No. K-43016/21/2026-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)

Vanijya Bhawan, New Delhi
Dated the 8th September, 2026

OFFICE MEMORANDUM

Subject: 142nd Meeting of the Board of Approval on Special Economic Zones (SEZs) held on 21st August, 2026– Reg.

Please find enclosed herewith Minutes of the 142nd meeting of the Board of Approval for SEZs held on 21st August, 2026 for information and necessary action.

2. The Development Commissioners are requested to take urgent necessary action, on the directions of BoA.

8/9/26
(Sanjay Kumar)
Under Secretary to the Government of India
Tel:- 011-23039721
Email: - sanjay.78@gov.in

To

1. Central Board of Excise and Customs, Member (Customs), Department of Revenue, 4th Floor, Kartavya Bhawan – I, New Delhi - 110001
2. Central Board of Direct Taxes, Member (IT), Department of Revenue, 4th Floor, Kartavya Bhawan – I, New Delhi - 110001
3. Joint Secretary, Ministry of Finance, Department of Financial Services, Banking Division, Jeevan Deep Building, New Delhi (Fax: 23344462/23366797).
4. Joint Secretary, Department of Promotion of Industry and Internal Trade (DPIIT), Udyog Bhawan, New Delhi.
5. Ministry of Science and Technology, Sc 'G' & Head (TDT), Technology Bhavan, Mehrauli Road, New Delhi. (Telefax: 26862512)
6. Joint Secretary, Department of Biotechnology, Ministry of Science and Technology, 7th Floor, Block 2, CGO Complex, Lodhi Road, New Delhi - 110 003.
7. Additional Secretary and Development Commissioner (Micro, Small and Medium Enterprises Scale Industry), Room No. 701, Nirman Bhavan, New Delhi (Fax: 23062315).
8. Joint Secretary (IS-I), Ministry of Home Affairs, Kartavya Bhavan-03, Janpath, New Delhi - 110001
9. Ministry of Defence, Joint Secretary (C&W), 6th Floor, Kartavya Bhavan-2, New Delhi - 110001
10. Joint Secretary, Ministry of Environment and Forests, Pariyavaran Bhavan, CGO Complex, New Delhi – 110003 (Fax: 24363577)

11. Joint Secretary & Legislative Counsel, Legislative Department, M/o Law & Justice, A-Wing, Shastri Bhavan, New Delhi. (Tel: 23387095).
12. Department of Legal Affairs (Shri Hemant Kumar, Assistant Legal Adviser), M/o Law & Justice, New Delhi.
13. Chief Planner, Department of Urban Affairs, Town Country Planning Organisation, Vikas Bhavan (E-Block), I.P. Estate, New Delhi. (Fax: 23073678/23379197)
14. Director General, Director General of Foreign Trade, Department of Commerce, Udyog Bhavan, New Delhi.
15. Director General, Export Promotion Council for EOUs/SEZs, 8G, 8th Floor, Hansalaya Building, 15, Barakhamba Road, New Delhi – 110 001 (Fax: 223329770)
16. Dr. Rupa Chanda, Professor, Indian Institute of Management, Bangalore, Bennerghata Road, Bangalore, Karnataka
17. Development Commissioner, Noida Special Economic Zone, Noida.
18. Development Commissioner, Kandla Special Economic Zone, Gandhidham.
19. Development Commissioner, Falta Special Economic Zone, Kolkata.
20. Development Commissioner, SEEPZ Special Economic Zone, Mumbai.
21. Development Commissioner, Madras Special Economic Zone, Chennai
22. Development Commissioner, Visakhapatnam Special Economic Zone, Visakhapatnam
23. Development Commissioner, Cochin Special Economic Zone, Cochin.
24. Development Commissioner, Indore Special Economic Zone, Indore.
25. Development Commissioner, Mundra Special Economic Zone, 4th Floor, C Wing, Port Users Building, Mundra (Kutch) Gujarat.
26. Development Commissioner, Dahej Special Economic Zone, Fadia Chambers, Ashram Road, Ahmedabad, Gujarat
27. Development Commissioner, Navi Mumbai Special Economic Zone, SEEPZ Service Center, Central Road, Andheri (East), Mumbai – 400 096
28. Development Commissioner, Sterling Special Economic Zone, Sandesara Estate, Atladra Padra Road, Vadodara - 390012
29. Development Commissioner, Andhra Pradesh Special Economic Zone, Udyog Bhawan, 9th Floor, Siripuram, Visakhapatnam – 3
30. Development Commissioner, Reliance Jamnagar Special Economic Zone, Jamnagar, Gujarat
31. Administrator (IFSCA) International Financial Services Centres Authority 2nd & 3rd Floor, PRAGYA Tower, Block 15, Zone 1, Road 1C, GIFT SEZ, GIFT City, Gandhinagar, Gujarat
32. Development Commissioner, Surat Special Economic Zone, Surat, Gujarat
33. Development Commissioner, Mihan Special Economic Zone, Nagpur, Maharashtra
34. Development Commissioner, Sricity Special Economic Zone, Andhra Pradesh.
35. Development Commissioner, Mangalore Special Economic Zone, Mangalore.
36. Government of Andhra Pradesh, Principal Secretary and CIP, Industries and Commerce Department, A.P. Secretariat, Hyderabad – 500022. (Fax: 040-23452895).
37. Government of Telangana, Special Chief Secretary, Industries and Commerce Department, Telangana Secretariat Khairatabad, Hyderabad, Telangana.
38. Government of Maharashtra, Principal Secretary (Industries), Energy and Labour Department, Mumbai – 400 032.
39. Government of Gujarat, Principal Secretary, Industries and Mines Department Sardar Patel Bhawan, Block No. 5, 3rd Floor, Gandhinagar – 382010 (Fax: 079-23250844).
40. Government of Tamil Nadu, Principal Secretary (Industries), Fort St. George, Chennai – 600009 (Fax: 044-25370822).

41. Government of Kerala, Principal Secretary (Industries), Government Secretariat, Trivandrum – 695001 (Fax: 0471-2333017).
42. Government of Uttar Pradesh, Principal Secretary, (Industries), Lal Bahadur Shastri Bhawan, Lucknow – 226001 (Fax: 0522-2238255).
43. Government of Madhya Pradesh, Chief Secretary, (Commerce and Industry), Vallabh Bhavan, Bhopal (Fax: 0755-2559974)
44. Government of Nagaland, Principal Secretary, Department of Industries and Commerce), Kohima, Nagaland.
45. Government of Chattishgarh, Commissioner-cum-Secretary Industries, Directorate of Industries, LIC Building Campus, 2nd Floor, Pandri, Raipur, Chhattisgarh.

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

Q

Minutes of the 142^{nd} meeting of the Board of Approval for Special Economic Zones (SEZs) held on 21^{st} August, 2026.

The One Hundred and Forty Second (142^{nd}) meeting of the Board of Approval (BoA) for Special Economic Zones (SEZs) was held on 21^{st} August, 2026, through hybrid mode. The list of participants is at **Annexure-I.**

The item-wise decisions taken by the Board are as below: -

Agenda Item No. 142.1:

Ratification of the minutes of the 141st meeting of the Board of Approval for Special Economic Zones (SEZs) held on 17^{th} July, 2026.

The Board ratified the minutes of the 141^{st} meeting of the BoA for SEZs held on 17^{th} July, 2026.

Agenda Item No. 142.2:

Request for extension of Formal approval of SEZ 2 proposals –142.2(i) – 142.2(ii)]

142.2(i) Proposal of M/s. Google Connect Services India Private Limited, Developer of IT/ITES SEZ at Nanakramguda village, Serilingampally Mandal, Ranga Reddy District, Telangana for extension of the validity period of formal approval from 30.08.2026 to 29.08.2027.

DC, VSEZ informed that M/s. Google Connect Services India Private Limited was issued LoA on 30.8.2019. Further, the Developer has been granted 4 extensions from time to time and current extended LoA is valid upto 29.8.2026. The Developer has informed that out of total proposed 25 floors, 14 floors have been constructed. However, time line for project completion has been revised from 13.12.2027 to 11.11.2028 due to changes in design, development and modifications beyond the assumptions/projections made at the time of the tender and construction complexity involving transfer beam construction which required specialized construction methodologies, enhanced temporary work arrangements, and additional quality measures. Additionally, it was informed that there were execution and external factors such as reduced labour availability and limited availability of a skilled workforce, external force majeure disruption in LPG supply, logistics, and adverse market. As elucidated by the site photographs submitted by Developer and the Specified Officer's site inspection report, construction is underway with the 10-floor base build (roof only) completed. Consequently, the applicant-Developer has requested extension to 11.11.2028, revising original request for extension which was for 13.12.2027.

The Board deliberated on the matter and noted that substantial investment has been made and pace of ongoing construction activities at the site is satisfactory.

Accordingly, the Board being satisfied that the delay in operationalisation is justified and substantial progress in construction has been achieved and based on the recommendation by DC, in pursuance to Rule 6(2) of SEZ Rules, 2006, **granted extension** of validity LoA upto **30.11.2028.** The Board, further directed DC to periodically review the progress and apprise Board after one year, or earlier, as appropriate and assist the Developer in addressing challenges, if any.

In addition to above, the Board further directed that the extension is granted with reference to the completion schedule submitted by the Developer, and regular review be done by DC of the physical progress in the construction work.

142.2(ii) Proposal of M/s. ClearTrail Technologies Pvt. Ltd, Developer of IT/ITES SEZ at Plot No. 2A, Scheme No. 166 IDA, Near Super Corridor, Indore, Madhya Pradesh for extension of the validity period of Formal approval up to 29.08.2027 - Reg.

DC, Indore, SEZ informed the Board that M/s ClearTrail Technologies Pvt. Ltd. was granted Formal Approval dated 30.08.2019 for setting up of the Sector Specific IT/ITES SEZ at plot No. 2A, Scheme No. 166 IDA, near Super Corridor, Indore, Madhya Pradesh having a three-year validity which expired on 29.08.2022.

The Developer was advised by office of the DC Indore, SEZ vide their letter dated 11.02.2021 to submit a road map for making the SEZ operational. In response to the DC's letter, the Developer vide letter dated 15.02.2021 cited Covid-19 lockdown and WFH as reasons for delay and assured a phase-wise road map. The Developer did not implement the project for setting up the SEZ citing Covid-19 pandemic, nation-wide lockdown and thereafter work from home scenario in the IT sector. Despite regular follow-ups the Developer did not set up the SEZ.

As no extension request or concrete schedule was received, office of the DC Indore vide letter dated 30.06.2025 informed the Developer that validity of formal approval has already been expired on 29.08.2022. Hence, Developer may apply for de-notification under Rule 8 of SEZ Rules, 2006.

In response to the above, Developer expressed willingness to implement the project and proposed an investment of Rs.100.00 crores in two phases. The Chartered Accountant has certified a net worth of Rs. 523.00 crores of the Developer-Company. The Developer is holding free-hold land allotted by Indore Development Authority which is free from encumbrance and has no thoroughfare. It was proposed that the Developer is inclined to set up the IT/ITES SEZ and an extension till 29.08.2026 may not be sufficient for any significant progress, a further extension of one more year i.e. up to 29.08.2027, if considered by the Board of Approval, will enable the Developer to start project implementation activities.

O/o DGEP commented that Formal Approval to the Developer was granted on 30.08.2019. Validity of the LoA already lapsed on 29.08.2022. Further, it was also highlighted that it is not understood how the lapsed LoA holder who made no incremental investment for development of SEZ can be serious about the development and operation of the SEZ. Also, despite written communication from DC, no proposal for extension or de-notification was submitted by developer in the last 4 years. Under these circumstances, it is worth mentioning that providing extension to such non-serious players in SEZ will go against the spirit of the SEZ scheme which was framed with the objective of boosting exports, earning foreign exchange coupled with development of infrastructure, employment generation, investment activities etc.

The Board, after deliberation and taking into consideration the observations of DGEP, noted that the Developer has not made any incremental investment towards the development of the SEZ and has failed to demonstrate any genuine intent to operationalise the project.

The Board also observed that the reasons submitted for delay in implementation of project are not satisfactory. Accordingly, the Board **rejected** the request of the Developer for extension of the Letter of Approval (LoA).

The Board **directed** DC, Indore SEZ to understand/examine the terms and condition of Indore Development Authority in respect of the instant land allotment and initiate formalities for de-notification of the SEZ without delay, subject to clearance/recovery of all tax and other benefits availed by the Developer.

The Board further directed that the recovery shall specifically include the stamp duty exemption of Rs. 1,30,25,064/- availed by the Developer from the Government of Madhya Pradesh, and that in the event the Developer does not file an application under Rule 8 of the SEZ Rules, 2006 within 60 days, DC, Indore SEZ shall report the matter to the Board for further action.

Agenda Item No. 142.3:
Request for extension of LoA of SEZ Unit [5 proposals – 142.3(i) – 142.3(v)]

142.3(i) Request of M/s Felix Generics Pvt. Ltd, a unit in Indore SEZ for extension of LoA beyond 24.07.2026 for a further period up to 31.03.2027.

DC, Indore SEZ informed the Board that M/s Felix Generics Pvt. Ltd, was granted LoA on 25.7.2022 for Manufacturing of Injectables (for veterinary use). The LoA is valid upto 24.7.2026. The instant request for extension of validity is beyond the 3rd year of expiry of the original validity. In this case, post completion of the requisite two-third of activities as per the provisions of Rule 19(4) of SEZ Rules, 2006, the validity of LoA was extended for the third year up to 24.07.2026. At present, as per the Chartered Engineer certificate dated 11.07.2026, the project construction, machinery installation, facility validation filling batches and the USFDA inspection of the site has been completed and that the project has achieved 100% physical completion as on 31.05.2026. The unit is awaiting approval from USFDA and the same is expected to be received by December 2026 pursuant to which the unit will commence production by 31.03.2027.

The Board was also informed that Chartered Accountant vide Certificate dated 10.07.2026 has certified that the Company has declared a proposed investment of Rs. 151.47 crores and has made an actual investment of Rs. 144.88 crores in the project up to 31.05.2026.

The Board deliberated the issue and noted that project has already been completed and the unit is expecting USFDA approval by December, 2026.

Accordingly, the Board being satisfied that it is necessary and expedient in pursuance to third proviso to Rule 19(4) of SEZ Rules, 2006 **granted** extension of validity of LoA to M/s Felix Generics Pvt. Ltd for a further period up to 31.03.2027.

The Board directed that the unit shall report the status of USFDA approval to DC, Indore SEZ within 15 days of its receipt

142.3(ii) Request of M/s. Northern Arc Investment Managers Private Limited, GIFT-Multi Services -SEZ, Gandhinagar for extension of LOA from 05.07.2026 to 04.07.2027.

Administrator, IFSCA, informed the Board that M/s Northern Arc Investment Managers Private Limited, GIFT-Multi Services -SEZ, Gandhinagar was granted LoA dated 05.07.2022 and the authorised operation is FME (Non-Retail) under the IFSCA (Fund Management Regulations, 2025).

The main reasons for delay in commencing operation is due to the change in administration in the United States, the USDFC commitment of USD 50 million was placed on hold for nearly a year and subsequently cancelled in February 2026, following a shift in investment priorities toward public sector opportunities such as defence, mining, and minerals. Formal confirmation was received in early March 2026.

The LOA of the Unit was extended from 05.07.2025 to 04.07.2026 by the BoA in its 139th meeting held on 11.05.2026 [Agenda item No. 139.2(ii)]. In the period since the said meeting, the Unit has been unable to raise investor funds and commence operations. Accordingly, the Unit has sought extension for a period from 05.07.2026 to 04.07.2027.

The Board noted that the delay in commencing operation is due to cancellation of the investment of USD 50 million by the US authorities. The Board also took note of the comments of the DGEP and the recommendation of the Administrator, IFSCA.

Accordingly, the Board being satisfied that it is necessary and expedient in pursuance to third proviso to Rule 19(4) of SEZ Rules, 2006 **granted** extension of validity of LoA to M/s Northern Arc Investment Managers Private Limited for a further period up to 04.07.2027.

In addition to above, the Board stated that the Administrator shall ensure continued compliance to extant provisions relating to extension of letter of approval of the said unit and facilitate in addressing any impeding challenge so that the project operationalization can be achieved in time bound manner.

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

JDC, Kandla SEZ informed the Board that there are 16 operational units in worn/used clothing sector in KASEZ and after the issuance of policy dated 27.05.2021 for used/worn clothing and plastic recycling units in SEZs/ EOUs, the BoA in its 104th meeting held on 28.05.2021, granted further extension of five years to the worn and used clothing units beyond 30.06.2021. Accordingly, LoAs of these 16 following units was valid till 30.06.2026.

The proposal for extension of the LoA beyond 30.6.2026 i.e. from 01.07.2026 onwards was placed in 141st BoA meeting held on 17.07.2026 as [(agenda item no. 141.8(iii)] wherein, the Board deferred the proposal for extension of Letter of Approval (LoAs) of 16 worn/ clothing units at Kandla SEZ. However, considering the ongoing process and business requirements of units, the Board in its 141st meeting ratified the earlier interim extension granted by Commerce Secretary as Chairperson of the BoA upto 15.08.2026 and granted further interim extension of validity of LoA of all 16 units **upto 15.09.2026**, pending final decision of the BoA.

Further, during 142nd meeting JDC, KASEZ briefed the Board that the proposals for renewal/extension of their LoA have been categorized into the following three groups:

Description	Number of unit
Fulfilled the prescribed export obligations in terms of both export value and tonnage	13
Fulfilled the prescribed export obligation in terms of export value, but marginal shortfalls in terms of tonnage	01
Not fulfilled the prescribed export obligations in terms of either export value or tonnage	02
Total	16

The issue was discussed in detail and the DGEP commented/observed that FTP prohibits establishment of any New Unit engaged in activities pertaining to reprocessing of garments/ used clothing/secondary textiles materials/clipping /rags/industrial wipers/shoddy wool/ yarn/ blankets/shawls and other recyclable textile materials. Continuation of units even after more than 10 years of prohibition appears to be in contradiction to the spirit of FTP. It should be verified that export proceeds have been realized by all such worn/used clothing units in the last 5 years. Before granting extension, compliance to applicable MoEF & CC guidelines/rules, if any, may be verified.

The Board after detailed deliberation took a view that the issue of another renewal involves examining adherence to policy objectives, environmental safeguards and statutory requirements, social and concerns of domestic industries. Therefore, in order to ensure objective, transparent and uniform examination of proposals for renewal/extension of LoA of worn/used clothing units, it would be appropriate to constitute an Inter-Ministerial Committee for assessment of issues involved before taking a decision in the matter.

Further, the Board decided that pending submission of report by the Committee an **interim extension** of the LoA of all 16 units upto 30.11.2026 be **granted**.

142.3(iv) Request of M/s. Gujarat Textiles, a garments recycling unit in Falta SEZ for renewal of its LOA for a further period of five years

DC, Falta SEZ informed the Board that M/s. Gujarat Textiles, a garments recycling unit in Falta SEZ holding LoA dated 02.05.2000 for manufacturing and export of 'All kinds of re-processed garments/used clothing/secondary textile materials/clippings/rags/ Industrial wipers/shoddy wool/yarn/blanket/shawls and other re-cyclable textiles materials', has requested for renewal of LOA for a further period of 05 years under Rules Rules 19(6A)(1) of SEZ Rules, 2006. The unit had commenced production on 17.07.2000, and the LoP expired on 30.06.2026.

The DC informed that the unit has achieved positive NFE and fulfil 100% physical export obligation in terms of value and quantity from 1.12.2018 to 30.6.2026.

The Board deliberated on the matter and took note of the observations of DGEP, which were similar to those made in respect of the 16 units covered under Agenda Item No. 142.3(iii). The matter being same, the Board decided that it would be appropriate to decide on the instant case based on the report of Inter-Ministerial Committee being constituted for assessment and examination of proposals for renewal/extension of LoA of worn/used clothing units.

Further, the Board **granted**, pending submission of report by the Committee, an **interim extension** of the LoA of M/s. Gujarat Textiles upto 30.11.2026. The final decision in the matter to be taken based on the recommendations of the Committee.

142.3(v) Request of M/s SGPharma Global Private Limited located at JNPA-SEZ for 3rd extension of LOA up to 06.06.2027.

The DC, SEEPZ SEZ, informed the Board that M/s SGPharma Global Private Limited located at JNPA-SEZ was granted LoA dated 07.06.2022 for Manufacturing Product-A: Oral Dosage i.e. Tablets, Capsules and Oral Sachets and other products under ITC HS Code chapter 30 Product and B: Injection (Liquid) i.e. Ampoule and Vial, Injection (Dry Powder) and other products under ITC HS Code Chapter 30 etc. **The unit has been granted two extensions and present LoA is valid upto 06.06.2026.**

The DC informed that on-ground construction activities have not commenced till date as the Commencement Certificate (CC), which is a prerequisite for initiation of construction, was obtained only on 23.04.2026. However, unit has informed that necessary steps for mobilization and initiation of construction activities are presently underway and construction work shall commence shortly.

The incremental investment of Rs. 69.21 lakh has been made during last one year. The estimated deadline for completion of the project is May, 2027. The Specified Officer has observed that there is no commencement of operation, however, JNPA - the Developer has stated that unit has paid upfront lease premium and is regularly paying applicable service charges.

The Board deliberated on the matter and noted that two-thirds (2/3rd) of the activities have not yet been completed. Since the prescribed physical progress has not been achieved, the matter falls within the competence of the Board.

Accordingly, based on DC's recommendation, the Board being satisfied that it is necessary and expedient in pursuance to third proviso to Rule 19(4) of SEZ Rules, 2006 **granted** extension of validity of LoA to M/s SGPharma Global Private Limited for a further period up to 06.06.2027.

In addition to above, the Board stated that the DC shall ensure continued compliance to extant provisions relating to extension of letter of approval of the said unit and facilitate in addressing any impeding challenge so that the project operationalization can be achieved in time bound manner.

Agenda Item No. 142.4:

Request for Co-Developer status/ increase or decrease in area by Co-developer or Cancellation of Co-Developer Status [4 proposals: 142.4(i)-142.4(iv)]

142.4(i) Proposal of M/s. OSEL Industrial Park Private Limited for approval as a Co-Developer in JNPA-SEZ Village-Savarkar, Taluka Uran, District- Raigad Maharashtra.

DC, SEEPZ SEZ, informed the Board that M/s Jawaharlal Nehru Port Authority (Developer) is a Multi-product/Multi sector SEZ, having LoA dated 16.07.2014. The total area notified for SEZ is 277.387 Ha. and the SEZ is operational w.e.f. 24.06.2020 with 88 approved units operating in the SEZ. The Developer has proposed approval of the Board for M/s. OSEL Industrial Park Private Limited as a Co-Developer in JNPA-SEZ Village-Savarkar, Taluka Uran, District- Raigad Maharashtra for development of multipurpose industrial buildings, warehousing and logistics infrastructure, built up facilities for approved manufacturing and technology units, IT/ITeS infrastructure, data-centre-ready buildings, internal roads, drainage, parking, power distribution, telecom connectivity, common utilities and allied support facilities. The site-verification report also confirms that the allotted plot falls within the processing area of JNPA-SEZ and is demarcated in accordance with the approved SEZ layout plan and undertaking other default authorized operation as per MOCI Instruction No. 50 dated 15.03.2010.

DC, SEEPZ further informed that the Co-developer, M/s. OSEL Industrial Park Private Limited having its registered office unit no. 2603, 26th floor, Signature, Suresh Sawant Road, Off Veera Desai Road, Andheri (W), Mumbai, is a 100% wholly owned subsidiary of M/s. OSEL Devises Limited, a listed technology and electronics manufacturing company in India with net worth of Rs. 107.95 Crore. The proposed investment is of Rs. 74.20 Crore.

The total area allotted to M/s. OSEL Industrial Park Pvt Ltd is 20,288 Sq Mtr (2.02 Hectare) at Plot no. 210-211, Sector - 2, JNPA SEZ. The LOI dated 13.04.2026 was issued by JNPA SEZ and executed co-developer agreement between JNPA (Developer) and the applicant on 29.04.2026.

The proposed infrastructure is intended to cater to the captive/group requirements of M/s OSEL Devices Limited and its eligible group entities, as well as to other approved SEZ and FTWZ units. The proposal is for development of multi-sector infrastructure within the existing notified JNPA SEZ and does not involve establishment or notification of a separate Multi Sector SEZ.
All administrative formalities with reference to Section 3(11) of the Special Economic Zones Act, 2005 read with Rule 3A of the Special Economic Zones Rules, 2006 have been fulfilled.

The Board after detailed deliberation opined that there are several issues that need to be examined before such cases may be considered and decided by BoA. Some of the issues highlighted by the Board include risk of duplication of fiscal benefits, Customs-duty implications and potential misuse and possibility of tax avoidance/evasion due to related party transactions.

Accordingly, the Board after deliberation **deferred** the proposal with directions to the DC, SEEPZ to deliberate upon these issues and make clear recommendation for examining/ considering such proposals.

While examining the matter, DC, SEEPZ shall also address the fact that the net worth relied upon is that of the holding company and not of the applicant entity, and that the Specified Officer has reported that fencing of the allotted plot is yet to be provided, which is a prerequisite for access control under the SEZ framework.

142.4(ii) Proposal of M/s. Black Canyon SEZ Private Limited, Co-developer in ASF Insignia SEZ IT/ITES SEZ at Village Gwal Pahari, Gurugram (Haryana) to surrender Co-developer status & exit from SEZ Scheme.

DC, NSEZ informed the Board that M/s. Black Canyon SEZ Pvt. Ltd. (BCSPL), a Co-Developer, of ASF Insignia, IT/ITES SEZ, Pvt. Ltd. located at Village Gwal Pahari, Distt- Gurgaon (Haryana), was granted LOA No. F.2/631/2006-SEZ dated 15.2.2018 for constructing, developing, operating, and maintaining the Black Canyon Building, allied infrastructure, and private campus land. It includes managing electrical, mechanical, fire safety, water, waste, parking, security, and cleaning services, plus leasing spaces to eligible tenants in the SEZ processing area.

The Co-Developer (M/s. Black Canyon SEZ Pvt. Ltd), vide letter dated 17.04.2026, informed that the Developer of ASF Insignia SEZ, had submitted request letters dated 02.06.2023 and 07.11.2024 to the Development Commissioner, NSEZ, seeking the de-notification of the land allocated to BCSPL from the SEZ regime, for the reasons explained in those letters. Accordingly, 11.05 and 0.68-acres land area out of the sub-project land area of BCSPL was de-notified vide S.O No. 844(E) dated 23.2.2024 and S.O. No. 950(E) dated 19.2.2026 respectively.

The specified officer has already certified that the Co-Developer has refunded all the tax/duty of Rs. 24,53,22,000/- for benefits previously availed on creation of the infrastructure in the Black Canyon Sub-project of the ASF Insignia SEZ prior to issuance of the aforesaid de-notifications. Upon issuance de-notifications post their complying with all the mandated requirements in this regard, in effect, they are now bereft of any role or responsibility to be performed as a Co-developer within the ASF Insignia SEZ, and as such their status as a Co-developer of ASF Insignia SEZ has been rendered infructuous.

The DGEP observed that Specified Officer issued No Dues Certificates (NDC) dated 16.08.2023 and 03.01.2025 to M/s. Black Canyon SEZ Private Limited (Co-developer) which are almost 1.5 to 3 years old. Latest No dues certificate as on date may be provided so that it can ascertained that all dues on account of Customs duty/excise duty/Service tax/IGST while availing exemption during construction, development of infrastructure have been paid before acceptance of surrender of co-developer status.

DC, NSEZ responded to the comments of DGEP that all tax/ duty benefit availed by the Co-Developer has already been paid back and an undertaking has been obtained in this regard.

The Board deliberated on the proposal and took note of the observations of DGEP and response furnished by DC, NSEZ. Accordingly, the Board **approved** the proposal of M/s. Black Canyon SEZ Private Limited, Co-developer in ASF Insignia SEZ IT/ITES SEZ at Village Gwal Pahari, Gurugram (Haryana) to surrender Co-developer status & exit from SEZ Scheme.

The approval is subject to DC, NSEZ obtaining from the Specified Officer an updated No Dues Certificate as on date, as observed by DGEP, before the cancellation of the Letter of Approval is formalised.

In addition to above, the Board stated that the responsibility to ensure that all the extant provisions relating to surrender of Co-developer status & exit from SEZ Scheme, are implemented in letter and spirit, lies with the DC concerned.

Further, DC concerned shall be responsible for ensuring due verification of the compliance position and fulfilment of all applicable conditions for surrender of Co-developer status. The DC concerned shall also ensure that all the applicable duty benefits have been calculated in toto and the same has been fully repaid.

142.4(iii) Request of M/s. Hetero Drugs Ltd, Co-Developer for inclusion of additional area in the SEZ developed by M/s. TSIIC Limited, SEZ at Polepally Village, Jedcherla Mandal, Mahaboob Nagar District, Telangana.

DC, VSEZ, informed the Board that M/s. Hetero Drugs Ltd (HDL) was issued Formal Approval No. F. 2/527/2006-SEZ dated 14.08.2008 for Co-Developer status for providing infrastructure facilities in the sector specific SEZ for Pharmaceutical Formulations in M/s. TSIIC Limited (Developer), SEZ at Polepally Village, Jedcherla Mandal, Mahaboob Nagar District, Telangana in an area of 26.04 Ha.

Initially, TSIIC Limited allotted 9 Acres land at plot no. S-2/B in Sy no. 439/P and Part of (440,441 & 458) to M/s Hetero labs Limited. However, later being Hetero Group of units, the land was transferred to M/s HDL- Co-Developer in the SEZ. Accordingly, the lease deed agreement dated 06.04.2026 was executed in which the above land was allotted to M/s HDL. The Developer, TSIIC vide letter dated 30.08.2025 has given consent for inclusion of additional area under Co-Developer.

The Co-Developer has stated that more than 15 years have been completed and changes are taking place in the group companies. Thus, Co-Developer has requested for increase/addition of 9 Acre of land located at plot no. S-2/B in Sy no. 439/P and Part of (440,441 & 458) to the already approved area 26.04 Ha and thereby makes total area of Co- Developer as 29.68 Ha.

The Board after deliberation, observed that the proposal falls in the category where an entity (Developer/ Co-Developer/unit) through its group company/ subsidiary/ captive unit is requesting for the status of Co-Developer.

The Board opined that, in such type of cases particularly in manufacturing sector, there is need to understand risk of duplication of fiscal benefits, Customs-duty implications and potential misuse and possibility of tax avoidance/evasion due to related-party transactions.

Accordingly, the Board **deferred** the matter with directions and directed that further information be furnished regarding the administrative and financial benefits extended to the Developer, Co-Developer and Units, clearly indicating their respective roles and responsibilities, to facilitate proper assessment. The Board also **directed** to submit the details of guardrails that are there to ensure that there are no duplication of fiscal benefits, customs-duty or other tax avoidance/evasion due to potential related-party transactions, ensuring that any such transactions are undertaken at arms length.

The DC shall also place on record a defined list of authorised operations, the investment committed and the completion timeline for the additional area, together with the consequential position of the Letter of Approval, the net foreign exchange obligation and the asset register of the group unit from which the land has been transferred.

142.4(iv) Proposal of M/s. Cityrise Infra Pvt. Ltd. for grant of Co-Developer status in the IT/ITES SEZ of M/s. Artha Infratech Pvt. Ltd. located at Plot No. 21, Sector-Techzone IV. Greater Noida (Uttar Pradesh).

DC, NSEZ informed the Board that M/s. Artha Infratech Private Limited, IT/ITES SEZ, Plot No. 21, Sector-Techzone IV, Greater Noida (UP) has been granted LoA dated 8.4.2011. The total notified area of the SEZ is 2.57 Hectares. The SEZ is operational w.e.f. 18.08.2014 and have 13 units in SEZ.

The Developer has proposed M/s. Cityrise Infra Pvt. Ltd. for grant of Co-developer status in the IT/ITES SEZ for conversion from warm shell to total ready to move in infrastructure and renovation of existing furniture & fit outs including maintaining and managing facility management on One floor (2nd floor) of Tower No.1 of approx. 30707 Sqft. super area of SEZ. The Co-developer has proposed investment of Rs.10.7475 Crore (On Warm Shell Space & Renovation and installation of furniture and fit out). Net-worth of proposed Co-developer is Rs.0.96307 lakhs as on 15.05.2026. Total net-worth of the partners is Rs. 7516.41 lakhs as on 31.03.2025.

The Board after deliberation and based on the recommendation of the DC, NSEZ, **approved** the proposal of M/s. Cityrise Infra Pvt. Ltd. for Co-developer status in the IT/ITES SEZ of M/s. Artha Infratech Pvt. Ltd. located at Plot No. 21, Techzone-IV, Greater Noida (Uttar Pradesh) for conversion from warm shell to total ready to move in infrastructure and renovation of existing furniture & fit outs including maintaining and managing facility management on One floor (2nd floor) of Tower No.1 of approx. 30707 Sqft. super area of SEZ under Section 3 (11) of SEZ, Act, 2005 read with a Rule 3A of SEZ Rules, 2006.
Further, the Assessing Officer will have the right to examine the taxability of the income by way of lease rentals/down payment/premium, etc. for the purpose of assessment under the prevalent Income-tax Act, 1961 and Income-tax Rules, 1962 as amended from time to time. The lease period shall be in accordance with DoC's Instruction No. 98 dated 29th August, 2019.

In addition to above, the Board stated that the DC concerned shall be responsible for ensuring strict compliance with all applicable provisions and conditions governing grant of Co-developer status under the SEZ Act, 2005, SEZ Rules, 2006 and DoC instructions.

Agenda Item No. 142.5:
Request for conversion of Processing Area into Non-Processing Area under Rule 11(B) [2 proposals – 142.5(i) – 142.5(ii)]

142.5(i) Proposal of M/s Ganesh Housing Limited, the Developer for demarcation of 52263.97 sq.mtr. processing (built-up) area as Non-Processing Area in terms of Rule 11B of SEZ Rules, 2006

JDC, KASEZ submitted that M/s Ganesh Housing Limited, the Developer has proposed for demarcation of 52263.97 sq.mtr. processing (built-up) area as Non-Processing Area in terms of Rule 11B of SEZ Rules, 2006. JDC, KASEZ informed that the Developer has submitted that they are in continuous discussions with prospective tenants for leasing the built-up SEZ space. However, due to expiry of income tax benefits and extension of work-from-home facility post COVID-19, they could lease only part of one floor; remaining floors are vacant as tenants prefer Non-Processing Area.

The Board after deliberation **deferred** the proposal and directed O/o DC, KASEZ to examine the proposal in light of relevant provisions of SEZ Act, 2005 and SEZ Rules, 2006. The Board directed DC, KASEZ to re-submit the proposal clearly bringing out its compliance with the definitions of total area, common area, basement as prescribed in extant provisions of Rule 11B) for demarcation of Processing Area into Non-Processing Area.

DC, KASEZ shall also reconcile the Chartered Engineer's certificate dated 06.07.2026 and the Developer's undertaking, both of which refer to 54,363.97 sq. mtr., with the area of 52,263.97 sq. mtr. now proposed; confirm the amount of duty and tax actually repaid and credited against the area finally demarcated; and certify that the residual built-up processing area meets the minimum prescribed under Rule 5 of the SEZ Rules, 2006.

142.5(ii) M/s. Candor Gurgaon One Realty Projects Private Limited, Developer IT/ITES SEZ at Village Tikri, Sector-48, Gurugram (Haryana)– Proposal for demarcation of 15,485.480 Sqmt. built-up processing area of 4th 6th 7th & 8th Floor of Tower-8 & 9,567.530 Sqmt basement area for common usage into non-processing area of IT/ITES SEZ at Village-Tikri, Sector-48, Gurugram (Haryana), under Rule 11B of SEZ Rules, 2006- Reg.

DC, NSEZ submitted that M/s. Candor Gurgaon One Realty Projects Private Limited, a Developer of IT/ITES SEZ at Village Tikri, Sector-48, Gurugram (Haryana) was granted LoA on 30.7.2007. The total area of SEZ was 10.1929 Hectare notified on 9.1.2008 & 14.4.2021.

The DC further submitted that requisite documents have been submitted by the Developer. It was also confirmed by DC that total duty benefits and tax exemption availed on the BUA proposed to be demarcated as NPA have been paid back and No Dues Certificate have been issued by the Specified Officer.

The Board, after deliberations, **permitted** the demarcation of the following area as Non Processing Area in terms of Rule 11B of SEZ Rules, 2006: -

Building	Description	Area in Sqmtr for demarcation
Tower-8	4th Floor	3,923.460
	6th Floor	3,715.100
	7th Floor	3,923.460
	8th Floor	3,923.460
Total		**15,485.480**

Basement area for demarcation

Location	Area (in Sqmt.)
2nd Basement for Tower-8	9,567.530 sqmt.

In addition to above, the Board stated that the responsibility to ensure that all the extant provisions relating to demarcation of processing area to non-processing area are implemented in letter and spirit, lies with the concerned DC. The DC concerned shall ensure strict compliance of Rule 11B (4) of SEZ Rules, 2006 relating to appropriate access control mechanisms for the SEZ unit and businesses engaged in IT/ITES in the non-processing area, to ensure adequate screening of movement of persons as well as goods in and out of their premises. Further, the DC concerned shall also ensure that all the applicable duty benefits have been calculated in toto and the same has been fully repaid.

As regards the basement area permitted for demarcation, DC, NSEZ shall satisfy himself of conformity with Rule 11B(3) of the SEZ Rules, 2006, and the permission shall stand aligned to the clarification on the treatment of total area, common area and basement to be settled in the context of Agenda Item No. 142.5(i).

Agenda Item No. 142.6:

Miscellaneous [5 proposals 142.6(i) – 142.6(v)]

142.6(i) Proposal of M/s Plastic Processors & Exporter Pvt. Ltd., a unit at NSEZ for exit from SEZ Scheme under Rule 74 of SEZ Rules, 2006-reg.

Submissions by DC, NSEZ

DC, NSEZ informed the Board that M/s. Plastic Processor & Exporter Private Limited had been granted LoA dated 05/11/1997 for setting up of unit in NSEZ for 'Manufacturing of Plastic Agglomerates/ Granules and Plastic Component and Articles (39011090) (15000.00 M. Tons/annum). The unit had been allotted Plot No. 24A

(2700 Sqmt.) in NSEZ, Noida. The unit had commenced operation w.e.f. 15/04/1998. The Board of Approval (BoA) in its meeting held on 06.03.2024 had granted renewal of LOA of the unit for a period of five years from 20/03/2024 to 19/03/2029.

The DC submitted that unit has not submitted APRs for FY 2022-23, 2023-24 & 2024-25. As per NSDL Data, Unit has not made any 'Export' or 'Supplies under Rule 53A' or 'DTA Sale' during the period during 2022-23 to 2024-25.

It was further mentioned by DC, NSEZ that the Board in its meeting held on 06/03/2024 renewed the LoA for five years from 20/03/2024 to 19/03/2029 subject to following conditions: -

i. The Unit shall ensure funding is arranged within 3 months of the date of approval of extension and construction commences immediately to ensure that commercial production commences within 18 months of the date of approval.

ii. The Unit would ensure their first export orders within 24 months from date of renewal of LoA. No further request will be considered to extend this time limit of 24 months.

iii. No DTA sales would be allowed during the period of this 5-year extension irrespective of fulfilling of NFE and other conditions. Thereafter, DTA sales may be allowed as per prevailing norms.

iv. **Exit of the Unit in terms of Rules 74 and Transfer of its Assets in terms of Rule 74A of the SEZ Rules, 2006 would not be allowed during the period of this 5-year extension.**

v. Environment Clearance and other statutory clearances, required, would be obtained by the Unit.

vi. The Unit will provide a clear roadmap and the UAC, NSEZ would examine the performance of the Unit after every six months period. These conditions are over and above the extant conditions of NFE requirements under rule 53 of SEZ Rules.

However, the unit failed to comply with LoA renewal conditions, viz. commencing construction and commercial production within 18 months. Hence, a Show Cause Notice was issued vide letter dated 25.09.2025 for cancellation of LoA on account of non-implementation and non-compliance with decisions of the Approval Committee and Board of Approval.

Vide letter dated 20.11.2025, the unit replied that it could not achieve 100% export of turnover due to (a) political unrest in Bangladesh & Nepal, (b) new trade barriers and uncertain policy changes in export markets, and (c) stoppage of raw material supply by EU to non-OECD countries, which disrupted its supply chain. **The unit vide letter dated 06.04.2026 requested for surrender of LoA and exit from SEZ scheme.** However, as per Condition No. (iv) of BoA approval, renewal was granted subject to the condition that 'Exit of the Unit in terms of Rule 74 and Transfer of its

Assets in terms of Rule 74A of the SEZ Rules, 2006 would not be allowed during the period of this 5 years extension'. Later, vide letter dated 23.05.2026 unit requested to keep the request for surrender of LOA, in abeyance for two months. Unit stated that they are exploring viability of new product and other potential business for sustaining viability. Unit also stated that they are proposing broad-banding of their product

The request for broad-banding and performance of the unit was placed before Unit Approval Committee on 23.06.2026. The Committee observed that as per Rule 18(4A) of SEZ Rules, 2006, for existing plastic/used clothing Units in SEZs:- (a) broad-banding and splitting of license for setting up sub-Units shall not be allowed and all transactions shall be regulated through single bank account; (b) no third-party exports shall be allowed; (c) all such Units shall set up facilities to make products out of used clothing/plastic waste; (d) 100% inspection of consignment of used clothing sold to DTA shall be undertaken.

Physical verification on 20.06.2026 of M/s Plastic Processors & Exporter Pvt. Ltd. at Plot No.24A, NSEZ revealed its non-operational site with no buildings, infrastructure, gate, staff or security. The plot of 2700 sqm is being used as a dumping ground for industrial scrap and demolition waste, with no possibility of commercial/export activity. Photographs were shown to Committee. The unit's AVP, Shri Mukesh Tandon, joined via VC and reiterated earlier submissions. The Committee observed that the unit has failed to fulfil objectives under Section 5 of SEZ Act, 2005 and has occupied valuable SEZ space for years without exports or employment. Retention of scarce land by a non-performing unit near Delhi/Noida, where demand is high, adversely affects optimal utilization and is not acceptable being an industrial hub, industrial land/plots are scarce and in great demand, therefore, keeping the SEZ land idle without any business/export activity is not acceptable.

Decision of the Board

The Board deliberated and noted that the unit has been non performer since 2019-20 and non-compliant with the conditions laid down by the Board in its meeting held on 6.3.2024.

Accordingly, keeping in view recommendation of the DC and earlier request of the unit for surrender of LoA, the Board **decided to withdraw** its Condition No. (iv) of the renewal of LOA granted by BOA in its meeting held on 06.03.2024 and directed DC, NSEZ to initiate formalities for exit of the unit from SEZ scheme in terms of Rule 74 of SEZ Rule, 2006, specifically relating to clearance of all customs dues.

The exit shall additionally be subject to clearance of outstanding lease rent, user charges and interest, and shall be without prejudice to the separate continuation of proceedings for non-achievement of net foreign exchange under Rule 54 of the SEZ

Rules, 2006. DC, NSEZ shall further ensure removal of the accumulated scrap and restoration of the site at the unit's cost.

142.6(ii) Proposal of M/s. Aurobindo Pharma Limited for setting up of a unit in M/s. APIIC Limited SEZ, Naidupeta, Tirupati District - Relaxation of condition imposed by BoA in 31 Meeting dated: 15.01.2009.

The DC, VSEZ informed that Board that M/s. Aurobindo Pharma Limited has submitted a proposal for setting up of unit in M/s. APIIC Limited SEZ, Naidupeta, Menakur Mandal, Tirupati District in an area of 10.00 Acres for manufacture of pharmaceutical formulations. M/s. APIIC Limited, Developer has allotted an area measuring 10.00 Acres to M/s. Aurobindo Pharma Limited to set up a unit.

The unit has proposed investment of Rs. 82.60 crores, Exports for a value of Rs. 4,463.89 crores, and providing employment to 1000 Persons. The BoA in its 31st meeting dated: 15.01.2009 had decided that no LoA shall be issued till the entire measure to establish contiguity and securitisation of the processing area are completed by the Developer i.e., M/s. APIIC Limited. Hence, the UAC after deliberations has approved the proposal, however, matter has been taken up with the BoA for waiver of the above condition/decision in light of the projections and the strong presence of the company in Pharma Sector.

M/s. Aurobindo Pharma Limited has informed that they want to start the construction for speedy implementation of the project as they have to execute the orders in a time bound manner.

DC, VSEZ informed that the Govt. of Andhra Pradesh vide G.O.Ms.No.178 dated: 20.07.2026 has accorded permission for construction of two-lane Fly-over cum Underpass in Km 11/4 to 12/0 of Naidupeta-Rapur Road in Tirupati District to establish contiguity of the SEZ. It was also informed that fly-over cum underpass will be constructed with an estimated cost of Rs.51.00 crores from the internal funds of APIIC on reimbursement basis from Govt. of Andhra Pradesh.

The Managing Director, APIIC attended the meeting virtually and submitted that the Government is proactively pursuing completion of the two-lane flyover-cum-underpass. MD, APIIC has also furnished the details of area of SEZ notified on either side of the road breaking the contiguity of the SEZ.

The DGEP observed that contiguity and effective securitization of the processing area are fundamental requirements under the SEZ framework for ensuring the proper functioning and regulatory control of an SEZ. Any relaxation should, therefore, not dilute or compromise these requirements as this may lead to setting up a precedence and might follow numerous such requests for relaxation.

The Board noted DGEP's observations and MD, APIIC's submission. After due deliberation, Board observed that though the State Government has approved construction of the flyover-cum-underpass, its timely completion and funding remain uncertain. Granting approval at this stage would compromise contiguity.

Therefore, the Board decided to **defer** the proposal in its current form. Further, the Board **directed** DC, VSEZ to get the conditions of contiguity fulfilled in specified timeframe or explore feasibility of splitting existing SEZ into two and notifying two separate SEZs, if sufficient land is available and thereafter consider proposals for setting up of units as per the provisions of SEZ Act/ Rules.

The Board directed that the timeframe referred to above be fixed by DC, VSEZ in consultation with APIIC and report to the Board, and that whichever course is adopted be pursued with the concurrence of the Department of Revenue.

142.6(iii) Request of M/s Afcan Impex Pvt. Ltd., a worn/used clothing unit in KASEZ, seeking renewal/extension of its LoA which expired on 31.12.2020.

Submission by O/o DC, KASEZ

JDC, KASEZ submitted that M/s Afcan Impex Pvt. Ltd. was granted Letter of Approval (LoA) No. KASEZ/IA/1916/2003-2004/1999 dated 04.06.2003 for manufacture of Shoddy Synthetic Yarn, Shoddy Woollen Yarn and Blankets. **The LoA was extended from time to time and was last valid upto 31.12.2020.**

The BoA in its 104th Meeting dated 28.05.2021[item No. 104.8(i)] decided that renewal of LoA of worn/used clothing units shall be considered only after clearance of all Government dues. The matter could not be processed earlier due to substantial outstanding Government dues, penalties for non-achievement of NFE/export obligations, and other violations.

Subsequently, CIRP proceedings were initiated and the Hon'ble NCLT approved a Resolution Plan on 30.09.2025, recognizing ₹7,20,431/- as full and final settlement of admitted dues of KASEZ as operational creditor and directing consideration of renewal/extension of LoA and lease deed. However, the NCLT order has been challenged before the Hon'ble NCLAT, New Delhi and the appeal remains pending.

Further, the proposal for renewal of LoA was placed before BoA in its 135th Meeting held on 30.12.2025. The matter was deferred for want some more clarifications/comments from DC, KASEZ with regard to clearance of dues etc. The DC, KASEZ has calculated following dues against the unit:

S. No.	Penalty order dated	Amount (in ₹)
1	23.9.2013 Penalty	1710000.00
2	15.1.2019 Penalty	9633000.00
3	10.4.2019 Penalty	500000.00
4	Rental and user charge plus 12% interest on lease rent and user charge	70055.00 141352.00
Total amount claimed by DC KASEZ upto June 2021		**12054407.00**

However, Hon'ble High Court, Gujarat in its order has settled the dues as shown below:

Case number and order date	Actual demand (Rs)	Amount	Hon'ble High Court, Gujarat order
SCA 18493 of 2019 dated 22.1.2025	Penalty	17.11 Lakh	10,000/-
SCA 3641 of 2021 dated 25.2.2021	Recovery	96.33 Lakh	Not to take coercive steps
SCA4779 of 2021 dated 24.3.2021	Penalty	5.00 Lakh	Ordered DGFT to take decision/action within four weeks. The appeal is pending with DGFT

DC, KASEZ stated that Mr. Nitin Narang, IRP vide e-mail dated 5.3.2021 had conveyed commencement of moratorium period effective from 17.02.2021 under Section 14 of the Insolvency & Bankruptcy Code, 2016. The successful Resolution Applicant (SRA) has paid outstanding lease rent and user charges alongwith interest amounting to Rs. 16,24,634/- of the allottee premises of M/S Afcan Impex for the period upto 31.12.2025.

<u>Legal Opinion in the matter</u>

DC, KASEZ has also mentioned that legal opinion has been sought from Shri Pradip D. Bhate, Central Government Counsel and Litigation In-charge for the Central Government at the High Court of Gujarat, regarding the scope and merits of filing an appeal before the Hon'ble NCLAT, New Delhi, and the likelihood of its success. The opinion of standing counsel is as under:

a. *The Department, being an operational creditor, has no right - as a matter of right to vote upon the Resolution Plan or to demand a value higher than the admitted amount. There are no legally valid grounds* *for an appeal before the Hon'ble NCLAT, and the likelihood of success of any such appeal is negligible.*

b. *In any event, the appeal is barred by limitation. The provisions of appeal under the Code are strict; the outer period of forty-five days expired long before the date of reference, and the NCLAT has no power to condone the delay beyond that limit. An appeal now would be liable to dismissal as time-barred.*

c. *The penalties and dues not admitted/provided for under the approved Resolution Plan stand extinguished upon its approval under Section 31. Any such existing liability cannot be attached to the present management/Corporate Debtor.*

d. *The Department may consider and process the renewal/extension of the LoA in accordance with the applicable SEZ Act, 2005, the SEZ Rules, 2006 and the prevailing policy treating the financial dues as settled to the extent admitted under the approved plan and proceed further with the matter.*

e. *Filing of an appeal before the Hon'ble NCLAT is, accordingly, not advised, being devoid of legally valid grounds and barred by limitation.*

In view of the above, O/o DC, KASEZ recommended that the request of the unit for extension of their LoA may be considered in line with other existing used/worn clothing units.

Comments of DGEP

The DGEP commented /observed that the LOA was issued on 04.06.2003 and the LoA was extended from time to time and was last valid upto 31.12.2020. Since the LoA had already expired on 31.12.2020 it is not clear how the unit was operating and probably availing various duty/tax benefits of SEZ policy without a valid LoA since last more than 5.5 years. DGEP added that FTP prohibits establishment of any New Unit engaged in activities pertaining to reprocessing of garments/ used clothing/secondary textiles materials/clipping /rags/industrial wipers/shoddy wool/ yarn/ blankets/shawls and other recyclable textile materials. Continuation of units even after more than 10 years of prohibition appears to be in contradiction to the spirit of FTP. It should be verified that export proceeds have been realized by all such worn/used clothing units in the last 5 years. Before granting extension, compliance to applicable MoEF guidelines/rules, if any, may be verified.

Decision of the Board

The Board deliberated on the matter and took note of the observations of DGEP. The Board also took note of submissions made by the O/o DC, KASEZ, orders of the Hon'ble High Court, Gujarat and legal opinion by the Standing Counsel.

The Board **granted**, approval to the proposal of M/s Afcan subject to the outcome of all the pending Court cases and appeals. However, the Board observed that this proposal falls in the category of other proposals for renewal/extension of LoA of worn/used clothing units. Therefore, the Board re-iterated that it would be appropriate to make final decision on the instant case based on the report of Inter-Ministerial Committee being constituted for assessment and examination of proposals for renewal/extension of LoA of worn/used clothing units. Accordingly, the Board **added**, pending submission of report by the Committee, an **interim extension** of the LoA of M/s. Afcan be allowed upto 30.11.2026.

For the avoidance of doubt, the operative decision at this stage is the interim extension upto 30.11.2026; the approval recorded above shall take effect only upon the outcome of the pending appeal before the Hon'ble NCLAT and consideration of the report of the Inter-Ministerial Committee.

142.6(iv) Representation of SEEPZ Gems & Jewellery Manufacturers' Association (SGJMA) regarding permitting manufacture and export of studded gold jewellery of 3 carats and above from SEZs - reg.

DC, SEEPZ informed the Board that SEEPZ Gems & Jewellery Manufacturers' Association (SGJMA) has represented that DGFT Notification No. 43/2015-20 dated 05.11.2018 amended Para 4.32(1) of the Foreign Trade Policy, 2015-20 whereby export of gold jewellery below 8 carats was prohibited. Subsequently, vide Ministry's Instruction No. 91 dated 21.11.2018, the provision of the said notification was made applicable mutatis mutandis to SEZ units.

SGJMA has submitted that (i) sharp rise in international gold prices has made higher cartage jewellery unaffordable for overseas buyers, especially in US & Europe; (ii) international consumer preference is shifting to lower carat jewellery due to affordability, and restriction on manufacture/export below 8 carats is affecting demand and export performance of SEZ gems & jewellery units; (iii) competing countries like China are manufacturing & exporting low-carat jewellery, putting Indian exporters at a disadvantage.

Therefore, SEZ units may be permitted to manufacture & export studded gold jewellery of 3 carats and above to enhance competitiveness and sustain exports.

2

The Gems & Jewellery sector constitutes a major component of exports from SEEPZ-SEZ, accounting for nearly 90% of the total exports of the Zone, with exports of approximately Rs. 37,000 crore during FY 2025-26. The DC, SEEPZ added that the 5th proviso to Rule 26 of the SEZ Rules, 2006 provides that SEZ units may be permitted to export prohibited items where the raw material for such items is imported, subject to each such case being placed before the Board of Approval for approval. However, it is not clear whether all the raw material will be imported or indigenous and also the monitoring mechanism to ensure the same is not clear.

DGEP commented that the existing restriction applicable to SEZ units emanates from Department of Commerce Instruction No. 91 dated 28.11.2018. It is related to notification No. 43/2015-2020 dated 05.11.2018 issued by DGFT, hence the views of DGFT may also be sought before taking decision. Apart from this, views of the similar exporters located in the DTA sector may also be obtained in order to rule out any possibility of disturbing the level playing field. Accordingly, any modification/relaxation in the existing policy position governing manufacture and export of such studded gold jewellery by SEZ units would require consideration by the competent authority i.e. DGFT and wider stakeholder consultation.

The Board after due deliberation **decided** that the proposal be referred to DGFT for examination from policy perspective.

Agenda Item 142.7:
Appeal [1 case: 142.7(i)]

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

The Board was informed that M/s Dahej SEZ Limited (DSL) the Developer is a joint venture company/SPV of Gujarat Industrial Development Corporation (GIDC) and M/s ONGC Limited. The DSL has invested heavily in creating infrastructural facilities and commenced commercial operation on 4.8.2009. DC, DSL informed that the Developer has levied charges amounting to Rs. 96,61,829/- on one of its units M/s Arham Biochem Pvt. Ltd. and O/o DC, DSL vide letter 15.5.2026 has conveyed the decision of the 138 UAC held on 21.4.2026 for refunding Sub-lease deed charge Rs. 96,61,829.00 to the unit.

The Board provided opportunity to representatives of M/s DSL and DC, Dahej SEZ to make their submissions. The Board also directed M/s DSL to make written submissions.

Brief of the issues and submissions by appellant

Key Issues involved

Sl. No.	Issue	Brief Description
1	Jurisdiction of UAC	Whether UAC is competent to adjudicate disputes relating to charges levied by the Developer.
2	Jurisdiction of Development Committee	Whether disputes relating to user charges are required to be decided by the Development Committee under Gujarat SEZ law.
3	Nature of disputed charges	Whether plantation charges, transfer fee, compound wall charges and non-utilisation charges are "user charges" or contractual/commercial charges.
4	Authority of Developer	Whether the Developer possesses authority to levy such charges under lease agreements, Developer policies and Gujarat SEZ law.
5	Maintainability of complaint	Whether an erstwhile SEZ Unit which exited on 18.11.2025 could maintain complaints after exit.
6	Transfer fee	Whether transfer fee can be levied when there is change in constitution/business transfer/reorganisation.
7	Applicability of Instruction No.109	Whether Developer's transfer policy is inconsistent with SEZ Instruction No.109 dated 18.10.2021 which lays down a comprehensive checklist and approval process for units or developers undergoing Name Changes, Shareholding Changes, Structural Transformations: Court-approved corporate mergers, demergers, and business transfer arrangements, Constitutional Changes: Shifts in corporate entities (e.g., converting a partnership firm into a Private Limited Company) or Board Changes.
8	Commercial dispute	Whether the dispute is essentially contractual/commercial in nature between the Developer and Unit.

Grounds of Appeal of DSL

Ground	Appellant's contention
Jurisdiction	UAC has no jurisdiction to decide disputes relating to user charges, fees and levies.
Development Committee	Only Development Committee is empowered to determine and adjudicate disputes relating to user charges under Gujarat SEZ Act and Regulations.
Misinterpretation of Regulation 5(3)	Regulation 5(3) only permits resolution of disputes regarding infrastructure facilities and services—not charges or fees.
Violation of natural justice	Developer's submissions were allegedly not properly considered by UAC.

No authority under SEZ Act	Neither SEZ Act, 2005 nor SEZ Rules, 2006 empower UAC to waive or refund Developer's charges.
Contractual rights	Charges are part of allotment conditions, lease deed and approved Developer policies.
Uniform applicability	Charges are uniformly applicable to all units and are not discriminatory.
Complaint after exit	Arham Biochem had exited the SEZ before filing complaints and therefore lacked locus standi.
Transfer fee	Transfer fee is supported by lease deed, Developer policy and applicable State law.
Relief sought	Quashing of UAC decisions and remand of disputes to Development Committee.

As per Section 14(2) of Gujarat SEZ Act, 2004, user charges or fees may be approved by SEZ Development Committee, which is empowered to determine charges, fees, levies, rental etc for infrastructural facilities amenities and services provided by Developer, and not DC or UAC

<u>Submission by DC, DSL</u>

DC distinguishes user charges from penalties. According to the DC, the impugned amounts are not "user charges" under Section 14 of Gujarat SEZ Act, 2004 but contractual or penal levies, and therefore the UAC could examine them while exercising powers under Section 9 of Gujarat SEZ Act, 2004.

Section 14 of Gujarat SEZ Act, 2004 relates only to user charges. Plantation penalty, transfer fee, boundary wall charges and non-utilisation charges are not user charges but penalties/contractual charges.

Section 9(1)(v) of Gujarat SEZ Act, 2004 empowers UAC to resolve commercial disputes between Developer and Unit.

<u>Decision of the Board</u>

The Board, after hearing the appellant and the respondent, decided to **<u>defer</u>** consideration of the matter. The Board **<u>also directed</u>** the appellant to submit written submissions, along with supporting documents, if any, for consideration before taking a final decision in the matter.

Agenda Item No. 142.8:

Request for setting up of new SEZ [1 proposal –142.8(i)]

142.8(i) Proposal of M/s. NIDP Developers Private Limited Seeking Formal Approval for setting up a "Information Technology/ Information

Technology Enabled Services" (Data Centre) SEZ at Plot No. 7, Sector Knowledge Park -05, Greater Noida, Gautam Buddha Nagar District, Uttar Pradesh over an area of 1.65 Ha.

DC, NSEZ informed the Board that M/s. NIDP Developers Private Limited has sought Formal Approval for setting up a "Information Technology/ Information Technology Enabled Services" (Data Centre) SEZ at Plot No. 7, Sector Knowledge Park -05, Greater Noida, Gautam Buddha Nagar District, Uttar Pradesh over an area of 1.65 Ha.

It has proposed investment of Rs. 2448.6623 crore and approximately 90 direct and 76 indirect employment generation in a period of 5 years and approximate export of Rs. 1472.8962 Cr. over 5 yrs. It was informed that 1.65 Hectare (16,500 sq. mtr) is contiguous, comprising a single compact plot, free from encumbrance and without any public thoroughfare land is in possession for notification.

DC submitted that all the conditions required under rule 5 & 7 of SEZ Rules, 2006 and required instructions are fully met.

The Board, after deliberations and considering the view of DC, NSEZ, granted "Formal Approval" approval to the proposal of M/s. NIDP Developers Private Limited for setting up a "Information Technology/ Information Technology Enabled Services" (Data Centre) SEZ at Plot No. 7, Sector Knowledge Park -05, Greater Noida, Gautam Buddha Nagar District, Uttar Pradesh over an area of 1.65 Ha.

The Board added that the formal approval is subject to strict compliance with all applicable Instructions, FEMA/RBI guidelines, national security requirements, statutory/tax liabilities, and the provisions of Section 9(2)(c) of the Special Economic Zones Act, 2005. Such compliance shall be binding on the concerned entity and shall be duly monitored and enforced by the Development Commissioner (DC) in exercise of the powers conferred under Section 12(2)(d) of the SEZ Act, 2005.

The Board also directed that the minimum built-up area requirement under Rule 5 of the SEZ Rules, 2006 be certified by DC, NSEZ at the stage of notification, and that the authorised operations remain confined to those of a Data Centre together with the permitted default authorised operations.

In addition to above, the Board stated that the responsibility to ensure that all the extant provisions relating to setting up of new SEZ and condition stipulated in terms of SEZ Act, 2005, SEZ Rules, 2006 and other DoC's instruction issued from time to time are implemented in letter and spirit, lies with the concerned DC.

Annexures- I

List of Participants for the Meeting of the 142nd Board of Approval for SEZ held on 21st August, 2026 under the Chairmanship of Commerce Secretary, Department of Commerce.

1. Shri Rajesh Agrawal, Chairman & Commerce Secretary, Department of Commerce
2. Shri Lav Agarwal, DG, DGFT
3. Shri Nitin Kumar Yadav, Additional Secretary, Department of Commerce
4. Shri Vimal Anand, Joint Secretary, Department of Commerce
5. Shri Amit Kumar, Joint Secretary, Department of Commerce
6. Shri Gaurav Pundir, Director, Department of Commerce
7. Shri Ranjan Khanna, Pr. ADG, DGEP, CBIC
8. Shri Abhay Kumar, ADG, DGEP, CBIC
9. Smt. P. Hemalatha, Development Commissioner, CSEZ
10. Shri D.B. Patil, Development Commissioner, SEEPZ-SEZ
11. Shri D.B Singh, Development Commissioner, FSEZ
12. Shri Srinivas Muppaala, Development Commissioner, VSEZ
13. Shri Gopal Meena, Development Commissioner, NSEZ
14. Shri Anupam Kumar, Development Commissioner, Dahej SEZ/ Sterling SEZ
15. Shri Rakesh Kumar, Additional DGFT
16. Shri Chandra Kant Mishra, Additional DGFT
17. Shri Paras Mani Tripathi, Joint Development Commissioner, NSEZ
18. Ms. Rajtanil Solanki, Joint Development Commissioner, KASEZ
19. Shri Amardeep Satauria, ADC, Dahej SEZ
20. Shri Lal Das, SO, APSEZ, Mundra

List of participants connected with Video Conferencing: -

1. ITA-I, Division, CBDT
2. Shri Abhishek Sharma, Development Commissioner, Indore SEZ
3. Sh. Praveen Trivedi, ED, IFSCA
4. Meenakshi Agarwal, Software Industry Promotion Division, M/o Electronics and Information Technology, (MeitY)
5. Shri. C Arthur Worchuiyo, Joint Development Commissioner, MEPZ
6. Shri Amit Kumar Mishra, Assistant Legal Adviser, Department of Legal Affairs, Ministry of Law & Justice
7. Shri Sandeep Rout, TCPO, M/o UD
8. Shri Harshanand, DDC, Bengaluru Cluster, Cochin SEZ
9. Shri Harish, JDC, Bengaluru Cluster, Cochin SEZ
10. Shri Rajneesh Mittal, AGM, Department of Industries & Commerce, Haryana
11. Under Secretary, DPIIT
12. Sh. Santosh Kumar, Assistant Director, O/o DC, MSME