

No. K-43022/69/2023-SEZ  
Government of India  
Ministry of Commerce and Industry  
Department of Commerce  
(SEZ Section)

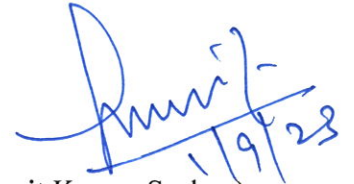
Vanijya Bhawan, New Delhi  
Dated the 1<sup>st</sup> September, 2023

**OFFICE MEMORANDUM**

**Subject:** 4<sup>th</sup> meeting (2023 Series) of the Board of Approval for Export Oriented Units and 116<sup>th</sup> Meeting of the Board of Approval (BoA) for Special Economic Zones (SEZs) – Reg.

The undersigned is directed to refer to this Department's O.M. of even no. dated 31.08.2023 on the subject cited above and to inform that the 4<sup>th</sup> meeting (2023 Series) of the Board of Approval for Export Oriented Units and 116<sup>th</sup> meeting of the BoA for SEZs under the Chairmanship of Commerce Secretary, Department of Commerce is **scheduled to be held on 05<sup>th</sup> September, 2023, 03.00 PM at Room No. 427, Vanijya Bhawan, New Delhi** in Hybrid Mode.

2. The Supplementary Agenda II for the 116<sup>th</sup> meeting of the BoA for SEZs is enclosed herewith.
3. The meeting link of the aforesaid meeting will be shared shortly.



(Sumit Kumar Sachan)  
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 Bhawan, Mehrauli Road, New Delhi. (Telefax: 26862512)
9. Joint Secretary, Department of Biotechnology, Ministry of Science and Technology, 7<sup>th</sup> 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, 8<sup>th</sup> 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, 4<sup>th</sup> 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, 9<sup>th</sup> 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 (4<sup>th</sup> 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, 2<sup>nd</sup> Floor, Pandri, Raipur, Chhattisgarh (Fax: 0771-2583651).

**Copy to:** PPS to CS / PPS to AS (LSS) / PPS to JS (VB) / PPS to Dir (SNS).

**Supplementary Agenda II for the 116<sup>th</sup> meeting of the Board of Approval for Special Economic Zones**

**116.12: Request for addition area of the SEZ (one proposal)**

**Relevant provision:** In the 40<sup>th</sup> meeting of the BoA held on 08.06.2010, the Board had directed that the proposals for increase in area upto 10% of the notified area of the SEZ need not be brought before the Board. Consequently, the proposals for increase in area upto 10% are being processed on file and the proposals beyond 10% are placed before the BoA for its approval and subsequently, processed on file for notification.

**116.12(i) Proposal of M/s. Serum Bio-Pharma Park, an SEZ for Bio-technology at Pune, Maharashtra for increase in area of 3.5968 Ha (beyond 10%) to their already notified area over 12.41360 Ha.**

M/s. Serum Bio-Pharma Park was granted formal approval on 09.06.2006 for setting up of an SEZ for Pharma & Bio-tech sector at Pune, Maharashtra. The SEZ was later notified over an area of 23.1793 Ha on 29.12.2005 and subsequently, de-notified a partial area of 10.7657 Ha on 11.09.2015. At present, the SEZ stands notified over an area of 12.4136 Ha.

The Developer has requested for increase in area of 3.5968 Ha to the existing notified area of 12.4136 Ha. As per DoC's O.M. dated 14.07.2016 documents required for additional area notification and the status thereof in the instant case is as below: -

| <b>S. No.</b> | <b>Documents/Details Required</b>   | <b>Status</b>        |
|---------------|---|----------------------|
| (i)           | Certificate from concerned State Government or its authorized agency stating that the developer has irrevocable rights to the said area as SEZ. | <b>Yes, provided</b> |
| (ii)          | Form-C4 along with DC's recommendation  | <b>Yes, provided</b> |
| (iii)         | Inspection Report in prescribed format  | <b>Yes, provided</b> |
| (iv)          | Developer's Certificate Countersigned by DC   | <b>Yes, provided</b> |
| (v)           | Legal Possession Certificate from Revenue Authorities   | <b>Yes, provided</b> |
| (vi)          | Non-Encumbrance Certificate from Revenue Authorities  | <b>Yes, provided</b> |
| (vii)         | Land details of the area (with clearly specified survey numbers) to be notified duly certified by revenue authorities                           | <b>Yes, provided</b> |

|        |   |                             |
|--------|---|-----------------------------|
| (viii) | Colored Map clearly indicating Survey numbers and duly certified by revenue authorities | Yes, provided               |
| (ix)   | Copy of Registered Lease/Sale deed  | Yes, Deed of Lease provided |

Further, in compliance of DoC's Instruction No.102 regarding physical inspection and contiguity condition, a physical inspection was conducted by Specified Officer along with Naib Tahsildar, Taluka Haveli, District Pune on 23.08.2023. It is verified that the proposed addition area of 3.5968 Ha is contiguous.

**Recommendation by DC SEEPZ SEZ:-**

As verified, the land is contiguous and proposal of addition of the land concerned merits acceptance.

**116.13: Miscellaneous (one case)**

**116.13(i) Proposal of M/s. Prompt International Limited, an SEZ unit at Plot no. 119, NSEZ admeasuring 1000 sq. Mtrs. for revival of sick unit in terms of Rule 72(1) of SEZ Rules, 2006.**

The proposal of M/s. Prompt International Limited for revival of sick unit was earlier considered in the 114<sup>th</sup> meeting of the BoA held on 15.04.2023. The Board noted that the unit was granted LoA on 26.12.1991 for manufacturing of readymade garments and the LoA was last extended upto 31.03.2005. The unit was declared sick as per the certificate dated 12.02.2008 issued by the Joint Director, Directorate of Industries, Government of Uttar Pradesh, Meerut. The unit did not get its LoA extended after 31.03.2005 and now, it is more than 18 years since LoA has lapsed.

The Board, after deliberations, referred the matter back to the DC, Noida SEZ with direction to seek the following details from the unit: -

- (i) Unit should pay their full outstanding lease rent to NSEZ in one go;
- (ii) Details regarding future business plan, order etc;
- (iii) Details regarding investment plan;
- (iv) Details regarding bank approved investment plan, if any.

Further, the Board directed DC, NSEZ that this issue may also be examined by DC that LoA of the unit has lapsed more than 18 years back i.e. before the present SEZ Act 2005 was enacted, how the same LoA will be made operational within the legal ambit of present SEZ Act and Rules. Once matter is examined in detail by DC and he feels that it is possible legally, backed by proper

data/plan/resolution, then only it shall be referred to BoA.

**Submissions of the Unit in reply to the points raised by the BoA :**

the Unit has submitted the following point-wise reply on the points raised by the BoA:

| <b>Details sought by BoA</b>   | <b>Reply of unit</b>  |
|--|---|
| (i) Unit should pay their full outstanding lease rent to NSEZ in one go; | <p>The Unit has stated that they undertake to pay the outstanding lease rent in full in a single shot at the renewal of lease deed and restoration of LOA. However, they still feel that some relief should be given in rent as the proposal to renew the LOA is pending for over several years.</p> <p>The Unit vide its email dated 07/06/2023 has further informed that they have deposited the entire lease rent dues of NSEZ amounting to Rs. 23,64,425/-.</p> <p>As per information received from EM Section, NSEZ, unit has deposited lease rent amounting to Rs. 6,00,000/- on 10/04/2023 &amp; Rs. 17,64,500/- on 30/05/2023. Further, <u>lease rent amounting to Rs.4,56,309/- (upto 30.09.2023) is currently outstanding against the unit.</u></p>   |
| (ii) Details regarding future business plan, order etc;                  | <p>Unit has stated that the company has its own building on an area of 1000 sq.mtr. with a built area of 16500 sq.ft. and they do not need any funds for the same. With regard to implementation of already approved item of the lapsed LOA, they have already some stocks with which they can start their production activity immediately and within six months of approval of the LOA. The unit had been closed at that time due to abolition of quota system of garment and non-availability of drawback etc. from the zone. However, now the market is open to everyone and units do not look for incentives, like Income Tax etc. for their production activity. Once the unit becomes operational, they will revive the export as they have relations with buyers in UK who were in business of sale of garments and contacts are still there.</p> <p><u>The Unit has further stated that they have confirmation from 'M/s. The Rice n Spice International Ltd. (A joint venture copy of JL</u></p> |

|  |  |  |
|--|--|--|
|  |  | <u>Moneris, London)' for supporting them with export orders.</u>   |
| (iii) Details regarding investment plan; |  | <p>The Unit has stated that <u>they already have the building to start the work and old machinery some of which will be refurbished and new machines will be added for which they do not require any outside financial assistance.</u> Fabric for starting the production is available for sufficient quantity to make the unit operational.</p> <p>The unit has also submitted details of equipment, raw material etc. required for first six months operations of unit as under:</p> <p><b>(A) Capital Goods:</b> Unit has stated that in addition to the old machineries that may be refurbished, they shall be adding following machines:</p> <p>(i) Sewing Machine (Juki) (84522900) - Worth Rs. 1.80 Lakhs.<br/> (ii) Pressing table (8451300) - worth Rs. 0.80 Lakhs<br/> (iii) Cloth cutting machine (84515000) - worth Rs. 0.30 lakhs.<br/> (iv) Hand Tools, Scissors, working tools - available onsite.</p> <p>Unit has further stated that some of the old equipments will be refurbished with oiling and some nut and bolts changes.</p> <p><b>(B) Raw material:</b></p> <p>(i) Denim Fabric (52114200) - 20000 mtrs available value Rs. 40 Lakhs.<br/> (ii) Cotton fabric (52094200) - as per requirement of order.<br/> (iii) Woven Fabric (62046200) - as per requirement of order.</p> <p><b>(C) Finished Goods:</b></p> <p>(i) Cotton garment (61142000)<br/> (ii) Denim Jeans (62046200)</p> <p>The Unit has stated that out of their existing denim fabric, they have assessed that they shall achieve a production of approx. Rs. 35-40 Lakhs with use of electricity, manpower and some accessories. The Unit has further provided following projections/ requirements:</p> |

**(a) Utilities:** (i) Electricity connection - 25 KW;  
(ii) Plumbing and bathroom rework

**(b) Civil work:** One working hall of 5500 sq.ft. is ready for use as production hall. As the production plan will increase, they will utilize the entire factory for production and basement for storage of raw material, accessories etc. First floor is ready to use without any new investment. Minor repairs in ground floor will be made out of internal accruals with an estimated expense of Rs. 50000/-.

**(c) Manpower:** they shall be employing around 20 workers (15 male + 5 female) and 3 staff including security.

**(d) Funds:** It has been stated that they can start work with only additional funds to the tune of Rs. 5 Lakhs and they do not need any financial assistance from bank. They do not plan any loan from any financial institution. They will work based on some advance payments from the buyer and internal accruals. They have already inducted funds from their family sources and paid full lease rent in compliance to the last BOA minutes.

**(e) Lease rent:** the unit has stated that they have cleared all the outstanding lease rent in compliance to the last BOA minutes.

The Unit has requested to allow them to put the unit into operation and issue the LOA so that they start the unit within a period of 6 months, as the electricity connection is granted. They have to apply for GST, SEZ online and all these will start with the issue of LOA.

|  |   |
|--|---|
| (iv) Details regarding approved investment plan, if any. | The Unit has stated that <b>they do not need any financial assistance from the bank</b> . The major investment in any production unit is first need of built up area that takes 2-3 years to build with funds. They already have a building of 16500 sq.ft. which is worth Rs. 3 Crores in today's cost of construction and is immediately available with them without any loss of time for starting the production activity. |
|--|---|



The Unit has further stated that they have inducted a few more funds in the company so as to facilitate the initial functioning of the unit to cater the initial orders and submitted copies of Fund Flow statement and statement of their bank account.

**Observations of DC, NSEZ:** As regards operational legality of the LoA of the Unit after lapsing it of 18 years back, DC, NSEZ has observed as follows: -

• **Relevant provisions under SEZ Act & Rules:** -

In terms of Section 44 of the SEZ Act, 2005 *“All the provisions of this Act (except sections 3 and 4) shall, as far as may be, apply to every existing Special Economic Zone.”*

Further, in terms of Section 2(l) & 2(zc) of SEZ Act, 2005, every unit, which has been set up on or before the commencement of this Act, shall be considered as Unit.

Furthermore, Rule 72(1) of SEZ Rules, 2006 prescribes the procedure for revival of Sick unit. However, no time limit has been prescribed for revival.

In the instant case, although no extension was granted to unit after 31.03.2005, the unit was in existence as no exit order was issued. The unit was declared sick in 2008.

- **It is also mentioned that earlier in a similar case, LoA of M/s. R. R. Vibrant Polymers Ltd. was revived by BoA in 2015 after 15 years.**
- The export order submitted by the unit was verified from the client i.e. JL Morenis, London. M/s. JL Moneris, London vide its email dated 28/08/2023 has verified the export orders and stated that they are interested in developing export of garments specially jeans and have found Prompt International is suitable to manufacture jeans and have past track record of exporting denim garments to UK. Initially they will start with small quantities which will grow along with their production and Orders will be placed once their production starts. They can also provide them financial support to start their initial production if required.
- The export orders submitted by the unit have also been forwarded to the High Commission of India, London for verification of authentication of the export order. Reply is currently awaited.

- The matter may be considered in view of the following:
  - i. The unit has shown its funding for installation of new machinery.
  - ii. The UK buyer has indicated they have placed an order. The High Commission of India, London may also provide their comments on the authenticity of the export order, prior to the meeting of the BOA.
  - iii. A site inspection has been carried out on the unit.
  - iv. A condition could be put that the unit would need to show exports over the next year during which no transfer would be permitted. An inspection can be carried out after 6 months.

**Rule position regarding revival of sick units: In terms of Rule 72(1) of the SEZ Rules, 2006:**

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

**Recommendation by DC, NSEZ:**

In view the above facts and precedence of case of M/s. R.R. Vibrant Polymers Ltd., DC, NSEZ has recommended the proposal of M/s. Prompt International Limited for revival of sick unit in terms of Rule 72(1) of SEZ Rules, 2006 for its consideration.

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