



भारतसरकार/Government of India

फलताविशेष आर्थिक क्षेत्र/FALTA SPECIAL ECONOMIC ZONE

वाणिज्यविभाग/Department of Commerce

वाणिज्यऔरउद्योगमंत्रालय/Ministry of Commerce & Industry

निज़ामपैलेस, दूसराएमएसओभवन, चौथीमंजिल/Nizam Palace, 2nd MSO Building, 4th Floor

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Falta SEZ



F.No.1(18)/2008/1015

Date: 08.10.2024



### SHOW CAUSE NOTICE

**WHEREAS**, M/s. M.B. Innotech (India) Ltd., having their registered office at 16A, Shakespeare Sarani, 5<sup>th</sup> Floor, Kolkata-700 071 (hereinafter referred as 'the unit') was issued a LOP/LOA by designated/authorized officer of the Government of India vide No. FEPZ/LIC/M-8/97/5728 dated 20.10.1997 for establishing one unit under 100% EOU/FEPZ/SEZ scheme of the Government of India for manufacture and export of Polystyrene Cups and Containers and Packaging Materials made out of Polystyrene. Subsequently, trading activity was included in the LOP vide office letter No.FSEZ/LIC/M-8/97/9624 dated 23.01.2003. The unit accepted the terms and conditions and agreed to fulfill the same and, thereafter, submitted a Legal Undertaking on 16.12.1997.

**WHEREAS**, a land ad-measuring 12,000 sqm. at Plot No.44, 45 and 46, Sector-II, Falta Special Economic Zone, was allotted to the unit on lease basis.

**WHEREAS**, the unit started commercial production on 15.10.1999 as per available record. Validity of the LOA of the unit bearing No. FEPZ/LIC/M-8/97/5728 dated 20.10.1997 expired on 14.10.2008. Thereafter no request for extension of validity was received by this office.

**WHEREAS**, as per available record it appears that the unit has no export-import activity since 2005-06.

**WHEREAS**, it was observed that till 14.10.2008 the unit was not able to re-start its activities and accordingly a Show Cause Notice was issued on 18.12.2008 mentioning that the LOP had expired and it was proposed that the land should be taken over by the SEZ authority so as to be re-allocated to other prospective unit. This matter was placed before the Unit Approval Committee on 25.11.2008 and the unit was requested to depute some representative in the meeting. But nobody appeared on behalf of the unit.

**WHEREAS**, the export performance of the unit during the period October 1999 to October 2004 indicated a shortfall of NFE as (-) Rs. 1837.75 lakhs.

**WHEREAS**, the unit was issued Order in Original vide FSEZ letter No. F.No. 1(18)/2008/4700 dated 07.01.2009 due to the unit's NFE was found to be grossly negative. Therefore, according to the Section 11 of FT(D&R) Act, 1992, a penalty of Rs.10 lakhs was imposed on the unit for non-achievement of NFE during the 5 year period from October 1999 to October 2004.

**WHEREAS**, the unit was issued three Order-in-Originals vide No. KOL/CUS/AIRPORT/ADMN/01/09, KOL/CUS/AIRPORT/ADMN/02/09 and KOL/CUS/AIRPORT/ADMN/03/09 all dated 30.01.2009 from the O/o Commissioner of Customs (Airport & Administration), Custom House, Kolkata with total confirmed demand of Rs. 25,02,82,439/-. As per available record the said demands are still pending.

**WHEREAS**, Rental Dues of Rs. 2,03,71,030/- (till 31.03.2024) is yet to be recovered from the unit.

**WHEREAS**, this office is in the process of filing an appeal before appropriate forum for admitting claims w.r.t. Penalty, Custom Dues and Rental Dues.

**WHEREAS**, the lease hold property mortgaged in favour of Bank of Baroda i.r.o. factory of M/s M.B. Innotech (India) Ltd. situated at Falta SEZ was classified as NPA by the bank. The Bank has issued Sale Certificate on 01.10.2024 to the successful bidder for sale of sheds and machinery (scrap) through auction under SARFAESI Act 2002 to recover the outstanding bank dues.

**WHEREAS**, Section 16 (1) of the Special Economic Zones Act, 2005 states that, *"The Approval Committee may, at any time, if it has any reason or cause to believe that the entrepreneur has persistently contravened any of the terms and conditions or its obligations subject to which the letter of approval was granted to the entrepreneur, cancel the letter of approval:*

*PROVIDED that no such letter of Approval shall be cancelled unless the entrepreneur has been afforded a reasonable opportunity of being heard."*

**THEREFORE**, the Unit is directed to show cause as to why the LOP/LOA should not be cancelled under Section 16 of the Special Economic Zones Act, 2005, for persistent contraventions of its obligations.

**WHEREAS**, the Unit may file their written reply within **Fourteen (14)** days from the date of issue of this notice and if they wish to be heard in person, they may do so within this period after prior appointment with the undersigned failing which appropriate action, as deemed fit, may be taken ex-parte on the basis of the records available at this Office.

**WHEREAS**, it may be noted that these are quasi-judicial proceedings and therefore, personal hearing will be allowed only to the Directors of the Unit. And if they are not in a position to appear for sufficient and valid reasons, they may depute their employee or any other functionary directly connected with their concern, who has intimate knowledge and full facts of the case. They may, if they so desire, also be represented by a practicing advocate. Such employee/functionary/practicing advocate should submit their forwarding letter and special power of attorney on stamp paper duly executed in his favour authorizing him to appear in these particular proceedings and statement/submissions/depositions made will be legally binding upon the firm/concern.

This action is without prejudice to any other actions that may be taken against the unit under any other Act/Law in force.



**(DeenBandhu Singh)**  
**Development Commissioner**

To

1 M/s. M.B. Innotech (India) Ltd,  
16A, Shakespeare Sarani, 5th Floor,  
Kolkata- 700 071

Copy to:

1. The Specified Officer, Falta SEZ, Falta, 24 Pgs (S)
2. The Secretary, FSEZA.