from raw materials." The unit commenced its production w.e.f. 07.12.2000 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 7326.00 Lakhs
			Forex Outgo	Rs. 5495.00 Lakhs
			NFE Earning	Rs. 1832.00 Lakhs
8.	Maruti Exports	30.07.1997 for "Segregation of Textile waste, waste yarn, Reconditioning clothing, Mutilated rags, Chindi, Cut Wiper, Garbage from worn used clothes, made-up sets, Comforter shells, pillow shells, quilt covers, readymade woven garments". The unit commenced its production w.e.f. 15.03.2002 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 55500.00 Lakhs
			Forex Outgo	Rs. 49250.00 Lakhs
			NFE Earning	Rs. 6250.00 Lakhs
9.	Om Siddh Vinayak Impex Pvt. Ltd.	30.01.2002 for "Reprocessing/Manufacturing of woolen/synthetic/Hosiery Mixed Clothing/Used worn Clothing, Uncut for mutilation, Synthetic fiber waste/yarns/tows/thread waste/soft waste/dyed waste and waste from job stock lot from virgin material. Reconditioning of clothes selected from old, used worn clothing/rags (worn clothing/wipes. Readymade garments duly stitched from pants and clothes) raw wools/waste/yarns/top for making carpet yarns". The unit commenced its production w.e.f. 07.01.2003. and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 12710.00 Lakhs
			Forex Outgo	Rs. 9947.00 Lakhs
			NFE Earning	Rs. 2763.00 Lakhs
10.	Raghvani Textiles Pvt. Ltd.	16.06.2003 for "Manufacturing of Shoddy Synthetic Yarn, Shoddy Woollen Yarn, Blankets, Synthetic pulled fiber, blazer cloth and furnishing fabrics includes an intermediate product". The unit commenced its production w.e.f. 25.07.2003 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 91577.00 Lakhs
			Forex Outgo	Rs. 80589.00 Lakhs
			NFE Earning	Rs. 10988.00 Lakhs
11.	Safari Fine Clothing Pvt. Ltd.	05.10.2001 for "Recycling of reconditioning of worn/used clothing". The unit commenced its production w.e.f.	FOB value of Export	Rs. 5200.00 Lakhs
			Forex Outgo	Rs. 4710.00 Lakhs

		03.03.2003 and its LOA is valid till 30/11/2018.	NFE Earning	Rs. 490.00 Lakhs
12.	Star Shine Clothing Pvt. Ltd.	14.09.2006 for "Manufacturing of Reprocessing, Sorting, Grading, Cutting, Mutilation of Old & Used Garments, Textiles & Clothing". The unit commenced its production w.e.f. 01.05.2002 and its LOA is valid till 30/11/2018.	FOB value of Export	Rs. 3012.00 Lakhs
			Forex Outgo	Rs. 2283.00 Lakhs
			NFE Earning	Rs. 728.00 Lakhs
13.	Texpoly Impex	14.09.2001 for "Manufacturing of clothing and wipers made out of Worn/used garments". The unit commenced its production w.e.f. 14.09.2001 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 52350.00 Lakhs
			Forex Outgo	Rs. 39262.00 Lakhs
			NFE Earning	Rs. 13087.00 Lakhs
14.	Tulip Exim Pvt. Ltd.	15.10.2001 for "Reprocessing/Reconditioning of used garments/textiles". The unit commenced its production w.e.f. 07.12.2004 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 12800.00 Lakhs
			Forex Outgo	Rs. 11940.00 Lakhs
			NFE Earning	Rs. 910.00 Lakhs
15.	U.S. Clothing (India) Pvt. Ltd.	31.12.2001 for "Manufacturing of Reprocessing, Sorting, Grading, Cutting, Mutilation of Old & Used Garments, Textiles & Clothing". The unit commenced its production w.e.f. 01.05.2002 and its LOA is valid till 30/11/2018	FOB value of Export	Rs. 23500.00 Lakhs
			Forex Outgo	Rs. 17800.00 Lakhs
			NFE Earning	Rs. 5700.00 Lakhs

Recommendations of DC:-

DC, KASEZ has recommended as under:

- (i) Since there may be many such LoAs issued for reprocessing of garments or used clothing in other SEZs also where extension will be due, a uniform view may be taken in consultation with all stakeholders.
- (ii) The conditions subject to which extension of LoA is granted, those conditions may be made part of the LoA and may be decided after giving personal hearing to unit, so as to minimize the scope for litigation against imposition of conditions which may be prescribed by BoA.

Accordingly the proposals are placed before BoA for consideration.

Item No. 86.8 Miscellaneous Cases

86.8 (i) Request of M/s Shreekunj Hospitality Pvt. Ltd. for approval of co-developer status in Dahej SEZ.

M/s Cambay SEZ Hotels Pvt. Ltd. was granted co-developer status in Dahej SEZ on 21.08.2009 for hospitality project in the non-processing area of SEZ. The co-developer had taken

a loan of Rs.13.32 crores from SIDBI, Ahmedabad and failed/defaulted in loan repayment. Subsequently, the premise of the co-developer was sealed by SIDBI with the help of Distt. Collector, Bharuch. SIDBI under the provision of the SARFAESI Act, 2002 and Security Interest (Enforcement) Rules, 2002 issued a Sale Notice of borrower's immovable property together with movable assets at Plot No. Z/4/1, admeasuring about 26302.61 sq.mtrs. at Dahej SEZ.

M/s Shreekunj Hospitality Pvt. Ltd. took possession of the aforesaid plot of M/s Cambay SEZ Hotels Pvt. Ltd. from SIDBI under the SARFAESI Act by issuing a self declaration in favour of promoters and directors of proposed purchaser.

The proposal of M/s Shreekunj Hospitality Pvt. Ltd. for co-developer status was considered in the 82nd meeting of the BoA held on 04.04.2018. The Board, after deliberations, approved the proposal subject to submission of formal amendment of the sale certificate issued by the SIDBI through the DC and cancellation of the co-developer agreement with the former co-developer. A Special Civil Application was filed by the former co-developer with the prayer to quash and set aside the decision taken by the Board.

An amendment of sale certificate dated 24.05.2018 issued by SIDBI in favour of the proposed co-developer was received through DC, KASEZ and it was also confirmed by them that the co-developer agreement with the former co-developer has become redundant/superseded and a revised co-developer agreement had been executed on 23.03.2018 with the proposed co-developer.

The request of M/s Shreekunj Hospitality Pvt. Ltd. for approval of co-developer status in Dahej SEZ was again considered by the BoA in its 84th meeting held on 12.09.2018. The Board took note of the disputed nature of the matter and pendency of Special Application No. 10376/2018 filed by M/s Cambay SEZ Hotels Pvt. Ltd. before the Hon'ble High Court of Gujarat at Ahmedabad and in view of the legal issues, decided to seek a detailed report from DC, Dahej specifying the details of the dispute.

In the meantime, M/s Cambay SEZ Hotels Pvt. Ltd. had made a complaint dated 21.09.2018 to the Central Vigilance Commissioner and this Department, alleging cheating and fraud by officers of SIDBI conniving with certain private persons to defraud/divest the complaint of its hospitality project at Dahej SEZ in Distt. Bharuch, Gujarat. The complainant alleged that the auction proceedings were held in gross violation of the laid down guidelines/principles/rules of CVC and sought enquiry and register of criminal complaint against SIDBI officials/private persons/others.

DC, Dahej SEZ has informed that M/s Dahej SEZ Ltd., Developer of Dahej SEZ clarified vide their letter dated 26.03.2018 that SIDBI was granted approval to take symbolic possession of the Plot No. Z/4/1 in non-processing area of Dahej SEZ from Collector Office, Bharuch under section 5(3) of the SARFAISE Act, 2005. Accordingly, SIDBI has e-auctioned the property under the said Act. Further that the Special Civil Application filed by M/s Cambay SEZ Hotels Ltd. is coming up for hearing on 22.11.2018.

As per M/s Cambay SEZ Hotels Ltd. there are multiple court proceedings going on, chiefly Debt Recovery Tribunal case no. SA-84 of 2014 and High Court petition no. SCA 10376 of 2018 in which Development Commissioner and UoI is also a party. The petitioner has requested this department not to consider the auction purchaser's successor entity as co-developer by the Ministry till the two court cases are decided. DC, Dahej has informed that no notice was received by them in this matter from DRT.

The status of the case is placed before BoA for information and further directions.

Item no. 86.9: Appeals before BoA (One Appeal).

86.9(i) Appeal of M/s. Textile Hub against the order dated 28.08.2018 of UAC/KASEZ rejecting their application for setting up a unit for service activity of segregation/sorting/operation of imported used clothing on behalf of foreign clients.

Gist of order appealed against

The proposal of M/s. Textile Hub for setting up of unit for service activity of segregation/sorting/operation of imported used clothing on behalf of foreign clients was placed before the 133rd UAC meeting held on 16.08.2018. The proposal was rejected by the UAC as it was noted that the proposed activity comes under the preview of Rule 18(4) of SEZ Rules, 2006 as import items included second hand materials such as old and used clothes which is not permissible for setting up of any new unit in SEZ and that Rule 18(5) does not permit such processing amounting to manufacture of goods as well.

Contents of Appeal

The Appellant has stated that the proposed project is for activity of import for the purpose of export as a service unit of segregation/sorting/operation of imported used clothing on behalf of foreign clients. The unit will re-process the imported old and used clothes on behalf of foreign clients and will 100% export the same, hence should be allowed.

Rule Position

Rule 18 of SEZ Rules, 2006: consideration of proposals for setting up of unit in a Special Economic Zone:

Rule 18(4)(c) of SEZ Rules, 2006 provides that 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.

Rule 18 (5) of SEZ Rules, 2006:

The Units in Free Trade and Warehousing Zones or Units in Free Trade and Warehousing Zone set up in other Special Economic Zone, shall be allowed to hold the goods on account of the foreign supplier for dispatches as per the owner's instructions and shall be allowed for trading with or without labelling, packing or re-packing without any processing:

Provided that refrigeration for the purpose of storage and assembly of Completely Knocked Down or Semi Knocked Down kits shall also be allowed by the Free Trade and Warehousing units undertaking the said activities:

Provided further that these Units may also re-sell or re-invoice or re-export the goods imported by them:

Provided also that all transactions by a Unit in Free Trade and Warehousing Zone shall only be in convertible foreign currency.

The appeal (**Annexure-2**) was placed before the BoA in its 85th meeting held on 02.11.2018, however, the appellant did not appear before the Board. The appeal was deferred for the next BoA. The unit has been asked to be present in the BoA meeting scheduled on 22.11.2018 vide letter dated 14.11.2018.
