

No. K-43016/5/2025-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)

Vaniya Bhawan, New Delhi

Dated the 1st June, 2025

1st July,

OFFICE MEMORANDUM

Subject:- 5th meeting (2025 Series) of the Board of Approval for Export Oriented Units and 130th Meeting of the Board of Approval (BoA) for Special Economic Zones (SEZs) scheduled to be held on second week of July, 2025 -Reg.

The undersigned is directed to enclose herewith the agenda for the 130th meeting of the BoA SEZ to be held on **2nd Week of July, 2025 at New Delhi** under the chairmanship of Commerce Secretary, Department of Commerce in Hybrid Mode, for information and necessary action. The Agenda has also been hosted on the website: **www.sezindia.gov.in**.

2. All the addresses are requested to kindly make it convenient to attend the meeting.
3. The meeting link of the aforesaid meeting will be shared shortly in due course.


(Prateek Bajpai)

Under Secretary to the Government of India

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To

1. Central Board of Excise and Customs, Member (Customs), Department of Revenue, North Block, New Delhi. (Fax: 23092628).
2. Central Board of Direct Taxes, Member (IT), Department of Revenue, North Block, New Delhi. (Telefax: 23092107).
3. Joint Secretary, Ministry of Finance, Department of Financial Services, Banking Division, Jeevan Deep Building, New Delhi (Fax: 23344462/23366797).
4. Shri Anil Agarwal, Additional 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. Secretary, Department of Electronics & Information Technology, Electronics Niketan, 6, CGO Complex, New Delhi. (Fax: 24363101)
12. Joint Secretary (IS-I), Ministry of Home Affairs, North Block, New Delhi (Fax: 23092569)
13. Joint Secretary (C&W), Ministry of Defence, Fax: 23015444, South Block, New Delhi.
14. Joint Secretary, Ministry of Environment and Forests, Pariyavaran Bhavan, CGO Complex, New Delhi – 110003 (Fax: 24363577)
15. Joint Secretary & Legislative Counsel, Legislative Department, M/o Law & Justice, A-Wing, Shastri Bhavan, New Delhi. (Tel: 23387095).
16. Department of Legal Affairs (Shri Hemant Kumar, Assistant Legal Adviser), M/o Law & Justice, New Delhi.
17. Secretary, Department of Chemicals & Petrochemicals, 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, Bhubaneswar – 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: PSO to CS / PPS to SS (LSS) / PPS to JS (VA) / PPS to Dir (GP).

Agenda for the 130th meeting of the Board of Approval for Special Economic Zones (SEZs) to be held on *Second week of July 2025*

Agenda Item No. 130.1:

Ratification of the minutes of the 129th meeting of the Board of Approval for Special Economic Zones (SEZs) held on 6th June, 2025.

Agenda Item No. 130.2:

Request for extension of LoA of SEZ Unit [1 proposal – 130.2(i)]

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.

130.2(i). Request of M/s Biocon Biosphere Limited, a unit in Biocon Limited Special Economic Zone, Bommasandra Industrial Area, Bangalore, Karnataka, for extension of validity of Letter of Approval for a further period of one year from 12.06.2025 to 11.06.2026 (5th Extension).

Jurisdictional SEZ – Cochin SEZ (CSEZ)

Facts of the case:

LoA issued on (date)	:	12.06.2020
Nature of business of the Unit	:	Manufacture and export of Diabetes, Multiple Sclerosis, Cyclic Lipopeptide Antibiotics, Invasive Candidiasis – Cartridg and Vial Line
No. of extensions granted	:	3 extensions by DC, CSEZ and one extension by BoA
LoA valid upto (date)	:	11.06.2025
Request of the unit	:	Extension of validity of LoA for a further period of two years from 12.06.2025 to 11.06.2027 .

(a) Details of Business plan:

Sl. No.	Description	Proposed Investment (₹ in Crore)
1	Land	On lease
2	Compound Wall	1.00
3	Machinery	278.00
4	Other statutory fees etc.	1.00
5	Investment on facilities/Building (Proposed & Planned)	80.00
Total		360.00

(b) Total Investment made so far and incremental investment since last extension:

Sl. No.	Description	Investment till last extension – before 12th June 2024 (₹ in Crore)	Incremental Investment since last extension (12th June 2024 to till date (₹ in Crore)	Total Investment (₹ in crore)
1	Land (on lease)	0.00	0.00	0.00
2	Civil Building & Compound Wall	46.24	23.12	69.36
3	Machinery	176.04	88.02	264.06
4	Other statutory fee etc.	2.28	1.14	3.42
	Total	224.56	112.28	336.84

(c) Details of physical progress till date:-

Sl. No.	Activity	% Completion	% Completion during last one year (till 01.04.2025)	Deadline for completion of balance work
1	Sign off Engineering document for BBSL – Injectable plant	100	100	06.07.2023
2	Sign-off architectural layout documents for injectable Plant	100	95	30.12.2023
3	Sign-off major equipment layout for Plant	100	100	06.12.2023
4	Substructure & Super structure completion for Plant	100	33	27.02.2024
5	Mechanical Completion for BBSL- Injectable Plant	90	5	31.03.2026
6	Qualification Completion (IQ/QQ) for BBSL-Injectable Plant (PFS LINE)	100	0	04.04.2025
	Qualification Completion (IQ/QQ) for BBSL-Injectable Plant (CARTRIDGE LINE)	60	0	20.03.2025
	Qualification Completion (IQ/QQ) for BBSL-Injectable Plant (VIAL LINE & PACKAGING)	0	0	10.03.2026
7	Equipment trial run – I (Priority 1) PFS Line	100	0	10.04.2025
	Equipment trial run – II (Priority 2) Cartridge Line	50	0	30.05.2025
	Equipment trial run – III (Priority 3) Vial Line & Packaging	0	0	31.03.2026
8	Performance trial batches-I (Priority 1) PFS Line	0	0	09.05.2025
	Performance trial batches-II (Priority 2) Cartridge Line	0	0	10.06.2025
	Performance trial batches-III (Priority 3) Vial Line & Packaging	0	0	30.04.2026
9	Commercial batches	0	0	11.06.2027

Detailed reasons for delay: -

- One of the critical equipment (lyophilizer) was initially ordered from a Chinese vendor, but later replaced with the indigenous vendor, M/s Lyophilization Systems India Limited.

- Technical specification alignment to support various pen devices or a combination line incorporating an auto-injector to strengthen our infrastructure capabilities has led to further shift in timelines.
- Additional challenges were faced due to the change in the mode of transport from sea shipment to air shipment, owing to geopolitical and regulatory changes in the Middle East. This also necessitated revision of the vendor's export license.
- The unavailability of personnel from vendors Franzi and Groninger along with the need to coordinate a common slot between both vendors, further delayed the timeline.
- Delay in the completion on civil work due to a shortage of labourers, which extended the overall timeline.
- Out of the total estimated project cost of ₹360.00 crore, they have made an investment of ₹207 crore towards construction of building and advance payment for some machinery. Further, they have issued purchase requisitions/Purchase Orders to the tune of ₹109 crore as on date.

Recommendation by DC, CSEZ:

Considering the investment made by the unit, and their efforts to materialize the project by procuring machinery, the request for extension of validity of Letter of Approval for a further period of one year (5th extension) from 12.06.2025 to 11.06.2026 has been recommended and forwarded for consideration of the BoA.

Agenda Item No. 130.3:

Request for Co-Developer status [1 proposal – 130.3(i)]

Relevant provision: In terms of sub-section (11) under Section 3 of the SEZ Act, 2005, *Any person who or a State Government which, intends to provide any infrastructure facilities in the identified area or undertake any authorized operation after entering into an agreement with the Developer, make a proposal for the same to the Board for its approval.*

130.3(i) Request of M/s ANSR Global Corporation Private Limited, for Co-Developer status in Electronics Technology Parks- Kerala (Phase-III), Attipra Village, Thiruvananthapuram District, Kerala

Jurisdictional SEZ – Cochin SEZ (CSEZ)

Facts of the case:

1.	Name of the Developer & Location				M/s. Electronics Technology Parks- Kerala, Attipra Village, Thiruvananthapuram District, Kerala, Thiruvananthapuram							
2.	Date of LOA to Developer				26 th February 2009							
3.	Sector of the SEZ				IT/ITES							
4.	Date of Notification				19 th November 2009							
5.	Total notified area (in Hectares)				17.5866 Ha							
6.	Whether the SEZ is operational or not				Operational							
	(i). If operational, date of Operationalization				4.10.2023							
	ii). No. of Units				69							
	(iii). Total Exports & Imports for the last 5 ears Rs. in Cr.				SEZ became operationalized on 04.10.2023							
	20-21		21-22		22-23		23-24		24-25			
	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import		
	675.95	6.51	814.43	7.95	998.76	19.75	1390.31	0.89	1775.32	8.61		
	(iv). Total Employment (In Nos.)				4356 Nos.							
7.	Name of the Co-Developer sought approval for Co-Developer status				M/s. ANSR Global Corporation Private Limited							
8.	Details of Infrastructure facilities/ authorized operations to be undertaken by the co-developer				Infrastructure development, conversion of bare shell building into warm shell building, leasing out the built-up space, facility mana Management service							
9.	Total area (in Hectares) on which activities will be performed by the c developer				Built-up area of 4062.185 sq.mtr. (43,725 sq ft in 4 th Floor) (Phase-I: 2488.036 sqm & Phase-II: 1574.149 sqm							
10.	Proposed investment by the Co-developer Rs. in Cr.				21.30							
11.	Net worth of the Co-developer (Rs. in Cr.)				251.94							
12.	Date of the Co-developer agreement				02 nd May 2025							

Recommendation by DC, CSEZ:

The request of M/s ANSR Global Corporation Private Limited for granting Co-Developer status in Electronics Technology Parks- Kerala (Phase-III), Thiruvananthapuram has been recommended, in terms of Section 3 (11) of SEZ Act 2005 & Rule 3-A of SEZ Rules 2006 and forwarded for consideration of the BoA.

Agenda Item No. 130.4:

Request for Cancellation of Co-Developer status [1 proposal-130.4(i)]

130.4(i) Request for cancellation of Co-Developer status - M/s. Sri Channakeshava Tech Park, Co-Developer in Shyamaraju & Company (India) Private Limited (formerly Divyasree Technopark) SEZ, Kundalahalli Village, Krishnarajapuram, Hobli, Bangalore East Taluk, Bangalore, Karnataka.

Jurisdictional SEZ – Cochin SEZ (CSEZ)

Facts of the case:

M/s Shyamaraju and Company (India) Private Limited was issued a Letter of Approval No. F.2/120/2005-EPZ dated 9th June 2006 for setting up of a sector specific SEZ for IT/ITES in Karnataka over an area of 21.76 Ha. The SEZ was notified by Government of India vide Gazette Notification S.O.No.1771 (E) dated 16.10.2006. The SEZ became operational on 5th April 2007. Subsequently, the Department of Commerce, as per Rule 8 of SEZ Rules 2006, had de-notified 8.56 Ha of SEZ notified land area vide Gazette Notification No. S.O. 1852 (E) dt. 11.07.2014 and thereby the area of SEZ became 13.20 Ha. The details of SEZ are as under:-

• Area (Hectares)	:	13.20
• Date of Notification	:	16.10.2006 & 11.07.2014
• Date operationalized	:	05.04.2007
• No. of Units	:	7
• Export (2024-2025) (Rs. in crore)	:	4370.44
• Total built-up area (Sq.mtr.)	:	451674.83

M/s Sri Channakeshava Tech Park was issued Letter of Approval No.F.2/120/2004-EPZ dated 27th February 2009 as a Co-Developer for providing infrastructure facilities in an area of 4.76 Ha in the SEZ. The Co-Developer has constructed one building (Co1) admeasuring an area of 97494.90 sq.mtr. in the allotted space. Due to lack of demand for SEZ space, the same built-up area was demarcated by the Developer with the consent of Co-Developer as non-processing area as per Rule 11B of SEZ Rules 2006, which was approved by the BoA in its 120th meeting held on 18th June 2024. While submitting the proposal for demarcation of built-up space as Non Processing Area, the Developer has refunded all the duty/tax exemptions availed for the building. The Specified Office vide letter dated 24th March 2025 has certified that the post demarcation, the Co-Developer has not availed any duty/tax exemption for the area allotted to them (copy enclosed).

Reason for cancellation of Co-Developer status

- The Co-Developer has constructed one building admeasuring 97,494.90 sq.mtr. in the allotted area, which has remained vacant since August 2023. Despite efforts to have the building designated as NPA and offer it to the IT/ITeS sector, prevailing economic uncertainty and recession have hindered the sector growth. Consequently, the demand for office space in IT/ITeS Sector decreased, leading many small and medium companies to adopt a cautious “wait-and-watch’ approach. In the light of the current uncertainty and subdued market conditions, their management has decided to surrender the Co-Developer status in SEZ.

In this regard, the Co-Developer has submitted the following documents: -

- (i) "No Objection Certificate" issued by M/s Shyamaraju and Company (India) Private Limited, the Developer for cancellation of Co-Developer status.
- (ii) "No Due Certificate" dated 24.03.2025 issued by the Specified Officer.

Recommendation by DC, CSEZ:

The request of M/s Sri Channakeshava Tech Park for surrender of LOA and cancellation of Co-Developer status has been recommended and forwarded for consideration of the BoA.

Agenda Item No. 130.5:

Request for notification or partial/full de-notification [3 proposal 130.5(i)- 130.5(iii)]

Procedural guidelines on de-notification of SEZ:

- In terms of first proviso to rule 8 of the SEZ Rules, 2006, *the Central Government may, on the recommendation of the Board (Board of Approval) on the application made by the Developer, if it is satisfied, modify, withdraw or rescind the notification of a SEZ issued under this rule.*
- In the 60th meeting of the Board of Approval held on 08.11.2013, while considering a proposal of de-notification, the Board after deliberations decided that henceforth all cases of partial or complete de-notification of SEZs will be processed on file by DoC, subject to the conditions that:

(a) DC to furnish a certificate in the prescribed format certifying inter-alia that;

- the Developer has either not availed or has refunded all the tax/duty benefits availed under SEZ Act/Rules in respect of the area to be de-notified.
- there are either no units in the SEZ or the same have been de-bonded.

(b) The State Govt. has no objection to the de-notification proposal and

(c) Subject to stipulations communicated vide DoC's letter No. D.12/45/2009-SEZ dated 13.09.2013.

130.5(i) Proposal of M/s. Ansal IT City & Parks Limited, Developer for partial de-notification of 8.717 Ha out of 30.41 Ha of IT/ITES SEZ at Plot No. 6, Sector-Techzone, Greater Noida, Uttar Pradesh

Jurisdictional SEZ – Noida SEZ (NSEZ)

Facts of the case:

M/s Ansal IT City & Parks Limited has requested for decrease in the SEZ area by de-notifying the area.

Name of Developer	:	M/s. Ansal IT City & Parks Limited
Location	:	Plot No. 6, Sector-Techzone, Greater Noida, Uttar Pradesh
LoA issued on (date)	:	07.04.2006 (Formal Approval)
Sector	:	IT/ITES
Operational or not operational	:	Operational
Notified Area (in Hectares)	:	30.41 Ha.
Area proposed for de-notification (in Hectares)	:	8.717 Ha.

Reasons for de-notification proposal:

Due to lack of Government Infrastructure for connectivity and mobility no IT/ITES company is interested in setting up their office in this area.

Through partial de-notification they shall be sprucing up the area and bring in investment as well as create ancillary establishments so that in future the area develops and people can then come to set up their office in the IUT Zones. They also plan to set up residential and commercial infrastructures to make reasonable and reachable commodities to the people so that companies can come and establish in this area and employment can be generated.

The they are creating a mix of commercial, institutional as a support and providing subsistence to IT Infrastructure to cater to the requirement of the future residential and IT and commercial demands.

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

Key Findings in the Proposal:

1. DC, NSEZ Certification:

- The developer has not availed any tax/duty benefits, under the SEZ Act/rules, in r/o the land being de-notified.
- The SEZ shall remain contiguous even after de-notification of the area of 8.717 Ha
- Coloured map of the SEZ showing the area being de-notified, duly countersigned by them.
- Principal Secretary, Industrial Development Department-3, Government of Uttar Pradesh vide his letter no. I/974937/2025 dated 27.05.2025, has forwarded 'No objection' of the State Government regarding partial de-notification of 8.717 Ha area of the SEZ.

2. NOC for De-notification: State Government vide letter No. I/974937/2025 dated 27.05.2025 has provide no objection for partial de-notification of 8.717 Ha out of total notified area 30.41 Ha subject to various terms and conditions:

- They will refund all availed tax/duty benefits,
- De-notified land parcel should be utilised as per the lease deed of 10.02.2006.
- A clear affidavit of No-objection to terms of State Government shall be provided by the compony to Greater Noida Industrial development authority. Etc.

3. Inspection of Partial De-notification Area: M/s Ansal IT City & Parks Ltd. Has submitted proposal for part de-notification of 8.717 Ha land from already notified 30.41 ha of the IT/ITES SEZ at Plot No. 06, Sector-Techzone, Greater Noida, Uttar Pradesh. As per Instruction No. 102 dated 18.11.2019 issued by DoC, Physical Inspection of the proposed SEZ land was carried out on 30.05.2025 in the presence DC, NSEZ, DDC & SO, AO along with Revenue/Land Authority of the concerned State Government and Representative of Ansal IT City & Parks Ltd., Developer. During site inspection following were observed: -

- The land area of 8.717 ha proposed to be de-notified was found to be vacant.

- (ii) After part de-notification of 8.717 area the remaining notified area of 21.693 ha will be remain contiguous.
- (iii) During the inspection, the developer informed that after proposed de-notification they will secure the remaining notified SEZ aera by construction of boundary wall & fencing as per provisions of SEZ Rules.

Recommendation by DC, NSEZ:

The proposal of M/s. Ansal IT City & Parks Limited has been examined and is recommended for partial de-notification of 8.717 ha land from the already notified area of 30.41 ha of IT/ITES SEZ at Plot No. 6, Sector-Techzone, Greater Noida, Uttar Pradesh. After de-notification of the proposed land the balance area of SEZ i.e. 21.693 Ha shall remain contiguous.

130.5(ii) Proposal of M/s. G V Techpark Private Limited, (Formerly M/s. Tanglin Developments Limited) Developer of Global village SEZ Developer for partial de-notification of 0.278 Ha from the notified SEZ land area of 14.625 ha at Mylasandra/Pattengere Villages, RVCE Post, Off. Bangalore-Mysore Highway, Bangalore, Karnataka

Jurisdictional SEZ – Cochin SEZ (CSEZ)

Facts of the case:

M/s G V Techpark Private Limited has requested for decrease in the SEZ area by de-notifying the area.

Name of Developer	:	M/s. G V Techpark Private Limited
Location	:	Mylasandra/Pattengere Villages, RVCE Post, Off. Bangalore-Mysore Highway, Bangalore, Karnataka
LoA issued on (date)	:	28.06.2006 (Formal Approval)
Sector	:	IT/ITES
Operational or not operational	:	Operational
Notified Area (in Hectares)	:	14.625 Ha.
Area proposed for de-notification (in Hectares)	:	0.278 Ha.

Reasons for de-notification proposal:

They have filed an application on 7th February, 2024 for partial de-notification of 12.809 acres and duly approved and notified by Gazette notification S.O. 2769(E) dated 15th July, 2024.

Originally the land area in survey number 9/5 of Mylasandra village also should have de-notified along with other areas mentioned in their referred application. Whereas due to the clerical error occurred during preparation and submission of the land details they have omitted/missed this said area in survey number 9/5 of mylasandra village provided along with the application.

The maps submitted then along with the above said application for de-notification included survey no. 9/5 area also.

Due to the above fact they are now filing the fresh application to rectify the same.

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

Key Findings in the Proposal:

DC, CSEZ Certification:

- a. There are no units in the SEZ land area proposed for de-notification
- b. The developer has not availed any tax/duty benefits, under the SEZ Act/rules, in r/o the land being de-notified.
- c. The SEZ shall remain contiguous even after de-notification of the area of 0.278 Ha and the net area of the SEZ after de-notification is 14.347 Ha.
- d. The land details for de-notification and a coloured map of the SEZ showing the area being de-notified duly countersigned by them.
- e. The State Government has given its "No Objection" regarding de-notification of the above stated area of the SEZ.

NOC for De-notification: The State Government has recommended for consideration of the proposal of M/S. GV Tech Parks Private Limited for partial de-notification of 0.278 Hectares of land situated at Sy. No. 9/5, Myllasandra Village, off Mysore 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: DC CSEZ has submitted the inspection certificate citing that the physical inspection for Partial De-notification Area .278Ha has been conducted on 29.05.2025. Further it has also been certified that the Developer M/s. Global Special Economic zone Bangalore for IT ITES has complied the contiguity condition in terms of DoC instruction 99 dated 12.10.2019 and instruction 102 dated 18.11.2019

Recommendation by DC, CSEZ:

The proposal of M/s G V Techparks Private Limited, Developer of Global Village SEZ, Bangalore for partial de-notification of 0.278 Ha of the notified SEZ area, has been recommended and forwarded for consideration of BoA.

130.5(iii) Request of M/s. Carborundum Universal Limited, Developer of Carborundum Universal Limited SEZ, Kalamaserry for cancellation of LoA and de-notification of entire SEZ area of 10 Ha at Electro Mineral Division, Kalamassery Development Plot, Ernakulam District, Kerala

Jurisdictional SEZ – Cochin SEZ

Facts of the case:

M/s. Carborundum Universal Limited has requested for cancellation of LoA and de-notification of entire SEZ of Carborundum Universal Limited SEZ, Kalamaserry.

Name of Developer	: M/s. Carborundum Universal Limited
Location	: Village Thrikkakara North, Taluka Kanayannur, Ernakulam, Kerala
LoA issued on (date)	: F.1/6/2009-SEZ dated 27.02.2009 (Formal Approval)
Sector	: Solar Photovoltaic sector
Operational or not operational	: Operational
Date of Notification	: 17.11.2009
Date operationalized	: 15.02.2014
Notified Area (in Hectares)	: 10 Ha.
Area proposed for de-notification (in Hectares)	: 10 Ha (Full denotification)
Request of the Developer	: The Developer vide letter dated 10th March 2025 has submitted application for de-notification of the entire area of the SEZ and cancellation of LoA. The Developer states that due to lack of orders and demand for their products the 2 units in the SEZ exit from the Scheme, and their Board has decided to de-notify the entire SEZ and continue the industrial activities in the area as DTA units, hence submitted application for de-notification.
Observation	: The Developer has refunded an amount of Rs. 5,92,458/- (Rupees five lakhs ninety two thousand four hundred and fifty eight only) towards tax/duty exemptions availed by the Developer. The Specified Officer has issued No Due Certificate vide letter dated 18.02.2025 and also recommended for consideration of the proposal. The State Government vide letter No. J2/151/2021/IND dated 23.02.2023 has also conveyed their No Objection for full de-notification of 10 Ha of notified SEZ land

	area.
Reasons for de-notification of the SEZ	<p>The 2 units operating in the SEZ have been exit from the SEZ scheme due to the following reasons:</p> <ul style="list-style-type: none"> • The global solar photovoltaic market has been in decline since 2013, particularly in Europe. • The Covid-19 induced global economic recession further impacted SEZ exports. • Given the bleak export market and uncertain revival prospects, management redirected sales to the captive and domestic markets. • While CUMI products were well accepted domestically, the pricing and competitiveness were hindered by duty implications when transferring goods from SEZ to the domestic market. • Duty was levied on the sale value, making products uncompetitive in the highly price-sensitive domestic market.
Land utilization of the proposed 10 Ha after denotification	: The de-notified land and its manufacturing facilities will be continued to be used exclusively for industrial purposes only

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-C6 for full denotification along with DC's recommendation	Yes, provided
(ii)	DC's certificate in prescribed format	Yes, provided
(iii)	"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 full de-notification shall be complied with	Yes, Provided
(iv)	'No Dues Certificate' from specified officer	Yes, provided

The State Government of Kerala vide letter dated 23.02.2023 has conveyed their No-objection to the proposal subject to the following conditions:

- I. Utilization of the de-notified land shall be in line with the conditions as stipulated by DoC vide its instruction No. D.12/45/2009-SEZ dated 13.09.2013
- II. De-notified land shall only be used for industrial purposes

DC, CSEZ has certified that

- a. The existing units have been de-bonded following the procedure prescribed in Rule 74 of the SEZ Rules.
- b. The developer had availed the following tax/duty benefits under the SEZ Act/Rules.: an amount of Rs. 5,92,458/- towards tax/duty exemptions availed on all their capital assets as the developer has been refunded by the De Developer to DC's Satisfaction
- c. The State Government has given its 'No Objection' regarding de-notification of the above stated area of the SEZ.

Recommendation by DC, CSEZ:

The proposal of M/s. Carborundum Universal Limited, Developer of Carborundum Universal Limited SEZ, Kalamassery for cancellation of LOA and de-notification of entire SEZ area of 10 Ha at Electro Mineral Division, Kalamassery Development Plot, Ernakulam District, Kerala State has been recommendation and forwarded for consideration of BOA, in terms of Rule 8 of SEZ Rules 2006.

Agenda Item No. 130.6:

Request for conversion of Processing Area into Non-Processing Area under Rule 11(B) [3 proposals – 130.6(i)- 130.6(iii)]

Rule position:

In terms of the Rule 5(2) regarding requirements of minimum area of land for an IT/ITES SEZ: -

(b) There shall be no minimum land area requirement for setting up a Special Economic Zone for Information Technology or Information Technology enabled Services, Biotech or Health (other than hospital) service, but a minimum built up processing area requirement shall be applicable, based on the category of cities, as specified in the following Table, namely: -

TABLE

Sl. No. (1)	Categories of cities as per Annexure IV-A (2)	Minimum built-up processing Area (3)
1.	Category 'A'	50,000 square meters
2.	Category 'B'	25,000 square meters
3.	Category 'C'	15,000 square meters

(c) The minimum processing area in any Special Economic Zone cannot be less than fifty per cent. of the total area of the Special Economic Zone.

In terms of the Rule 11 B regarding Non-processing areas for IT/ITES SEZ:

(1) Notwithstanding anything contained in rules, 5,11,11A or any other rule, the Board of Approval, on request of a Developer of an Information Technology or Information Technology Enabled Services Special Economic Zones, may, permit demarcation of a portion of the built-up area of an Information Technology or Information Technology Enabled Services Special Economic Zone as a non-processing area of the Information Technology or Information Technology Enabled Services Special Economic Zone to be called a non-processing area.

(2) A Non-processing area may be used for setting up and operation of businesses engaged in Information Technology or Information Technology Enabled services, and at such terms and conditions as may be specified by the Board of Approval under sub-rule (1),

(3) A Non-processing area shall consist of complete floor and part of a floor shall not be demarcated as a non-processing area.

(4) There shall be appropriate access control mechanisms for Special Economic Zone Unit and businesses engaged in Information Technology or Information Technology Enabled Services in non-processing areas of Information Technology or Information Technology Enabled Services Special Economic Zones, to ensure adequate screening of movement of persons as well as goods in and out of their premises.

(5) Board of Approval shall permit demarcation of a non-processing area for a

business engaged in Information Technology or Information Technology Enabled Services Special Economic Zone, only after repayment, without interest, by the Developer, —

(i) tax benefits attributable to the non-processing area, calculated as the benefits provided for the processing area of the Special Economic Zone, in proportion of the built up area of the non-processing area to the total built up area of the processing area of the Information Technology or Information Technology Enabled Services Special Economic Zone, as specified by the Central Government.

(ii) tax benefits already availed for creation of social or commercial infrastructure and other facilities if proposed to be used by both the Information Technology or Information Technology Enabled Services Special Economic Zone Units and business engaged in Information Technology or Information Technology Enabled Services in non-processing area.

(6) The amount to be repaid by Developer under sub-rule (5) shall be based on a certificate issued by a Chartered Engineer.

(7) Demarcation of a non-processing area shall not be allowed if it results in decreasing the processing area to less than fifty per cent of the total area or less than the area specified in column (3) of the table below:

TABLE

Sl. No. (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 Development Commissioner 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 Development Commissioner.

- 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.

130.6(i) Request of M/s Manyata Promoters Private Limited, Bangalore, Co-Developer of Embassy Property Developments Private Limited SEZ, Rachenahalli Village, Bangalore, Karnataka for demarcation of SEZ Processing Built-up area (11,337 sq.mtr.) as Non-Processing Area in terms of Rule 11 B of SEZ Rules 2006 read with Instruction No.115 dated 09.04.2024.

Jurisdictional SEZ – Cochin SEZ (CSEZ)

Facts of the case:

Particulars	Details		
Name of Developer	M/s Embassy Property Developments Private Limited		
Address of SEZ	Outer Ring Road, Rachenahalli Village, Bangalore, Karnataka		
Sector of the SEZ	IT/ITES		
Formal Approval	No.F.1/1/2017-SEZ dated 2 nd March 2017		
Date of Notification	03.05.2017		
Total Notified land area (in Hectares)	2.5906		
Total Built-up area in Processing Area (in Square meters), as informed by the Developer.	182499.83 Sq.mtr.		
Details of Built-up area in the SEZ	Building /Tower / Block/Parcel	No. of floors	Total built-up area (in M ²)
	Parcel 1	3B+G+18+Terrace	72479.31
	Parcel 2	2B+1 st to 4 th Floor+9 th to 19 th Floors +Terrace	110020.52
	Total		182499.83
Total area to be demarcated as Non-Processing Area (NPA) out of Built-up area (in Square meter)	Building	Description	Area (in M ²)
	Parcel 2	10 th Floor	5662
		13 th Floor	5675
		Total	11337
Balance Built-up Processing Area after demarcation.	171162.83 Square meter		
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	Yes		

Area (NPA)?	
If yes, above then whether repayment has been made? Please mention the amount repaid?	The Co-Developer has paid an amount of ₹2,85,82,777/- (Rupees Two crore eighty five lakh eighty two thousand seven hundred seventy seven only) towards tax/duty exemptions availed for the proposed area to be demarcated as NPA.
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 Co-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 Common facilities: ₹3,45,39,231/- Earlier, on request of the Co-Developer the 125 th BoA held on 6 th December 2024, had granted approval for demarcation of 40767 sq.mtr. built-up area as Non-Processing area, which was conveyed by DoC vide letter dated 25.12.2024. At that time, the Developer has refunded an amount of ₹3,45,39,231/- vide challan No.NPA01 dated 29.10.2024 towards the entire duty/tax exemptions availed for the common amenities viz., Internal road, common parking facilities, sewage, drainage, compressor room, landscapes, gardens, utilities like generation and distribution of power including power back up, HVAC facilities, ETP, ETP. Since the Co-Developer refunded the entire duty/tax exemptions availed for

	creating the common amenities, the present proposal does not involve payment of the same.
Whether the area to be demarcated as NPA is included to be strictly used for IT/ITES Units, any in terms of SEZ Rules 11 (B)(2)?	Yes
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. Further, they have undertaken that the company will adhere to all SEZ conditions/regulations that may be prescribed in this regard.
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 171162.83 sq.mtr. , and hence fulfills the condition.
Reason for demarcation of built-up area as NPA	The Co-Developer submits that the significant built-up area is lying vacant due to implementation of Sunset clause for Income Tax, Covid 19 pandemic and introduction of work from home facility to the IT units and there is no demand for space from SEZ units. Hence, their management decided to demarcate the said built-up area as Non-Processing Area.
Purpose and usage of such demarcation	To allot the same to non-SEZ IT 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 15.05.2025 of Shri R Arunkumar, Chartered Engineer Membership No. F-111508-8, towards calculation of taxes / duty to be refunded by the Developer.
- iii. 'No Dues Certificate' issued by Specified Officer vide F. No. KA:47:17EPDPL dated 28.05.2025.
- 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 countersigned 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 11,337 Sqmt. into Non-Processing Area for use by IT/ITES businesses as per Rule 11B of the SEZ (Fifth Amendment) Rule, 2023.
- vii. Details of total Buildings / built-up area with their floor-wise area along with built-up area already demarcated as Non Processing Area and floor-wise built-up Processing Area proposed to be demarcated as Non Processing Area.

Recommendation by DC, CSEZ:-

The proposal of M/s Manyata Promoters Private Limited, Co- Developer, Embassy Property Developments Private Limited SEZ for demarcation of 11337 sq.mtr. built-up Processing Area as Non-Processing Area in terms of Rule 11 B of SEZ Rules.2006 read with Instruction No.115 dated 9th April 2024, has been recommended and forwarded for consideration of BoA.

130.6(ii) Request of M/s Bagmane Developers Private Limited (formerly Bagmane Constructions Private Limited), Bangalore, Developer for demarcation of SEZ at Mahadevapura, K R Puram, Bangalore North, Karnataka for Processing Built-up area (9948.79 sq.mtr.) as Non-Processing Area in terms of Rule 11 B of SEZ Rules 2006 read with Instruction No.115 dated 09.04.2024.

Jurisdictional SEZ – Cochin SEZ (CSEZ)

Facts of the case:

Particulars	Details		
Name of Developer	M/s Bagmane Developers Private Limited		
Address of SEZ	Mahadevapura, K R Puram, Bangalore North, Karnataka		
Sector of the SEZ	IT/ITES		
Formal Approval	No. F.2/220/2006-SEZ dated 7 th January 2008		
Date of Notification	11.07.2008		
Total Notified land area (in Hectares)	11.3079		
Total Built-up area in Processing Area (in Square meters), as informed by the Developer.	720933.72		
Details of Built-up area in the SEZ	Building /Tower / Block/Parcel	No. of floors	Total built-up area (in M²)
	Amber	11	19652.69
	Aquamarine	9	72541.10
	Citrine	13	53066.82
	Coral	11	39079.43
	Emerald	7	36668.71
	Garnet	13	40430.60
	Moonstone	8	43293.39
	Peridot	13	49701.53
	Onyx	3	6038.65
	Master Plan Area WTC		360460.80
	Total		720933.72
Total area to be demarcated as Non-Processing Area (NPA) out of Built-up area (in Square meter)	Building	Description	Area (in M²)
	Amber	7 th Floor	1673.97
		9 th Floor	1673.97
		10 th Floor	1673.97
		Ground Floor	1651.88
		Basement	3275.00
		Total	9948.79
Balance Built-up Processing Area after demarcation.	710984.93 Square meter		

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 Developer has paid an amount of ₹14,25,52,095/- (Rupees Fourteen crore twenty five lakh fifty two thousand ninety five only) towards tax/duty exemptions availed for the proposed area to be demarcated as NPA (Built-up space: ₹6,40,45,759/- & Common area: ₹7,85,06,336/-).
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 ₹7,85,06,336/- The Developer has paid an amount of ₹7,85,06,336/- (Rupees Seven crore eighty five lakh six thousand three hundred thirty six only) towards the duty/tax exemptions availed for the common assets like common internal roads, landscaping and Garden, Basement, common parking, sewage, Drainage, utilities like generation and distribution of power including Electrical installations, Fire fighting systems, HV AC Systems, Window Grills, ETP, WTP, compressor room, lift etc.
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 Common facilities: ₹7,85,06,336/-

Whether the area to be demarcated as NPA is included to be strictly used for IT/ITES Units, any in terms of SEZ Rules 11 (B)(2)?		Yes
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 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. Further, they have undertaken that the company will adhere to all SEZ conditions/regulations that may be prescribed in this regard.
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 710984.93 sq.mtr. , and hence fulfills the condition.
Reason for demarcation of built-up area as NPA	The Co-Developer submits that the significant built-up area is lying vacant due to implementation of Sunset clause for Income Tax and Covid 19 pandemic and there is no demand for space from SEZ units. Hence, their management decided to demarcate the said built-up area as Non-Processing Area.	
Purpose and usage of such demarcation	To allot the same to non-SEZ IT 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 17.05.2025 of Shri Sareen Kumar V & S T Aeja Ahmed, Chartered Engineer Membership No. AM1908866 &

- AM174159-7, towards calculation of taxes / duty to be refunded by the Developer.
- iii. 'No Dues Certificate' issued by Specified Officer vide F. No. KA:22:08:Bagrnanell:01:Vol II dated 28.05.2025.
 - 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 9948.79 Sqmt. into Non-Processing Area for use by IT/ITES businesses as per Rule 11B of the SEZ (Fifth Amendment) Rule, 2023.

Recommendation by DC, CSEZ:-

The proposal of M/s Bagmane Developers Private Limited, Developer for demarcation of 9948.79 sq.mtr. built-up Processing 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 the BoA.

		1	Tower	UGL	1	3943.06
		2	8	Level-1	1	3522.61
		3		Level-2	1	3522.61
		4		Level-3	1	3522.61
		5		Level-4	1	3522.61
		6	Tower	Level-4	1	3522.61
		7	9	Level-5	1	3522.61
		Total				25078.72
9	Total built up area proposed for demarcation of NPA for setting up of Non-SEZ IT/ITES units (in sq.mtr.)	25078.72 Sq.mtrs				
10	Total built up area proposed for demarcation of NPA for setting up of Non-SEZ IT/ITES units	Tower 8- Floor No. UGL, Level 1, Level 2, Level 3, Level 4. Tower 9- Floor No. Level 4 & Level 5.				
11	Total duty benefits and tax exemption availed on the built-up area proposed to be demarcated as NPA (Rs in crores)	Total benefit of Tax exemption availed on built up area proposed to be demarcated as NPA is Rs. 5,45,68,274/-				
12	Whether duty benefits and tax exemptions availed has been refunded and NOC from Specified Officer has been obtained (Please enclose NPC from Specified Officer)	Total Duty benefit and tax exemption refunded by the developer amounting to Rs. 17,68,99,757/- vide (i) TR -6 Challan No 2024-25/02 dated 20.02.2025 amounting to Rs 8,85,10,689/-(ii) TR -6 Challan No 2025-26/01 dated 14 th May 2025 amounting to Rs.8,83,89,068/- (Built up area Rs. 5,45,68,274 and common area Rs 12,23,31,483/-) and, NOC from the Specified Officer is received.				
13	Reasons for demarcation of NPA	New units not intending to enter in SEZ due to no benefits and cumbersome procedures, it was observed that some of the units de-bonded either totally or partially and existing units also applying for the Exit from SEZ, the area is vacant for very long time, company is therefore planning for demarcation of portion of the built up area into a non-processing area.				
14	Total remaining built up area	1,52,585.04 Sq.mtr				
15	Whether total remaining built up area fulfils the	Yes				

	minimum built up area requirement as per Rule 5 of SEZ Rules, 2006	
16	Purpose and usage of such demarcation of NPA	As directed by the MOC&I & vide their instruction no. D12/45/2009-SEZ dated 13.09.2013, the area proposed for NPA shall be utilized towards IT/ITES which would sub-serve the objective of the MOCI as originally envisaged.

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, SEEPZ.
- ii. Chartered Engineer Certificate dated 24.04.2025 of Shri Vijay Dattatray Khamkar, Chartered Engineer Membership No. F-25651, M-1535875, towards calculation of taxes / duty to be refunded by the Developer.
- iii. 'No Dues Certificate' issued by Specified Officer vide letter dated 19.05.2025.
- 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, SEEPZ.
- v. Checklist of Rule 11B in prescribed format, duly signed by Specified Officer and DC, SEEPZ.
- 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 25078.72 Sqmt. into Non-Processing Area for use by IT/ITES businesses as per Rule 11B of the SEZ (Fifth Amendment) Rule, 2023.
- vii. Details of total Buildings / built-up area with their floor-wise area along with built-up area already demarcated as Non Processing Area and floor-wise built-up Processing Area proposed to be demarcated as Non Processing Area

Recommendation by DC, SEEPZ:

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

Agenda item no. 130.7:

Miscellaneous [1 proposal: 130.7(i)]

Rule Position:

As per Rule-27(1) - Proviso provided also that items prohibited for import can be procured by a Special Economic Zone unit or Developer from a place outside India to the Special Economic Zone with the prior approval of the Board of Approval.

Sub-rule (4) (d) of the Rule 18 (Consideration of proposals for setting up the Unit in a Special Economic Zone) says No proposal shall be considered for import of other used goods for recycling".

130.7(i) Request of M/s. Idhan Private Limited, a unit in Vishakhapatnam SEZ, Vishakhapatnam for import of used Cooking Oil (Prohibited Item).

Jurisdictional SEZ – Vishakhapatnam SEZ

Facts of the case:

M/s. Idhan Private Limited was granted Letter of Approval vide Letter 9/SEZ/373/VSEZ/2025 dated: 28.01.2025 for manufacture of Bio Diesel and Crude Glycerine for export. The unit has proposed an investment of 136.00 crores and employment to 210 people.

Background:

M/s Biomax Limited, an existing unit in VSEZ has availed financial assistance from M/s. Mahesh Cooperative Bank Limited. The unit has defaulted in payment of the loan to M/s. Mahesh cooperative Bank Limited. The Banker has declared the unit as NPA and initiated action and conducted public auction. M/s. Idhan Private Limited has participated in the auction and is the successful bidder of the auction and approached VSEZ for issue of LoA as they intend to operate the unit.

M/s. Idhan Private Limited has cleared the outstanding dues to the VSEZ Authority and submitted application for issue of Letter of Approval. The proposal of M/s. idhan Private Limited was considered by the Unit Approval Committee and Letter of Approval was granted to the unit.

Present request of the Unit:

M/s. Idhan Private Limited has requested for permission to import used cooking Oil and process the same to manufacture Biodiesel for export.

As per the project application and project report, the unit has mentioned that the raw-material for manufacture of Biodiesel is High FFA Crude Palm Oil(CPO/Other Vegetable Oils with 12-14% FFA, Rice Bran Fatty Acids and any other Fatty acids of vegetable oil origin and Used Cooking Oil (UCO)/Waste Vegetable Oil (WVO)with 5-6% FFA.

The unit has informed that their primary feedstock is Used Cooking Oil. It is informed that Used Cooking Oil is available in abundance in the international market and it will also ensure smooth operation and commercial viability of the plant.

As per ITC(HS) Classifications of Export & Import items Used Cooking Oil covered under 15180040 is a prohibited item for Import. The unit has requested for permission to import the prohibited item for manufacture of biodiesel. The unit has stated that the Used Cooking Oil used solely for the purpose of manufacturing of biodiesel for export only.

Precedence:

Used Cooking Oil (UCO) or Used Vegetable Oil (UVO) are used goods which the unit intend to import and reuse the same for processing of the same for manufacture of Biodiesel for export.

Earlier, similar request for import of UCO for manufacture of Bio-diesel has been approved by BoA subject to condition that the imported cooking oil shall be exclusively used for manufacturing of Biodiesel and export thereof and clearance of imported used cooking oil to DTA shall not be allowed.

Recommendation by DC, VSEZ:

The request of M/s. Idhan Private Limited for permission to import Used Cooking Oil has been forwarded with the approval of DC, VSEZ for placing the same before the BoA for a decision.

Agenda Item No.130.8:

Appeal [4 cases: 130.8(i) – 130.8(iv)]

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

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

130.8(i) Appeal dated 10.02.2025 filed by M/s. Margo Impex Private Limited against the decision of UAC meeting held on 02.01.2025 which was conveyed vide order dated 13.01.2025.

Jurisdictional SEZ – Noida SEZ (NSEZ)

Brief facts of the case

- I. **M/s. Margo Impex Private Limited** has been granted LOA No. 10/19/2022-SEZ/8529 dt. 10.10.2022 for setting up of a unit in the for setting up a unit in the Arshiya Northern FTWZ Ltd. Free Trade and Warehousing Zone at Village- Ibrahimpur, Junaidpur urf Maujpur, Khurja Distt- Bulandshahr (U.P.) to undertake ‘ Warehousing, Trading (with or without labeling), packing or re-packing (without any processing), Assembly of Completely Knocked Down or Semi Knocked Down kits for the items (as per list of 62 No. HS Codes & item description) except ‘Restricted’ & ‘Prohibited’ items’. The unit has executed Bond-Cum-Legal Undertaking which has been accepted by the Competent Authority. The unit had commenced operations w.e.f. 17.12.2022, accordingly LOA of the unit is valid upto 16.12.2027. The list of items under LOA dt. 10.10.2022 includes HS Code 0801 & 0802
- II. The Approval Committee in its meeting held on 04.01.2024 had reviewed the LOAs of the Free Trade and Warehousing units in Arshiya FTWZ, Khurja (U.P.). As per agenda of the said meeting, a high level meeting was held in Department of Commerce on 29.12.2023 which went into the specific on FTWZ including documentation filed (and whether this was manual or online), customs procedures including the method of valuation, relationship of the unit with the clients, measures to streamline operations and the scope of products covered under FTWZs. As an outcome of this meeting the office of Zonal NSEZ reviewed various parameters of FTWZ including the product coverage
- III. The Approval Committee decided that all LoAs of the existing units in FTWZ/SEZs having precious metals and related goods and other sensitive goods for warehousing/trading activities shall be amended to the following extent:-
 - a. Trading / warehousing of all precious metals and related goods falling under Harmonised System (HS) Chapter 71, HS 2616 and HS 9608 shall be removed;
 - b. Goods under ITC HS Codes 080132, 080280, 0904, 9101, 9111, 91149030 shall **be removed from LOAs of all such existing trading / warehousing units.**
 - c. However, precious metals goods in stock of the unit at FTWZ/SEZ may be allowed to be re-exported by the unit. Goods other than precious metal which are in stock of the unit at FTWZ/SEZ and being excluded herewith may be allowed transaction as per existing policy condition of DGFT and/or any other Government agency

- IV. Accordingly, as per the decision of the Approval Committee, the items under HS Code 0801 & 0802 had been removed from the LOA No. 10/19/2022-SEZ/8529 dt. 10.10.2022 of M/s. Margo Impex Pvt. Ltd. vide this office letter dated 18.01.2024.
- V. Thereafter, M/s. Margo Impex Pvt. Ltd. had filed an appeal before BoA, under Rule 55 of SEZ Rules, 2006, against the aforesaid decision of UAC meeting held on 04.01.2024. The aforesaid appeal of M/s. Margo Impex Pvt. Ltd. was placed before the BoA held on 18.06.2024 [Item No. 120.12(i)]. As per minutes of the said BoA meeting *The Board heard the representative of unit and observed that the matter requires to be examined holistically. Further, the Board was of the view that for further examination of the matter, documents / details of the unit in regard to their imports and exports, business model, DTA transfer etc. are required. Accordingly, the Board, after deliberations, deferred the appeal and directed DoC to seek these documents / details from the appellants.*
- VI. DoC vide Instruction No.117 dated 24.09.2024 has issued guidelines for operation framework of FTWZ and Warehousing units in SEZ, for strict compliance. As per para (ix) of the said Instruction, ***“DCs shall keep a strict watch on the high risk commodities such as Areca nuts, betel nut, black pepper, dates etc. and may consider restricting dealing in such sensitive commodities by FTWZ units and warehousing units. Moreover, the list may further be regularly reviewed by the Unit Approval Committee based on the risk perceptions of the various commodities.”***

The aforesaid comments were forwarded to DoC with request that the Board of Approval may take suitable decision in respect of aforesaid appeal of M/s. Margo Impex Pvt. Ltd. in light of the guidelines issued Instruction No.117 dated 24.09.2024.

DoC vide letter dated No. K-43022/114/2024-SEZ dated 18.11.2024 which is addressed to M/s. Margo Impex Private Limited conveying decision of the 124th meeting of BoA held on 05.11.2024 has been received. Vide letter dated 18.11.2024, it has been conveyed that the appeal dated 14.02.2024 of M/s. Margo Impex Private Limited against the decision of UAC, NSEZ was considered in the BoA meeting held on 05.11.2024. The Board, after deliberations, remanded the appeal back to UAC, NSEZ with direction to examine and process the request of the appellant after duly considering the relevant provisions stipulated under DoC's Instruction No. 117 dated 24.09.2024.

As per the direction of BOA, a personal hearing in the matter was once again given the unit on 26.11.2024 at 10.00 AM. As no one appeared before the Development Commissioner, the next date was given 02.12.2024 at 10.30 AM. The unit was granted opportunity for personal hearing before the Joint Development Commissioner on 02.12.2024, to explain their case. Mr. Imran Ahmad, Director and Mr. Sumit Wadhwa, Advocate of M/s. Margo Impex Private Limited appeared before the Joint Development Commissioner on the said date wherein the

representative from the unit stated that they have orders for export and their business operations are totally hampered. They have submitted that they will fulfil all requirements of Instruction No. 117. They requested to take lenient view and allow to start their operations in HSN 0802.

After that the matter was placed before UAC dated 02.01.2025

Request for reconsideration of HS Codes removed from the LOA of the FTWZ

Unit: The Approval Committee discussed the proposal in detail in light of the sensitivity of business plan and Guidelines for Operational Framework of FTWZ & Warehousing units in SEZ issued vide Instruction No. 117 dated 24.09.2024. It was noted that Instruction No. 117 had specifically come in the light of the adverse reports and inputs received related to functioning of some warehouse units. The Committee maintained its position that on account of the sensitivity, given the investigations and seizure by agencies, quality of consignments including the risk of diversion due to the long inland transport, absence of economic rationale after incurring such high freight costs, difficulties in valuation due to volatility of prices, possibility of trading in precious metals, referencing some of the high risk commodities which are part of their LOA in Instruction No. 117, cases of transfer from other FTWZs prior to this Instruction (which has now been disallowed without approval of UAC); the earlier decision to remove certain sensitive products from the LOA is upheld.

The decision of UAC dated 02.01.2025 has been conveyed to the unit on 13.01.2025 against which they have filed this appeal

Para wise comments of NSEZ:

S. No.	Grounds of Appeal	Comments/Inputs
1.	Brief of Unit	No Comments
2.	The appellant is filing this appeal against the UAC's decision dated 02.01.2025, communicated via letter dated 13.01.2025 from the office of the Ld. ADC, DC NSEZ.	Decision of UAC dated 02.01.2025:- <u>Request for reconsideration of HS Codes removed from the LOA of the FTWZ Unit:</u> The Approval Committee discussed the proposal in detail in light of the sensitivity of business plan and Guidelines for Operational Framework of FTWZ & Warehousing units in SEZ issued vide Instruction No. 117 dated 24.09.2024. It was noted that Instruction No. 117 had specifically come in the light of the adverse reports and inputs received related to functioning of some

		<p>warehouse units. The Committee maintained its position that on account of the sensitivity given the investigations and seizure by agencies, quality of consignments including the risk of diversion due to the long inland transport, absence of economic rationale after incurring such high freight costs, difficulties in valuation due to volatility of prices, possibility of trading in precious metals, referencing some of the high risk commodities which are part of their LOA in Instruction No. 117, cases of transfer from other FTWZs prior to this Instruction (which has now been disallowed without approval of UAC); the earlier decision to remove certain sensitive products from the LOA is upheld.</p> <p>Vide letter dated 13.01.2025 the decision of UAC Dated 02.01.2025 has been conveyed.</p>
3.	Under Section 15 of the SEZ Act, 2005 and related rules, the company submitted proposals on 23.08.2022 and 21.09.2022 to set up a unit as per Section (zc) of the Act.	The unit had applied for setting up a new unit in Arshiya Northern FTWZ on 24.08.2022.
4.	The company's application was approved by the UAC via LoA dated October 10, 2022 (No. 10/19/2022-SEZ), subject to prescribed terms and authorized operations.	LOA dated 10.10.2022 has been issued to the unit.
5-7	LoA is valid for 5 years from the start of the unit's service activities, as per its terms and SEZ Rule 19(6). Pursuant to the issuance of the LoA, the company qualifies as an "entrepreneur" under Section 2(j) of the SEZ Act. As such, it has carried out its commercial activities strictly in line with the terms and conditions of the LoA and in compliance with the SEZ Act and Rules. The company operates a unit in the Noida Special Economic Zone, within Arshiya Northern	No Comments

	FTWZ Ltd. Multi-sector SEZ, located in Village Ibrahimpur, Junaidpur Urf Maujpur, Khurja, District Bulandshahr, Uttar Pradesh. The unit caters to diverse customer needs in full compliance with applicable legal and regulatory frameworks and the conditions stipulated in the LoA.	
8-9	Conduct of Inquiry by the Special Investigation and Intelligence Branch and its Closure with no Adverse Finding qua the Company.	No Comments
10-11	Following an SIIB inquiry, the DRI under the Ministry of Finance initiated a probe into the company's authorized commercial activities conditionally permitted to it. Pursuant to the inquiry, DRI issued a show cause notice under Section 124 of the Customs Act, 1962, which is currently sub-judice. Notably, the notice lacks any incriminating evidence against the company.	It may be mentioned here that this office had received a letter No. DRI/NRU/CI-26/Int-o/Enq-19/2023/530 dated 26.04.2024 from Sh. Dinesh Singh, Additional Director General, Directorate of Revenue Intelligence (DRI), Lucknow Zonal addressed to Joint Secretary, SEZ DOC informing that DRI, Noida has seized the goods declared as "Betel Nuts (08028090)-others" in 31 bills of entries having cumulative value of Rs. 133,21,77,876/- filed by M/s. Margo Impex Pvt. Ltd. and goods declared as "Betel Nuts (08028090)-others". Seizure Memo No. DRI/NRU/CI-26/Int-o/Enq-19/2023/543 dated 26.04.2024 has been issued in respect of M/s. Margo Impex Pvt. Ltd. by DRI, Noida for "Contravention of the Customs Act, 1962".
12-14	On 04.01.2024, the UAC held a meeting to review the functioning of units in Free Trade and Warehousing Zones under the SEZ Act. The company was shocked to learn that during the UAC meeting on 04.01.2024, its LoA for HSN 0801 (coconuts, betel nuts & cashew nuts, fresh and dried, whether or not shelled or peeled) and 0802 (other nuts, fresh and dried, whether or not shelled or peeled) was suo moto and unjustifiably cancelled. This was communicated to the company on 18.01.2024 by	The Approval Committee in its meeting held on 04.01.2024 had reviewed the LOAs of the Free Trade and Warehousing units in Arshiya FTWZ, Khurja (U.P.). As per agenda of the said meeting, a high level meeting was held in Department of Commerce on 29.12.2023 which went into the specific on FTWZ including documentation filed (and whether this was manual or online), customs procedures including the method of valuation, relationship of the unit with the clients, measures to streamline operations and the scope of products covered under FTWZs. As

	<p>the Deputy Development Commissioner (the "First Impugned Order"), which removed these goods from the LoA dated 10.10.2022.</p> <p>At the 04.01.2024 meeting, the UAC arbitrarily cancelled the appellant's LoA for certain HSNs and imposed extra compliance burdens beyond its authority, which are ultra vires the SEZ Act. These matters fall under specialized statutory regulators. The relevant part of the first Impugned Order detailing these burdens is reproduced below:</p> <p>"...</p> <p><i>2. The Approval Committee further decided that in case of warehousing units, each unit will exercise due diligence and shall ensure KYC in respect of its clients wherein copies of following documents shall be invariably ensured:-</i></p> <p><i>a. Copy of Business Agreement.</i></p> <p><i>b. Copy of Passport/valid ID of the promoter/director.</i></p> <p><i>c. Copy of undertaking to the effect that the warehousing unit has verified the KYC, antecedents and financial standing of their clients.</i></p> <p><i>d. Copy of Bank Statement and financial credentials.</i></p> <p><i>The unit will monitor the remittances received against the supply of goods.</i></p> <p>...."</p>	<p>an outcome of this meeting the office of Zonal NSEZ reviewed various parameters of FTWZ including the product coverage.</p> <p>(iii). The Approval Committee decided that all LoAs of the existing units in FTWZ/SEZs having precious metals and related goods and other sensitive goods for warehousing/trading activities shall be amended to the following extent:-</p> <p>a. Trading / warehousing of all precious metals and related goods falling under Harmonised System (HS) Chapter 71, HS 2616 and HS 9608 shall be removed;</p> <p>b. Goods under ITC HS Codes 080132, 080280, 0904, 9101, 9111, 91149030 shall be removed from LOAs of all such existing trading / warehousing units.</p> <p>c. However, precious metals goods in stock of the unit at FTWZ/SEZ may be allowed to be re-exported by the unit. Goods other than precious metal which are in stock of the unit at FTWZ/SEZ and being excluded herewith may be allowed transaction as per existing policy condition of DGFT and/or any other Government agency.</p> <p>(iv). Accordingly, as per the decision of the Approval Committee, the items under HS Code 0801 & 0802 had been removed from the LOA No. 10/19/2022- SEZ/8529 dt. 10.10.2022 of M/s. Margo Impex Pvt. Ltd. vide this office letter dated 18.01.2024.</p>
15-16	<p>Aggrieved by the First Impugned Order, the Appellant challenged its validity including the HSN cancellations and additional compliance burdens before this</p>	<p>Thereafter, M/s. Margo Impex Pvt. Ltd. had filed an appeal before BoA, under Rule 55 of SEZ Rules, 2006, against the aforesaid decision of UAC meeting held on 04.01.2024. The aforesaid appeal of</p>

	<p>Hon'ble Board via an appeal dated 14.02.2024 under Section 16(4) of the SEZ Act read with Rule 55 of the SEZ Rules.</p> <p>In its 119th meeting on 06.03.2024, the BoA considered the company's appeal and remanded the matter to the jurisdictional Development Commissioner, directing that the company be given a hearing and the case be decided on merit. This decision was communicated via letter dated 15.03.2024.</p>	<p>M/s. Margo Impex Pvt. Ltd. was placed before the BoA held on 18.06.2024 [Item No. 120.12(i)]. As per minutes of the said BoA meeting "The Board heard the representative of unit and observed that the matter requires to be examined holistically. Further, the Board was of the view that for further examination of the matter, documents / details of the unit in regard to their imports and exports, business model, DTA transfer etc. are required. Accordingly, the Board, after deliberations, deferred the appeal and directed DoC to seek these documents / details from the appellants."</p>
17-19	<p>Following the Hon'ble Board's first order, the Appellant received a show cause notice dated 08.03.2024 (F. No. 10/19/2022-SEZ/2216) from the Ld. Development Commissioner, asking why trading/warehousing of precious metals and goods under certain HSN codes (Ch. 71, 2616, 9608, and ITC HS 080132, 080280, 0904, 9101, 9111, 91149030 collectively "Impugned HSNs") should not be removed from the Company's LoA.</p> <p>On 21.03.2024, the Appellant submitted a detailed reply to the SCN, opposing the removal of the Impugned HSNs from its LoA, citing lack of justification and highlighting the significant revenue and foreign exchange earned from these goods. A personal hearing was attended on 22.03.2024, where the Appellant reiterated its submissions before the Ld. Development Commissioner.</p>	<p>As per the Board of Approval's direction, the unit was given a personal hearing via SCN dated 08.03.2024. Following the hearing, the matter was scheduled for discussion in the UAC meeting on 04.04.2024.</p>
20-22	<p>The Appellant was directed to appear before the UAC on 04.04.2024 and, despite attending and presenting submissions, was given only a day's notice—falling short of a "reasonable opportunity" under Section 16 of the SEZ Act. In the same meeting, the UAC mechanically removed the</p>	<p>20- The decision of the Approval Committee meeting held on 04.04.2024, is re-22 produced as under:-</p> <p>"1. The Committee observed that a personal hearing was given to these units by the Development Commissioner, NSEZ on 22.03.2024</p>

	<p>Impugned HSNs from the Company's LoA citing vague and generic reasons namely quality concerns, possibility of diversion, lack of economic rationale in incurring high freight cost, sensitivity of goods, import value below which some goods are prohibited, with attendant difficulty in valuation due to volatility in prices, possibility of trading in precious metals and their products and informal meeting in the Department of Commerce to discuss FTWZs based on concerns raised by Department of Revenue . This decision was communicated vide order dated 23.04.2024</p>	<p>and by the UAC on 04.04.2024.</p> <p>2. On the issue of the power of the UAC to remove products from those in the LOA, the UAC examined Sections 14, 15, and 16 of the SEZ Act as well as Rules 18 and 19 of the SEZ Rules. It noted the arguments of the unit as well as the internal legal opinion. Some of the relevant aspects which were duly considered on the power of the UAC to amend a goods in the LOA were Section 14(1)(c) on monitoring of the utilization of goods, Section 16 on cancellation of LOA and Rule 19(2) on change in the item of manufacture. A view was taken that cancellation of an LOA is a harsh measure and removal of some sensitive goods is a more trade facilitatory measure which allows the unit to function. Therefore, under the ambit of monitoring, it was felt that the UAC had the power to remove sensitive goods.</p> <p>3. Secondly, on the issue of sensitivity, the UAC noted the quality concerns, possibility of diversion during the long inland transport, lack of economic rationale in incurring such high freight cost, sensitivity of goods as manifested by investigation carried out by agencies, import value below which some goods are prohibited which attendant difficulty in valuation due to volatility in prices, possibility of trading in precious metals and their products and informal meeting in the Department of Commerce to discuss FTWZs based on concerns raised by Department of Revenue.</p> <p>4. In the light of this, the UAC reiterated and upheld its decision of removing specific sensitive products from the LOA of the unit."</p> <p>The decision of UAC dated 04.04.2025 was conveyed to the unit on 23.04.2024.</p>
23-25	Appellant again filed appeal dated 15.05.2024 which was heard in 124th meeting of BoA held on 05.11.2024. BoA remanded the back	No Comments

	<p>the matter to UAC with direction to examine and process the request of the appellants after duly considering the relevant provisions stipulated under DoC's Instruction No. 117 dated 24.09.2024.</p> <p>Accordingly, the appellant filed a communicate dated 20.11.2024 to DC, NSEZ seeking re-adjudication of the matter</p>	
26	<p>Pursuant to the BOA order, the Appellant received a hearing notice dated 27.11.2024 for a virtual hearing on 02.12.2024, which the Appellant attended in person along with legal counsel.</p>	<p>As per the direction of BOA, a personal hearing in the matter was once again given the unit on 26.11.2024 at 10.00 AM. As no one appeared before the Development Commissioner, the next date was given 02.12.2024 at 10.30 AM. The unit was granted opportunity for personal hearing before the Joint Development Commissioner on 02.12.2024, to explain their case. Mr. Imran Ahmad, Director and Mr. Sumit Wadhwa, Advocate of M/s. Margo Impex Private Limited appeared before the Joint Development Commissioner on the said date wherein the representative from the unit stated that they have orders for export and their business operations are totally hampered. They have submitted that they will fulfil all requirements of Instruction No. 117. They requested to take lenient view and allow to start their operations in HSN 0802.</p>
27-29	<p>The Appellant appeared before the UAC on 02.01.2025 and reiterated its objections to the removal of the Impugned HSNs. However, the UAC again decided against the Appellant through the Impugned Order, mechanically upholding the removal without providing specific reasons and merely relying on the Instruction.</p> <p>Additionally, The Committee maintained its position that on account of the sensitivity given the investigations and seizure by agencies, quality of consignments including the risk of diversion due to the long inland transport, absence of economic rationale after incurring such high freight costs,</p>	<p>After that the matter was placed before UAC dated 02.01.2025. Request for reconsideration of HS Codes removed from the LOA of the FTWZ Unit: The Approval Committee discussed the proposal in detail in light of the sensitivity of business plan and Guidelines for Operational Framework of FTWZ & Warehousing units in SEZ issued vide Instruction No. 117 dated 24.09.2024. It was noted that Instruction No. 117 had specifically come in the light of the adverse reports and inputs received related to functioning of some warehouse units. The Committee maintained its position that on account of the sensitivity given the investigations and seizure by agencies, quality of consignments including the risk of</p>

<p>difficulties in valuation due to volatility of prices, possibility of trading in precious metals, referencing some of the high-risk commodities which are part of their LOA in Instruction No. 117, cases of transfer from other FTWZs prior to this Instruction (which has now been disallowed without approval of UAC); the earlier decision to remove certain sensitive products from the LOA is upheld.</p>	<p>diversion due to the long inland transport, absence of economic rationale after incurring such high freight costs, difficulties in valuation due to volatility of prices, possibility of trading in precious metals, referencing some of the high risk commodities which are part of their LOA in Instruction No. 117, cases of transfer from other FTWZs prior to this Instruction (which has now been disallowed without approval of UAC); the earlier decision to remove certain sensitive products from the LOA is upheld.</p> <p>The decision of UAC dated 02.01.2025 has been conveyed to the unit on 13.01.2025 against which they have filed this appeal.</p>
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Prayer of appellant:

In view of the following, it is respectfully prayed that may your goodself be graciously please to:

- (i). Set aside the decision taken by the UAC against the Appellant in its meeting held on January 02, 2025 via which the Appellants' LoA has been cancelled *qua* the Impugned HSNs;
- (ii). Quash the Impugned Order dated January 13,2024 *in toto* and restore the appellants', as it originally stood before the passing corresponding decision taken by the UAC against the appellant in its meeting held on January 02, 2025
- (iii). Grant and effective, meaningful, fair and reasonable hearing in the matter;
- (iv). Allow the appellant to file any additional document(s)/ground(s)/information or likewise, as and when the need arises, if any, at a subsequent date to the filling of this appeal; and
- (v). Pass such other or further order(s) as your goodself may deem fit and proper in the facts and circumstances of the case, and to secure the ends of justice.

Decision of BoA in prior meetings:

The Board in 124th meeting, after deliberations, **remanded** both the appeals [item no. 124.7(ii) & 124.7(iii)] back to UAC, NSEZ with direction to examine and process the request of the appellants after duly considering the relevant provisions stipulated under DoC's Instruction No. 117 dated 24.09.2024.

The Board in its 120th meeting, heard the representatives of both the Units [item no. 120.12(i) & 120.12(ii)] and observed that the matter requires to be examined

holistically. Further, the Board was of the view that for further examination of the matter, documents/details of the above Units in regard to their imports & exports, business model, DTA transfer etc. are required. Accordingly, the Board, after deliberations, **deferred** both the appeals and directed DoC to seek these documents/details from the appellants.

The Board in its 119th meeting, heard the appellant and observed that there is vitiation of the proceedings in issuing Order and withdrawing the permissions by DC, NSEZ. The Board, after deliberations, agreed to the prayer of the appellant and remanded the appeal back to DC, NSEZ with direction to grant the Unit an opportunity of being heard and thereafter, decide the case on merit.

The appeal is being placed before the Board for its consideration.

130.8(ii) Appeal dated 09.04.2025 of M/s. F.N. IMPEX against the Order-in-original No KASEZ/21/2024-25 dt 11/03/2025 passed by the Development Commissioner, KASEZ -reg.

Jurisdictional SEZ – Kandla SEZ (KASEZ)

Brief facts of the case

M/s. F.N IMPEX, plot no 419/A, Sector 4, Kandla Special Economic Zone, Gandhidham were issued Letter of Approval No. 11/2021-22 dt 16.09.2021 by the Development Commissioner, Kandla Special Economic Zone, Gandhi Dham vide File No KASEZ/1A/11/2021-22/5457-60, as amended or extended from time to time for setting up trading and warehousing activities in the Zone, subject to standard terms and conditions.

A Show Cause Notice was issued to the Unit vide F.NO. KASEZ-1A1/89/2022-SEZKANDLA/3165727/3757 dated 29/11/2024 proposing to cancel the LOA granted to the unit in terms of Section 16 of the Special Economic Zone Act, 2005 and impose penalty under FTDR Act, 1992.

The subject SCN was issued on the basis of letter dt 25.11.2024 from the Superintendent of Police, East Kutch, Gandhi Dham intimating that they are investigating a case of smuggling of areca nuts by mis declaring the same as rock salt from the UAE by M/s. F.N. IMPEX, KASEZ.

Based on this intimation letter from the SSP, East Kutch, Gandhi dam and clubbing with other allegations of nonpayment of lease rent amounting to Rs 10,77,799/- for last 9 quarters and non-furnishing of Annual Performance Report for the Financial year 2021-22,2022-23, & 2023-24 with in the stipulated time, the SCN dated 29/11/2024 was issued by the DC, KASEZ.

The subject SCN has since been adjudicated by the Development Commissioner, Kandla Special Economic Zone, Gandhidham vide Order-in-original No KASEZ/2/2024-25 dated 11/03/2025.

Being aggrieved with the above Order-in-Original, the present appeal is being filed in terms of the provisions of Section 16(4) of the SEZ Act, 2005 with the grounds of appeal mentioned below of F.N. IMPEX

Grounds of Appeal & Para wise comments in case of M/s. F.N. Impex, KASEZ

Para no.	Grounds of Appeal	Para wise comments from KASEZ
1	There is total breach of Natural Justice as the Adjudicating Authority has based his findings on an Intimation letter from the SSP, East Kutch, Gandhidham. No independent enquiry or investigation having been	The contention of the appellant is not correct as while the initial information regarding potential violations may have originated from the SP, East Kutch, Gandhidham, the issuance of the Show Cause Notice and the subsequent adjudication, duly

<p>conducted by the Development Commissioner or its subordinate office under the SEZ Law culminating into issuance of this SCN. Hence, the SCN itself is void ab initio & the proceedings carried out thereunder stand vitiated <u>Explanation</u></p> <p>1.1 The Show Cause Notice is void ab initio as neither the office of the Development Commissioner nor any office subordinate to it, has carried out any enquiry, much less an investigation in the matter culminating into the issuance of the present SCN. It has been issued on the basis of an intimation letter from SSP, East Kutch, Gandhi Dham which is not subordinate to the office of the Development Commissioner.</p> <p>1.2 In this regard, it may please be appreciated that SCN, being a legal document which provides a framework for bringing a dispute to a logical conclusion. It should be the culmination of an independent enquiry/investigation, having been conducted by the concerned department whereby the SCN is being issued. And, the cardinal Principle which needs to be adhered to by the Authority issuing SCN is to ensure that it is an outcome of an independent examination carried out by him/her with regard to the fact, evidences placed on record & extant law position. The edifice; facts & versions mentioned in the SCN should be such that it may stand to the test of legality, fairness & cogent reasonings during the course of valuation/examination of evidentiary value of the material placed on record as RUDs.</p>	<p>ratified by UAC, were carried out by the Development Commissioner, Kandla Special Economic Zone, who is the competent authority under the SEZ Act and Rules.</p> <p>The intimation received from the SP served as an alert regarding potential irregularities that warranted further examination by the competent authority within the SEZ administration. The Show Cause Notice was issued after due consideration of the information received and a preliminary assessment of the potential violations of the SEZ Act and the terms and conditions of the Letter of Approval (LOA) and the Lease Deed Agreement.</p> <p>The SCN provided the Appellant with a detailed account of the alleged violations viz. illicit activity of smuggling Areca Nuts by mis-declaring; failure to discharge the rental dues; failure to furnish Annual Performance Return; failure to comply with the conditions envisaged in Letter of Approval; failure to comply with the conditions of Bond Cum Letter of Undertaking etc. and an opportunity to submit their explanation and evidence. The Appellant availed this opportunity and their submissions were duly considered before passing the Order-in-Original. However, the appellant is conveniently not mentioning the other violations on their part and focussing only on para 18.7 to 18.9 of the impugned Order-in-original dated 11.03.2025.</p> <p>The principle of natural justice, including the right to be heard, was duly adhered to throughout the proceedings. Multiple personal hearing was granted to the appellant on 11.12.2024, 24.12.2024, 03.01.2025, 27.01.2025, 11.02.2025 and 27.02.2025. However, the appellant or his representative has failed to appear before the adjudicating authority.</p>
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<p>1.3 However, it is evident from para 18.7 to 18.9 of the impugned Order-in-original dt 11.03.2025 that the AA has based an intimation letter from the Superintendent of Police, East Kutch, Gandhi Dham only. There is absolutely no mention about any enquiry/investigation or independent examination of the facts having been carried out by the office of the Development Commissioner or any office subordinate to it. It shows that the impugned order has been issued with any application of mind on the part of the AA.</p> <p>1.4 Most importantly, the AA has failed to bring it on record as to under which provisions of IPC or CR. PC, any mis declaration made under the Customs Law can be investigated by the Police Authorities. Similarly, which provisions of SEZ Law or Customs Law authorize the police authority to investigate the matter under the Customs Law. There are no findings in the entire impugned order, validating the action of Gujarat Police in this regard, on basis of which first SCN ISSUED & THEN ORDER IS PASSED.</p> <p>1.5 However, in this regard, it is of absolute importance to bring it on record that there are provisions under the Customs Act, 1962, whereunder certain officers of other departments including Police can be bestowed with such authority i.e. to act as Customs Officers. That can only be done by way of Notification issued by the Ministry of Finance, Department of Revenue in terms of Section 4 or 6 of the Customs Act, 1962. Following are</p>	<p>Further, from the submission made by the appellant vide their letter dated 30.12.2024 and 07.02.2025, it is evident that Mr. Junaid has been arrested for diverting the areca nut and has been arrested by police on 21.11.2024.</p> <p>Further, vide letters dated 30.12.2024 and dated 24.01.2025, the appellant has submitted contradictory statements. In the letter dated 30.12.2024 they stated that Shri Juned Yakub Nathani was overseeing the business of the company and that the power of attorney had been transferred to him. However, in their subsequent letter dated 24.01.2025, they stated that Shri Juned Yakub Nathani had no authority to act on behalf of the company and Power of Attorney was granted to Mr. Javed Yakub Nathani. This clearly indicates that the appellant himself handed over the SEZ Unit to unauthorised person/s.</p> <p>Therefore, it is incorrect to state that the findings were solely based on the intimation letter. The facts of the case were placed before the UAC & the Committee after due deliberation & considering the facts & circumstances of the case and the appellant's submission arrived at the conclusion in the Order-in-Original.</p> <p>Thus, it appears that the appellant is deliberately attempting to twist the facts to suit his convenience.</p>
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few examples of such notifications authorizing officers of other departments to act as Customs Officers under Special Circumstances:

- a) Notification No 87-Cus., dated 19th, September, 1970 appoints officers of Intelligence Bureau as Customs Officers posted on certain bordering areas
- b) Notification No 110/2003-Cus (N.T.) dated 08.12.2003 as amended appoints officers posted at Special Economic Zone as Customs Officers.
- c) Notification No 20/1988 (N.T.) dated 12.04.1988 entrusts the functions of Customs officers posted in the states of Mizoram, Manipur, Nagaland and Arunachal Pradesh within their local limits of their jurisdiction
- d) Notification No 99/2014 - Cus. (N.T.) dated 27.10.2014 entrusts Sashastra Seema Bal Officers to exercise certain functions of Customs Officers within local limits specified area

1.6 It may kindly be noted that there is absolutely no such notification issued either under Section 4 or 6 of the Customs Act, 1962 by the Ministry of Finance, Department of Revenue under the Customs Act, 1962 appointing or entrusting the officers of Gujarat Police to act as Customs Officers. As such, act of Gujarat Police in this regard is not only beyond their jurisdiction, ultra vires but unauthorized and illegal too. Even if they have developed some

	<p>actionable information, under the given circumstances, it should have been shared with the jurisdictional Customs formations or DRI.</p> <p>Important: Instead of questioning the extra jurisdictional action of Gujarat Police, ironically, the AA has penalized the appellant by cancelling their LOA</p> <p>1.7 Thus, the impugned Order-in-original not only suffers from several legal infirmities but from the procedural aberrations too, which vitiates the proceedings from the beginning, hence liable to be set aside</p>	
2.	<p>Neither the Development Commissioner in terms of Section 12 of the SEZ Act, 2005 spelling out the functions of Development Commissioner, nor Approval Committee in terms of Section 14 of the Act <i>ibid</i> are mandated or empowered to take notice and implement the provisions of Indian Penal Code, now Known as the BNS Act, 2023. Hence, the act of the UAC & DC, Kasez, implanting the provisions of BNS, that too on the basis of an intimation letter, and resulting into issuance of a SCN and the impugned Order is un-authorized, beyond their jurisdiction and <i>ultra vires</i></p>	<p>The Appellant has argued that the UAC & DC, KASEZ, acted beyond their jurisdiction by "implanting" the provisions of the Bharatiya Nyaya Sanhita, 2023 (BNS Act, 2023) based on an intimation letter, leading to the SCN and the impugned Order.</p> <p>In this context, it is respectfully submitted that the Order-in-Original and the Show Cause Notice were primarily based on the alleged violations of the Special Economic Zones Act, 2005, the rules framed thereunder, and the terms and conditions of the Letter of Approval, conditions of Bond Cum Letter of Undertaking and the Lease Deed Agreement executed with the Appellant.</p> <p>Reference to any other legal provisions, including the BNS Act, 2023 (formerly the Indian Penal Code), was made in the context of highlighting the potential ramifications of the alleged illegal activities reported by the SP which have much wider implications.</p>

		<p>The cancellation of the Letter of Approval was an action taken in terms of Section 16 of the SEZ Act, 2005 in accordance with the powers vested in the Approval Committee, due to the alleged violations of the SEZ Rules and the contractual obligations. The contraventions committed by the appellant are as follows:-</p> <ol style="list-style-type: none"> 1. the appellant have imported Areca Nut by mis-declaring the same as Rock Salt from the UAE and therefore a case is registered under section 318(4), 336(2)(3), 338, 340(2), 61(2)(A) of BNS Act and in this case, 3 persons were arrested by Gujarat Police. This act by the appellant does not fall under the definition of “authorised operations” as defined under Section 2 (c) of the SEZ Act, 2005. 2. The appellant contravened the provisions of Rule 27 & Rule 75 of SEZ Rules, 2006, in as much as they breached the trust and reliance placed on them for self certification and declaration regarding their inward and outward transactions and related documents; 3. The appellant was bound to discharge the rental dues amounting to Rs. 13,75,786/- on time as per the conditions no. 1 of BLUT dated 16.01.2023 and conditions stipulated in lease deed agreement mentioned at Pg-9, Para-4 of lease-deed agreement on 04.01.2023.
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		<p>4. The appellant has failed to furnish Annual Performance Return for the financial year 2021-22, 2022-23 & 2023-24 within the stipulated time. Thus, they have contravened the provisions of Rule 22 of the SEZ Rules, 2006</p> <p>5. The appellant has failed to comply with the conditions envisaged in Letter of Approval No. 11/2021-22 dated 16.09.2021 mentioned under Sr no 1, 7, 8, 9, 10, 11,16 and 17.</p> <p>6. The appellant contravened the conditions of Bond Cum Letter of Undertaking in as much as they failed to comply with the relevant provisions of the SEZ Rules;</p> <p>7. The appellant contravened the provisions of Rule 54(2) of the SEZ Rules, 2006 in as much as the Noticee has contravened condition no. (x) of the LOA dated 20.06.2022;</p> <p>8. the provisions of Section 11 of Foreign Trade Development & Regulation) Act, 1992 and Rule 11 of Foreign Trade (Regulation) Rules, 1993.</p> <p>Further, because of the persistent contraventions by the appellant of SEZ Act, 2005; SEZ Rules, 2006; terms & conditions of LoA and BLUT, the case falls squarely within the ambit of Section 16 of SEZ Act, 2005.</p> <p>The mention of the BNS Act, 2023, does not imply that the</p>
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	<p>cancellation order was issued under the provisions of the said Act. It merely acknowledged the broader legal implications of the reported activities. Therefore, the contention of the appellant of unauthorized application of the BNS Act is unfounded and incorrect.</p> <p>Further, the SP, Kutch East vide their letter C.R No. 1578-24/Information/1377/2025 dated - 19/05/2025 have submitted a detailed report regarding case no. 1578/2024. They have informed that on 20/11/2024, from 15:00 hrs, the Local Crime Branch team of East Kutch Gandhidham District Police, during patrolling in the area of Gandhidham-B Division Police Station on the highway road, received reliable information that at the location of survey no. 16/A in Chudva village, truck registration numbers GJ-12-BX-6342 and GJ-12-BZ-9563 were parked in the parking lot of Gautam Transport Company, containing a quantity of betel nuts obtained through theft or fraud. This quantity was reportedly loaded by Juned Nathani, resident of Sapnanagar, Gandhidham, and preparations were being made to distribute the betel nut. Acting on this information, the team reached the site with two witnesses to verify and take legal action.</p> <p>At Survey No. 16/A of Chudva, two trailers were found - GJ-12-BX-6342 and GJ-12-BZ-9563. The first had a tarpaulin tied on the trolley and the second had a container loaded. The drivers present were identified as Babulal s/o Kanaram Gujjar and Vishal s/o Fulchand Jatav, who confirmed that their trailers contained betel nuts. The container on trailer GJ-12-BZ-9563 bore number CAXU9715380-45G1 and was unsealed. Upon opening, kantan bags filled with betel nuts were found. Similarly, betel nuts were found in trailer GJ-12-BX-6342. No bills or</p>
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	<p>supporting documents were presented for the goods. The drivers stated that the goods belonged to Mr. Junedbhai Nathani. A third person, Junaid Yakub Nathani (Meman), residing at E-41, Sapnanagar, Gandhidham (originally from Katlery Bazaar, near Dhandushapir Dargah, Upleta, Rajkot District), also failed to provide valid documentation. It was revealed that the betel nuts had been imported from Dubai under the guise of rock salt, and that false bills and invoices had been created to facilitate transport via containers.</p> <p>Since no documentary evidence, such as bills or invoices, was available for the areca nut found at the scene, it appeared that the goods had been acquired through theft or fraud. The areca nut from trailer GJ-12-BX-6342 weighed 27,170 kg and was valued at Rs. 81,51,000/-, while the load in trailer GJ-12-BZ-9563 weighed 26,780 kg and was valued at Rs. 80,34,000/-. Under the provisions of Section 106 of the BNSS Act, the goods were seized due to the suspicious origin, and the three individuals present were detained under Section 35(2)(e) of the same Act. This matter was recorded in station diary entry no. 23/2024 at Gandhidham B Division Police Station on 20/11/2024, and further investigation was initiated.</p> <p>During further investigation, it was found that Junaid Yakub Nathani, along with co-accused Azaz Ameen Kachchi, had arranged through Mohammad Akbar to deliver a shipment of betel nuts to Sector No. 4, Plot No. 419/A, in the Kandla Special Economic Zone. A company named FN Impex, registered in the name of Nazira Javed Nathani, was used as a front to create fake bills and invoices for rock salt in order to disguise the purchase of the betel nuts. The consignment was procured from Anant Star General</p>
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		<p>Trading LLP, Dubai. To facilitate the smuggling, the betel nuts were loaded into two containers (YMLU8484179 and CAXU9715380) belonging to Blue Merlin Container Line Pvt. Ltd., transported by ship to Mundra Port, and then loaded onto trailers GJ-12-BV-8782 and GJ-12-BZ-9563. However, instead of delivering them to FN Impex at the declared KASEZ address, the containers were diverted to Gautam Transport Company in Chudva. There, the seal of container YMLU8484179 was broken and the consignment transferred to trailer GJ-12-BX-6342. Preparations were underway to similarly transfer container CAXU9715380 when a raid was conducted based on received information.</p> <p>The investigation revealed that Junaid Yakub Nathani and his co-conspirators attempted to smuggle 53,950 kg of betel nuts, valued at Rs. 1,61,85,000, purchased from Anant Star General Trading LLP in Dubai, without paying applicable duty by falsely declaring the shipment as rock salt. The operation involved the creation of forged bills and electronic records under the name of FN Impex, based in Sector No. 4, Plot No. 419/A, KASEZ. A formal complaint was lodged, the accused were arrested, and a charge sheet was filed based on the evidence. The charge sheet and a copy of the FIR were submitted to the Honorable Court in Case No. C.C. 434/2025.</p>
3.	<p>When Kandla Development Authority charges penal interest on delayed payment of lease rent and recovery thereof is the domain of Public Premises (Eviction of un-authorized Occupants) Act, 1971, then converting delayed payment/nonpayment as ground for cancellation of LOA amounts to double jeopardy which is not</p>	<p>The Appellant has argued that demanding penal interest for delayed payment of lease rent and simultaneously considering the same delay/non-payment as grounds for cancellation of the LOA amounts to double jeopardy, which is not permissible under the law.</p> <p>In this regard, it is respectfully submitted that the contention of the</p>

<p>permissible under the law.</p>	<p>appellant is not correct as the imposition of penal interest for delayed payment of lease rent and the cancellation of the LOA are distinct actions taken for different reasons, although they may arise from the same underlying issue of non-payment.</p> <p>The penal interest is a financial penalty for the delay in meeting a financial obligation under the Lease Deed Agreement.</p> <p>The cancellation of the LOA is an action taken due to the persistent and deliberate default and contraventions in all aspects, which can be construed as a violation of the terms and conditions of the LOA and indicative of the Appellant's non-compliance and potential non-viability within the SEZ.</p> <p>While the recovery of arrears of rent can be pursued under the Public Premises (Eviction of Unauthorised Occupants) Act, 1971, the Development Commissioner also has the authority under the SEZ Act and the terms and conditions of the LOA and BLUT to take action, including cancellation, for breach of the terms & conditions subject to which the LoA was granted.</p> <p>These are separate remedies available to the Department and do not constitute double jeopardy in the legal sense, as they address different aspects of the Appellant's failure to comply with the SEZ regulations and contractual obligations.</p> <p>Further, there is alleged evasion/loss of government revenue as reported by the SP, Kutch East, Gujarat vide letter Out Number-3275/2024 dated 25.11.2024, clearly indicates diversion of areca nut by mis-declaring the same as Rock Salt. This is further compounded by habitual non-compliance w.r.t. discharge of statutory payments.</p>
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		<p>In view of the above, the prayer of the appellant requires to be summarily rejected and no relief of any kind be granted to them and the O-I-O passed by the Development Commissioner requires to be upheld as the O-I-O passed is a well reasoned legal and proper order issued on the basis of the legal provisions as well as on the basis of the material facts available on record.</p>
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The appeal is being placed before the Board for its consideration.

130.8(iii) Appeal dated 29.04.2025 filed by M/s. Varsur Impex Pvt. Ltd. in KASEZ under the provision of Section 15(4) of the SEZ Act, 2005 against the decision of 212th UAC meeting held on 28.03.2025 conveyed vide email dated 09.04.2025.

Jurisdictional SEZ – Kandla SEZ (KASEZ)

Brief facts of the Case:

M/s. Varsur Impex Pvt Ltd, is a Warehousing Unit in Kandla Special Economic Zone (hereinafter referred to as 'the Warehousing Unit' to render the service of Warehousing to their clients in terms of LOA No 01/2021-22 dated 10.04.2021

2. As per the prevalent practice in Kandla Special Economic Zone, the warehousing unit has to take prior approval from the UAC before warehousing ADDITIONAL ITEMS M/s Varsur Impex Pvt Ltd. submitted a request letter dt 17.03.2025 for inclusion of additional items in the approved list of LOA for warehousing activities. The details of the items are mentioned from Sr No 1 to 20 in the letter for consideration.

3. The said request of the warehousing unit was considered by the 212th, UAC held on 28.03.2025 at KASEZ vide Agenda Point No 212.2.11. Shri N.K. Choudhary, Authorized Representative of the company & Shri Mahender Kapoor, Consultant of the company attended the UAC in person & explained the proposals.

4. Mr. Mahender Kapoor, Consultant made a specific request to the UAC during the meeting on 28.03.25 that if the UAC is not approving any of the items proposed by them for warehousing, then a detailed justification may be given by the UAC by way of speaking order for not approving the items proposed.

5. The IA-I section of KASEZ vide their mail dated 09.04.2025, inter alia, conveyed that *'The Approval Committee in its 212th, meeting after due deliberation decided to permit the additional items to be warehoused on behalf of DTA/Foreign clients as submitted by the unit except items at Sr. No 3,4,5,6,7,8,9,10,14,15 & 16 of agenda, subject to the unit submitting specific list of items at Sr. No 12,13 & 19, subject to payment of outstanding rental dues & also subject to unit fulfilling NFE criteria and subject to the unit submitting KYC of your clients along with IT R of the last 3 years on whose behalf you will warehouse goods and subject to the conditions mentioned in the UAC minutes.....'*

5.1 Turning to the Minutes of the 212th UAC meeting at Agenda Point No 212.2.11, the observations of the UAC are stated as follows:

"The Committee perused Instructions No 117 dated 24.09.2024 wherein the Department of Commerce, SEZ Section, New Delhi wherein guidelines for operational framework of FTWZ and warehousing units in SEZ have been prescribed for strict compliance by all DCs. Further, in the said Instruction, it has been stipulated that there should be due diligence in verifying the credentials

including KYC norms of the applicant entities for setting up of FTWZ/Warehousing Zones/Units as well as the clients of such units. Aadhar based authentication of Indians and Passport based authentication for foreign clients are to be considered. The Income tax return for the last 3 years in respect of the Proprietor/Partners/Directors or the audited balance sheets for the last three years in case of Limited Company/Private Limited Company should be part of KYC. In present proposal, the unit has not submitted KYCs & ITRs of their clients on whose behalf they will warehouse the goods and thus the UAC is not in a position to verify the credentials of their clients.

Further, the committee also noted that various cases are under investigation against the unit.

The committee further noted that some of items requested for warehousing are sensitive in nature & the UAC is not permitting the same in the recent past.

The Committee after due deliberation decided to permit the additional items to be warehoused by the above unit on behalf of DTA/Foreign clients as submitted by unit except.....”

6. Being aggrieved by the above noted decision of the 212th UAC, a representation dt 15.04.2025 was sent to the Development Commissioner, Kasez pointing out fallacy and hollowness of the grounds mentioned in the minutes of the meeting & the stage of applicability of the KYCs norms for the new clients with the request to re -consider the items in the upcoming UAC, with the hope that on being pointed out on record, a sense of proposition, fairness, better dispensation of law & devotion to duty will prevail, BUT, AS USUAL TO NO AVAIL.

7. Hence, being aggrieved with the decisions of the 212th UAC with regard to Agenda Point No 212.2.11, as reflected in the Minutes of the 212th, UAC meeting & conveyed to the warehousing unit vide mail dated 09.04.25, I am making this appeal on the basis of the ground mentioned in Annexure B for consideration of the Hon'ble BOA

Grounds of Appeal

Ground No. 1: The prevalent practice of making a warehousing unit to seek item & CTH wise permission from the UAC at Kandla Special Economic Zone, deliberation of UAC thereon, or approval or permission thereof is farce, ultra vires & void ab initio because it is not mandated under any provisions of the SEZ law.

Neither Rule No 18(2), because it is not a proposal for setting up a new warehousing or sez unit; nor 18(5), because it is not a fresh proposal to warehouse the goods on behalf of foreign clients or proviso to Rules 19(2) SEZ Rules, 2006, because no broad banding is being sought or change in service activity i.e warehousing is being sought mandates for such exercise

Explanation

1.1 None of the provisions of SEZ law or instructions mandates that an FTWZ unit or warehousing unit in SEZ is required to take item/CTH wise approval from the UAC or for that matter from the Development Commissioner.

1.2 On one of the similar appeals in the past before the BOA, shelter of broad banding under the proviso to Rule 19(2) was being taken. Presumably, on this occasion also, the opinion of Kasez authorities pins on this provision. Let us have a relook in the said provisions which reads as follows:

Rule 19 which deals Letter of approval to a Unit provides that

(1) On approval of a proposal under Rule 18 or 19, Development Commissioner shall issue a Letter of Approval in form G for setting up of the unit;

(2) The letter of approval shall specify the items of manufacture or the particulars of service activity, including trading or warehousing, projected annual export and net foreign exchange earnings for the first five years of operations, limitations, if any on Domestic Tariff Area sale of finished goods, by products, and rejects and other terms and conditions, if any, stipulated by the Board or Approval Committee:

'Provided that the Approval Committee may also approve proposals for broad banding, diversification, enhancement of capacity of production, change in the items of manufacture or service activity, if it meets the requirements of Rule 18:

1.3 It may please be appreciated that even the proviso to this particular sub rule 2 does not provide for the inclusion of additional items for the same service activity. It only talks about change in service activities such as from warehousing to IT, or banking or management or consultancy or medical or logistics or security etc. In the instant matter, there is absolutely no proposal from the appellant seeking change in the service activity. The unit is granted LOA for warehousing activity, it continues to do the same. So, the deliberation on compulsive request of a warehousing unit for inclusion of additional items for the same service is not mandated under proviso to Sub rule 2 of Rule 19.

1.4 Further, in order to understand the matter in the right perspective, it is imperative to do a little incision into the whole gamut of related stipulations/provisions on the subject.

1.5 Accordingly, kind attention is invited to Rule 18(2) of the Special Economic Zone Rules, 2006 which vests the authority in the UAC to grant the permission for setting up a unit in the Special Economic Zone including the documentary requirements to be complied by the applicant & procedure thereof. None of the provisions of Rule 18(2) or its sub rules right from (i) to (v) requires submission of details of items, CTH Wise for the purpose of FTWZ unit or warehousing unit in SEZ.

1.6 Similarly, is placed Rule 18 (5), which prescribe certain stipulations for the FTWZ unit or a warehousing unit in a SEZ, does not impose any such requirement of item/CTH wise approval on behalf of a FTWZ unit or warehousing unit in SEZ. The only stipulation imposed by this sub rule is that all the transactions by a unit in Free Trade and warehousing Zone (FTWZ) shall only be in convertible foreign currency.

1.7. It is a matter of record that warehousing unit at KASEZ are being forced to seek items wise approval time and again without any mandate to this effect under any provisions of the SEZ law. It is re-iterated that there is neither any proposal nor any intention on the part of the applicant/appellant to change its service activity so as to fall in the domain of proviso to Rules 19(2). The fact of the matter that only warehousing service are being provided and they will continue to provide the same only.

1.8 Though, it has been pointed out in writing as well as during the course of UAC that there is NO specific or general provision in this regard, yet, the warehousing units have to seek prior permission from the UAC for inclusion of additional items for warehousing activities, because the office of the Specified Officers including Authorized Officers at KASEZ refuse to process the bill of entry or allied documents without such permission. So, the warehousing units at Kandla Special Economic Zone have to fall in line and make applications in this regard.

1.9 So, from the explanations made above, it is clear beyond doubt that the very act of the Development Commissioner & the Unit Approval Committee deliberating on the proposals of inclusion of additional items for warehousing activities are not mandated under the SEZ Law, hence un authorized & should be discontinued forth with. **On ground alone, the decisions of the 212th UAC meeting are liable to be set aside.**

Ground No 2: The impugned decision of the 212th, UAC reflects improper appreciation & application of Instruction No 117 dt 24.09.2024, self-contradiction, bias, mis-chief & selective approach, unbecoming for a committee constituted primarily for approval purposes.

2.1 In explanation, the appeallant has re-iterated the Para 5 along with Para 5.1 as mentioned under 'brief facts of the case' above.

2.2. In this regard, it is submitted that the Minutes of the meeting which should be a summarized record of the proceedings of the meeting have detailed description of each point and the letter/mail dt 09.04.25 which should have all details with regard to the observations of the UAC pertaining to our proposal does not have these. It means that what should have been conveyed to the applicant and for their consumption and action only, have been put in the public domain.

2.3 Such is basic understanding prevailing at KASEZ with regard to official communication, its objective; purpose & actionability So, it can well be imagined as to how the provisions of SEZ law will be understood by the bunch of officers at KASEZ & the way it is implemented. The results are obvious and there to see.

2.4 It is further submitted that in the 1st para of the Minutes, the reason cited for denial of permission is non submission of KYC & ITRs of the clients. But in the last para of the same Minutes, the permission is granted for certain items, though, with the request letter, no KYCs or ITRs of any client have been submitted by the warehousing unit.

2.5 If, in terms of the Instructions No 117, the permission is to be granted only after verifying the credentials of the prospective clients on the basis of KYCs & ITRs

of last three years, why the permission is granted in the letter/mail dt 09.04.25 in the absence of such documents. Hence, the impugned decision of the UAC, reflected in the Minutes of the 212th, UAC meeting, contains self-contradictory versions coupled with bias & selective approach, which is unbecoming for a committee constituted primarily for specific purposes.

2.6. Though, the UAC have made their observations with regard to the submission of KYC documents along with ITRs of the clients in terms of Instructions No 117, yet they have completely ignored the stage of submission of such documents stipulated in the same instructions itself. The following explanation will make the point clear.

The client can either be an existing one or a prospective/potential one. In case of an existing client, the KYCs documents along with respective agreement are already submitted with the office of the Development Commissioner. However, in case of prospective client, the stage of agreement comes prior to commencement of business. And the agreement for rendering warehousing services with respect of a particular item to a prospective client cannot be executed in the absence of prior permission for that particular item by the UAC. So, the prior approval for a particular item proposed to be warehoused by a unit at KASEZ is a pre requisite before an agreement & obtaining KYC document including ITRs from a client. Accordingly, in the instant case, the stage of KYC and its submission with the office of the DC IS YET TO COME.

Similarly, the stage of submission of KYC & ITR etc is prescribed in Para 1(ii) of the Instructions no 117 which stipulates that 'Development Commissioner to ensure that warehousing units should furnish the specified KYCs details of their clients to the DC office before commencing first transactions by that client.'

2.7 Though, the learned UAC members including the chairman have conveniently ignored it, wherever it suits their pre-planned agenda, yet they are placing reliance on the remaining portion of the same Instructions, as per their convenience. This kind of pick & chose approach is not permissible under any law, including SEZ Law

2.8 With regard to the observation of the UAC that various cases are under investigation against the unit, it is submitted that investigation is a primary stage of a legal process. Hence, none of the provisions of the SEZ law provides for denial of permission on this ground. So, the observation of the UAC on this account is pre mature and not tenable.

2.9 The committee further noted that some of items requested for warehousing are sensitive in nature & the UAC is not permitting the same in the recent past

2.10 The appellant has submitted that it may be appreciated & agreed that storage/warehousing activities are all about simple service PROCESSES which do not require any special skill or qualification, the way a housewife does not need for making storage of various items flammable, non-flammable, spices including black pepper etc in a kitchen & various other items in a home. It needs to be understood that though, there may be slight change in the pattern of storage in case of inflammable &

other items, yet the activities of storage/warehousing remain the same. however, any item can be termed as Sensitive or otherwise with regard to its FTP or its importability. But the items requested are Freely importable in terms of Policy. Further, from the view point of warehousing in a SEZ Unit, such observations are irrelevant because the role of warehousing unit in SEZ is limited to storage & proper upkeep.

2.11 All the policy framers are in agreement what has been explained above and that is why, in all the SEZs & FTWZ all across the country, all the items, except, restricted & prohibited items, are permitted to be warehoused and traded. You may check next door at Adani SEZ or in any other FTWZ where units are permitted to warehouse all the items. Since the authorities at KASEZ are also bound by the same law. The Ministry or the BOA should issue necessary instructions to the DC, KASEZ to stop forthwith this un authorized practice in the interest of economic growth & fair play.

Ground NO 3: The modification or approval or rejection of any proposal should be based on the specific provisions of SEZ law & it cannot be at the whims & fancies of the Chairman of the UAC & its members

Explanation

In this regard, it is submitted that neither the letter/mail dated 09.04.25 nor the Minutes of the 212th, UAC Meeting available on the official web site of KASEZ make any mention of any Rule or Instructions whereunder the permission is being denied. Denial of permission can only be done under a specific provision of relevant law and it needs to be communicated to the applicant. It should also be mentioned in the communication with whom the appeal lies against the decision. Any rejection or denial cannot be at the whims & fancies of the Chairman of the UAC and its members.

Para wise comments in case of M/s. Varsur Impex Pvt. Ltd., KASEZ

Para 1 to 7: -

Facts of the case, hence no comments.

Ground of Appeal:

Para 1:

The contention of the appellant is not correct as the Ministry vide instruction no. 117 dated 24.09.2024 has issued guidelines for operation framework of FTWZ and warehousing unit in SEZ wherein direction were issued to DCs to keep strict watch on the high risk commodities such as areca nuts betel nuts black pepper dates etc. and may consider restricting dealing in such sensitive commodities by FTWZ units and warehousing units. Moreover, the list may further be regularly reviewed by the Unit Approval Committee based on the risk perceptions of the various commodities. Further the appellant has requested for sensitive items such as Cigarettes, filter cigarettes etc. which the Board of Approval has not been permitting in the recent past i.e. in the 88th BoA meeting held on 25.02.2019 in the case of M/s. Zest Marine Services Pvt. Ltd., KASEZ and in the 74th BoA meeting held on 06.01.2017 in the case of M/s. A One Duty Free Pvt. Ltd.

Further, this office made reference to other SEZs regarding procedure being followed for addition of new items in existing LoA by trading and warehousing units and it has been informed that the units has to apply for inclusion of items and the matter is being placed before the Unit Approval Committee for consideration. As such in other SEZ also any new items whether trading or warehousing is being placed before the UAC for approval.

Para 2:

The contention of the appellant is not correct as the Minutes of the 212th Unit Approval Committee uploaded in the KASEZ website and the email dated 09.04.2025 sent to the unit just for their information and make necessary compliance of the Unit Approval Committee's decision.

Further, the permission for addition of items which appears to be non-sensitive & granted to the other warehousing units were granted to the appellant subject to submission of KYC and ITR of their clients and sensitive items such as Cigarettes, filter cigarettes etc. were denied by the UAC.

The contention of the appellant is not correct as this office made reference to other SEZs regarding procedure being followed for addition of new items in existing LoA by trading and warehousing units and it has been informed that the unit has to apply for inclusion of items and the matter is being placed before the Unit Approval Committee for consideration. As such in other SEZ also any new items whether trading or warehousing is being placed before the UAC for approval.

Para 3:

The contention of the appellant that approvals are granted at the whims and fancies of the Chairman of the UAC and its members is not correct as in the 116th UAC meeting held on 19.07.2017, the UAC has decided that the warehousing units in KASEZ will have to seek permission for any new items which they intend to warehouse on behalf of foreign clients as well as DTA clients and submit KYC of the client before warehousing the items.

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

Comments of DC:

In view of the above, prayer of the appellant requires to be summarily rejected and no relief of any kind be granted to them and the decision of the UAC is a well reasoned legal and proper decision as per past approval of not approving the sensitive items such as Cigarettes, filter cigarettes etc.

The appeal is being placed before the Board for its consideration.

130.8(iv) Appeal of M/s. Flamingo Logistics (Warehousing Division) against the decision of 213rd UAC meeting held on 30.04.2025 -reg.

Jurisdictional SEZ – Kandla SEZ (KASEZ)

Brief facts of the case

M/s Flamingo Logistics (Warehousing Division) is a unit in Kandla SEZ since 2011 is engaged in activity of warehousing services and trading activity of all the items except restricted and prohibited

The appellant has been operating in Kandla SEZ since about 14 years and has clean track record. The appellant has always remained positive in earning of NFE and has paid the rental dues from time to time.

The appellant commenced its authorized operations on 28/04/2014 and accordingly the LOA has been renewed from time to time. A copy of original LOA dt.19/05/2011. subsequent renewal of LOA vide letter dt.30/04/2019 and the last renewal vide letter dt.31/05/2024. The LOA of the appellant is valid up to 28/04/2029.

The appellant during his operational period had imported cigarettes (Richman Royal) CTH 24022090 on behalf of their DTA Client M/s Jubilee Tobacco Industries Corporation, New Delhi and exported the same to his Foreign Client at Netherlands vide Shipping Bill No.0001864 dt. 08/02/2016.

Similarly the appellant made procurement of cigarettes (CTH 24022090) on behalf of their Foreign client M/s Jubilee Tobacco Industries INC., USA from DTA Godfrey Phillips Limited, New Delhi under Bill of Export No. 0005627 dt.26/10/2015 and also procured from M/s Shanti Guru Tabaco under Bill of Export No.0005655 dt.26/10/2015 and exported the same to M/s Bashir International Ltd. Afghanistan under Shipping Bill No.0015840 dt.26/11/2015 on behalf of their Foreign client. A copy of Bill of Exports and Shipping Bills.

Although the appellant was holding LOA under which warehousing and trading of all items except restricted and prohibited was permitted. the UAC in its 116th meeting held on 19/07/2017 at para 6 decided that the units in SEZ should seek permission for each item they intend to warehouse on behalf of their Foreign clients as well as DTA clients and submit the KYC details of clients before warehousing the goods. A copy of minutes of 116th meeting of UAC held on 19/07/2017 with corrigendum dt. 31/07/2017.

Accordingly, the appellant vide his letter dt.17/02/2025 requested for permission to warehouse Lithium-ion battery (CTH 85076000). The appellant also vide their letter dt. 14/04/2025 and email dt.16/04/2025 requested for permission to warehouse cigarettes (CTH 24022090) on behalf of their Foreign client. A copy of their letter dt.17/02/2025, 14/04/2025 and email dt. 16/04/2025.

The request of the appellant for import of cigarettes and Lithium-ion battery was placed before 213 meeting of UAC held on 30/04/2025 and the UAC permitted to warehouse Lithium-ion battery, but rejected the permission to warehouse cigarettes solely on the ground that the item being sensitive commodity and prone to diversion

the UAC is not permitting such item for warehousing. The decision of UAC was conveyed to the appellant vide letter dt.22/05/2025 from the Development Commissioner, Kandla SEZ (hereinafter referred to as the Respondent). A copy of minutes of 213th and Respondent's letter dt.22/05/2025.

Being aggrieved with the decision of the UAC communicated by the Respondent the Appellant herein, most respectfully, submits the Appeal before BOA, Ministry of Commerce, SEZ Section. Vanijya Bhavan. New Delhi (hereinafter referred to as (THE APPELLATE AUTHORITY) as per Rule 55 of the SEZ Rules, 2006 read with Section 16 (4) of the SEZ Act, 2005.

Grounds of Appeal and Para wise comments in case of M/s. Flamingo Logistics (Warehousing Division), KASEZ

Para no.	Grounds of Appeal	Para wise comment from KASEZ
1	The Respondent has passed the order in mechanical a manner and without application of mind and without appreciating that the appellant is already doing warehousing business of cigarettes and this unilaterally and arbitratorily limiting the scope of appellant business is neither justified and nor warranted.	<p>The appellant's contention that the Unit Approval Committee (UAC) acted in a mechanical manner without due consideration is incorrect. The Department, guided by Instruction No. 117 dated 24.09.2024 from the Ministry of Commerce & Industry, has issued clear guidelines for the operational framework of Free Trade Warehousing Zones (FTWZs) and warehousing units in Special Economic Zones (SEZs). These guidelines direct Development Commissioners to maintain strict oversight on high-risk commodities, including sensitive items such as cigarettes, due to their potential for misuse or diversion.</p> <p>The UAC's decision to reject the warehousing of cigarettes aligns with this directive and is consistent with prior Board of Approval (BoA) decisions, such as those in the 88th BoA meeting (25.02.2019) concerning M/s Zest Marine Services Pvt. Ltd., KASEZ, and the 74th BoA meeting (06.01.2017) concerning M/s A One Duty Free Pvt. Ltd., where similar sensitive commodities were not permitted for Trading.</p> <p>The UAC's decision aligns with these established precedents to prevent the warehousing of sensitive commodities prone to diversion.</p>
2	The Respondent has failed to appreciate that the original LOA of the	The appellant's claim that their Letter of Approval (LoA) permits warehousing and trading of all items except restricted and

	<p>appellant is for warehousing and trading activity of all the items except restricted and prohibited and without imposing restriction of any particular item. Not only this even in subsequent renewal letter dt.30/04/2019 and 31/05/2024 also does not put any restriction on warehousing any specific items. However complying with the decision of 116th UAC meeting ANNEX-D supra) the appellant had sought the permission to warehouse cigarettes vide its letter dt.14/04/2025 and email dt.16/04/2025.</p>	<p>prohibited items, and that no specific restrictions were imposed, is misleading. While the LoA dated 19.05.2011 and its subsequent renewals dated 30.04.2019 and 31.05.2024 do not explicitly list restricted items, the UAC's decision in its 116th meeting held on 19.07.2017 mandates that warehousing units in KASEZ must seek prior approval for each new item to be warehoused, along with submission of Know Your Customer (KYC) details for clients. This requirement was introduced to ensure compliance with SEZ regulations and to mitigate risks associated with sensitive commodities.</p> <p>Further, this office made reference to other SEZs regarding procedure being followed for addition of new items in existing LoA by trading and warehousing units and it has been informed that the units has to apply for inclusion of items and the matter is being placed before the Unit Approval Committee for consideration. As such in other SEZ also any new items whether trading or warehousing is being placed before the UAC for approval.</p> <p>The appellant's request for permission to warehouse cigarettes was duly considered in the 213th UAC meeting held on 30.04.2025 and was rejected due to the sensitive nature of the commodity, as per the aforementioned guidelines. This decision does not arbitrarily limit the appellant's business but reflects a consistent application of regulatory oversight.</p> <p>The UAC's decision is thus not an arbitrary limitation but a regulatory measure applied consistently.</p>
3	<p>The Respondent has failed in appreciating that the appellant was doing warehousing business of cigarettes in past also and all of sudden rejecting the permission to warehouse cigarettes without any cognate reason will make the appellants' business to suffer.</p>	<p>The appellant's assertion that their prior warehousing of cigarettes in 2015-2016 (as evidenced by Annexures B and C of the appeal) justifies continued permission is untenable. The regulatory framework has evolved since 2015-2016, with Instruction No. 117 (24.09.2024) and the 116th UAC decision (19.07.2017) introducing stricter controls on sensitive commodities. The UAC's rejection of the appellant's request is based on the current risk perception of cigarettes, which are prone to diversion and mis-declaration, as noted in the 213th UAC minutes. The appellant's past activities do not confer an</p>

		<p>automatic right to continue warehousing such items under the updated regulatory framework.</p> <p>Thus, the UAC's decision is to ensure regulatory oversight and the ability to control high-risk commodities.</p>
4	<p>The Respondent has utterly failed in appreciating the commodity cigarettes (CTH 24022090) is in free list and any one in India can import the same. A list of varieties of cigarettes fall under CTH 2402 as per the FTP is freely Importable.</p>	<p>The appellant's argument that cigarettes are freely importable under the Foreign Trade Policy (FTP) and thus should be permitted for warehousing is not valid in the context of SEZ regulations. While cigarettes may be freely importable in the Domestic Tariff Area (DTA), SEZ units operate under a distinct regulatory regime governed by the SEZ Act, 2005, and SEZ Rules, 2006. The first proviso to Rule 19(2) of the SEZ Rules, 2006 empowers the UAC to approve or reject proposals for broad-banding or addition of items based on compliance with Rule 18, which includes considerations of risk and regulatory compliance.</p> <p>The UAC's decision to deny permission for cigarettes is well within its authority and aligns with the Ministry's guidelines on high-risk commodities. The UAC's decision reflects a proactive measure to mitigate such risks, even if direct import by DTA parties is permissible.</p>
5	<p>The apprehension of 213 UAC the commodity of cigarettes is sensitive in nature and prone to diversion is baseless, because the number of parties in DTA are importing the same as the item is in free list. Therefore, putting restriction on SEZ unit is neither justified and not warranted.</p>	<p>The appellant's claim that the UAC's apprehension about cigarettes being prone to diversion is baseless is incorrect. The Department's concerns are substantiated by Instruction No. 117 (24.09.2024), which explicitly identifies sensitive commodities like cigarettes as high-risk due to potential diversion and mis-declaration.</p> <p>The UAC's decision is further supported by precedents in other SEZs, where similar restrictions have been imposed, and by BoA decisions rejecting such items (e.g., 88th and 74th BoA meetings). The appellant's comparison to DTA importers is irrelevant, as SEZ units are subject to stricter oversight to prevent misuse of the SEZ framework.</p>
6	<p>The appellant is carrying out the business of warehousing services</p>	<p>The appellant's undertaking to dispatch cigarettes to the DTA market only upon payment of applicable customs duties and taxes, or</p>

	exclusively as explained herein above and therefore considering the item as prone for diversion by the UAC is not justified. Moreover, the appellant undertakes that the item will be exclusively dispatched to DTA market on payment of applicable Custom Duties and Taxes, Physical Export of same.	<p>through physical export, does not mitigate the inherent risks associated with warehousing such sensitive commodities.</p> <p>The UAC's decision is based on a broader risk assessment, as mandated by Ministry guidelines, and is not limited to the appellant's assurances. Furthermore, the appellant's compliance with customs duties does not override the UAC's authority to restrict high-risk items under SEZ regulations.</p>
7	More reasons will be given at the time of hearing of the appeal.	The appellant's request to provide additional reasons at the time of the hearing may be noted but at the same time it does not alter the Department's position that the UAC's decision is well-reasoned and legally sound.
8	The Appellant reserve its right to add, alter, amend, and/or delete any of the Grounds of the Appeal at any stage.	<p>The appellant's reservation of the right to add, alter, amend, or delete grounds of appeal may be acknowledged but at the same time it does not impact the Department's response to the current grounds.</p> <p>It is submitted that the UAC's decision in the 213th meeting (30.04.2025), as communicated vide letter dated 22.05.2025, is legally sound, well-reasoned, and in accordance with the SEZ Act, 2005, SEZ Rules, 2006, and Ministry Instruction No. 117 dated 24.09.2024. The rejection of permission to warehouse cigarettes is consistent with the regulatory framework governing SEZs and aligns with precedents set by the BoA. The appellant's grounds of appeal lack merit and fail to demonstrate any error in the UAC's decision-making process.</p> <ol style="list-style-type: none"> 1. The appeal filed by M/s Flamingo Logistics (Warehousing Division) be summarily rejected. 2. The decision of the 213th UAC meeting (30.04.2025) and the Development Commissioner's letter dated 22.05.2025 be upheld. No relief of any kind be granted to the appellant, as the UAC's decision is lawful and based on established guidelines and precedents.

Prayer of appellant:

The appellant, most respectfully, prays to Appellate Authority to graciously grant the following reliefs:

- (i) The decision of 213th meeting of UAC as far as concerned to the appellant and Respondent's letter dt.22/05/2025 may kindly be quashed and set aside.
- (ii) To allow the appellant to import and warehouse the commodity of cigarettes as the appellant was doing in past under their LOA.
- (iii) If the Adjudication Authority deem fit the same can modify the decision of UAC to give the relief to the appellant
- (iv) Any other relief in the facts and circumstances of the case may also be granted as may be deemed fit.

Comments of DC:

1. The appeal filed by M/s Flamingo Logistics (Warehousing Division) be summarily rejected.
2. The decision of the 213th UAC meeting (30.04.2025) and the Development Commissioner's letter dated 22.05.2025 be upheld. No relief of any kind be granted to the appellant, as the UAC's decision is lawful and based on established guidelines and precedents.

The appeal is being placed before the Board for its consideration.