



Government of India
Ministry of Commerce & Industry
Department of Commerce
Office of the Development Commissioner
Indore Special Economic Zone
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F. No. D-3/ISEZ/2006-07/730

Dated: 12.09.2022

OFFICE MEMORANDUM

Sub: Forwarding of Minutes of the Fifth Meeting (2022-23 series) of the Approval Committee for Indore SEZ held on 30.08.2022 – Reg.

The undersigned is directed to forward the Minutes of the Fifth Meeting (2022-23 series) of the Approval Committee, Indore SEZ held on 30.08.2022, duly authenticated, for your kind perusal and further action to implement the decisions of the Approval Committee.

Encl: As above

(Ravi Chhangani)

Asstt. Development Commissioner
For Development Commissioner

To:

1. The Commissioner, Indore Division, Moti Bungalow, Indore (**Member representing Govt. of Madhya Pradesh**).
2. The Managing Director, MPIDC, Cedmap Bhawan, 16-A, Jail Road, Arera Hills Bhopal (**Member representing Govt. of Madhya Pradesh**).
3. The Commissioner, Customs, Office of the Commissioner of Customs, B-Zone, Business Space, 3rd Floor, 12/27 & 12/28 Village Pipliakumar, Nipania, Indore-452010 (M.P.) (**Member representing Deptt. of Revenue, Govt. of India**).
4. The Commissioner of Income Tax (CIT-I), Office of the Chief Commissioner of Income Tax, Aayakar Bhawan Annexe, Opp. White Church, Indore-1 (**Member representing Deptt. of Revenue, Govt. of India**).
5. The Addl. Director General of Foreign Trade, Nirman Sadan, Arera Hills, Hoshangabad Road, Bhopal (**Member**).
6. The Executive Director, MPIDC Regional Office, 1st Floor, Atulya IT Park, Near Crystal IT Park, Khandwa Road, Indore (**Special Invitee**).
7. The Dy. Secretary to the Govt. of India, Ministry of Commerce & Industry, Deptt. of Commerce, SEZ, Udyog Bhawan, New Delhi (**Member**).
8. The Dy. Secretary (IF-I), Ministry of Finance, Department of Financial Services, Jeevan Deep Building, Parliament Street, New Delhi (**Member**).
9. The Specified Officer, Indore SEZ (**Special Invitee**).

INDORE SPECIAL ECONOMIC ZONE

Minutes of the Approval Committee

Meeting No. 05 (2022- 23 series) held on 30.08.2022

The meeting of the Approval Committee constituted by the Govt. of India vide Notification dated 07.02.2007 was held at 3:30 p.m. on 30.08.2022 in the Office of the Development Commissioner, Indore SEZ, Indore. Shri Suvidh Shah, Development Commissioner, Indore SEZ, chaired the meeting. Shri Harkesh Meena, Asstt. Commissioner, Customs, Indore (representing the Commissioner, Customs, Indore), Shri Prashant Bokade, FTDO, Indore (representing the Addl. Director General of Foreign Trade, Bhopal) and Shri Anil Arora, Chief General Manager, MPIDC Ltd. (representing the Managing Director, MPIDC Ltd., Bhopal and Executive Director, MPIDC Ltd., Regional Office, Indore – Developer & Special Invitee) participated in the meeting. Shri Padmanabh Tiwari, Asstt. Commissioner, Income Tax, Indore (representing the Commissioner, Income Tax, Indore) participated through video conference.

2. Shri Santosh Kumar, Deputy Commissioner (Customs) and Specified Officer, Indore SEZ assisted the Committee in its deliberations. Shri Ravi Chhangani, ADC (Projects) presented the proposal before the Committee.

The following proposals were placed before the Approval Committee:

Main Agenda:

- A. Ratification of the Minutes of the Fourth Meeting of 2022-23 series.**
- B. Proposal received from/concerning existing unit(s):-**
 - 1. M/s Techtex (a unit of Commercial Syn Bags Limited), Commercial House, 3-4, Jaora Compound, MYH Road, Indore (M.P.) – 452 001.
- C. Any other proposal, if received.**

Proposal wise decisions taken are as under: -

A. Ratification of the Minutes of the Fourth Meeting – It was informed that no reference suggesting any amendment in the decisions of the Approval Committee Meeting held on 19.07.2022 was received and hence, the Minutes of the Fourth Meeting (2022-23 series) were ratified.

B. Proposal received from/concerning existing unit(s):-

M/s Techtex (a unit of Commercial Syn Bags Limited) - Acquisition of leasehold land, building and allied structures, plant and machinery of Geotech



Worldwide, a division of New Corp International Ltd.- Application for transfer of LoA in the name of M/s Techtex (a unit of Commercial Syn Bags Limited) – Deferred. The Committee deliberated in detail on the contents of the Agenda. The Committee was informed that M/s Geotech Worldwide (a division of New Corp International Ltd.) was granted Letter of Approval (LoA) No. C-57/ISEZ/Proj./2010-11/1861 dated 15.02.2011 for manufacturing Low Shrinkage Carpet Fabric, Geotextile, Ground cover, PP Woven Fabric (Ventilated) and PP Tape. The unit executed lease deed of plot Nos. A-12 & A-13 in SEZ Phase II, Pithampur with the Developer, MPIDC Ltd., Regional Office, Indore (erstwhile MPAKVN (Indore) Ltd.) on 27.04.2011 and as per records, the unit commenced production on the allotted plots on 02.04.2013. The LoA is presently valid up to 31.03.2023.

M/s Commercial Syn Bags Ltd. is holding LoA No. C-114/ISEZ/Proj./2016-17/1543 dated 02.12.2016 for manufacturing and export of Jumbo Bags (FIBCs), PP/HDPE Woven Sacks/Bags, PP/HDPE Woven Fabric & HDPE/PP Tarpauline and is operational on plot Nos. 16 to 18 in SEZ Phase I.

M/s Commercial Syn Bags Ltd. was represented by Sh. Anil Choudhary, Managing Director, Sh. Virendra Pamecha, Director and Sh. Abhishek Jain, CFO who informed the Committee that they have acquired the subject assets i.e. leasehold land, building and allied structures, plant and machinery of M/s Geotech Worldwide, a division of New Corp International Ltd., (in Liquidation) lying at plot Nos. A-12 & A-13 admeasuring 16,423 sq. mtrs. in SEZ Phase II, Pithampur, Distt. Dhar, M.P. under an e-auction from the Official Liquidator with the bid amount of Rs. 30,51,46,643/- on 30.06.2022. The representative informed that they have accepted the Letter of Intent dated 02.07.2022 for sale of assets issued by the Official Liquidator and has made the full payment of the sale consideration pursuant to which the Certificate of Sale and possession letter has been issued to them by the Official Liquidator. The representatives further informed that as per the Certificate of Sale dated 22.07.2022 and Hon'ble NCLT, Mumbai Bench Order dated 05.08.2021, M/s Geotech Worldwide, a division of New Corp International Ltd. has been sold as a going concern by the Official liquidator appointed by the Hon'ble NCLT, Mumbai Bench through the Order dated 05.08.2021 to them. Further, the Official Liquidator has handed over the possession of the said property to them vide Letter of Possession dated 22.07.2022 on "as is where is basis" and as per the Certificate of Sale, the said assets have been made without any encumbrances and liabilities on their part.

The Committee noted that the provisions of Rule 19(2) read with 74A of SEZ Rules, 2006 provides for change of entrepreneur of an approved unit, if the incoming entrepreneur undertakes to take over the assets and liabilities of the existing unit and that Instruction No. 109 dated 18.10.2021 provides inter-alia for reorganisation including change of name, change of shareholding pattern, business transfer arrangements, court approved mergers and demergers, change of constitution, change of Directors, etc. which may may be undertaken by the unit Approval Committee (UAC) concerned subject to the condition that the unit shall not opt out or exit out of the Special Economic Zone and continues to operate as a

going concern. All liabilities of the unit shall remain unchanged on such reorganization which shall be subject to the safeguards mentioned in instruction No. 109 of MOC&I.

In view of the afore-stated provisions, the instant case falls into the category of change of entrepreneur pursuant to the sale of assets and properties owned by M/s Neo Corp International Limited which as per the Sale Notice and Letter of Possession dated 22.07.2022 is a unit in the name of M/s GeoTech Worldwide (a division of NeoCorp International Limited) comprising of lease hold land, building & allied structures, plant & machinery lying at plot Nos. A-12 & A-13 admeasuring 16,423 sq. mtrs in SEZ Phase II, Pithampur, Dhar, M.P. sold as a going concern by the official liquidator appointed by the Hon'ble NCLT, Mumbai Bench through the Order dated 05.08.2021 to M/s Commercial Syn Bags Ltd.. Accordingly, the incoming entrepreneur i.e. M/s Commercial Syn Bags Ltd. will require to comply with the provisions of Rule 19(2) read with Rule 74A of SEZ Rules, 2006 and instruction No. 109 dated 18.10.2021 of MOC&I.

The representatives of M/s Commercial Synbags Ltd. stated that they have submitted an application in the name of M/s Techtex (a unit of M/s Commercial Syn Bags Ltd.) and that they have proposed to incur an investment of Rs. 51.00 crores for operationalising the acquired unit. The representatives informed that as regards the legal status of M/s Techtex, they have named the unit as 'Techtex' as it will be in the business of manufacturing of Technical textile and this unit would be like their other units and will work under M/s Commercial Syn Bags Limited. The representatives informed that the GST of this unit will be applied after the receipt of LoA and it will also carry Techtex as trade name and Commercial Syn Bags Limited as a legal name. The representatives submitted that they will not opt out or exit out of the SEZ and will continue to operate the acquired unit as a going concern.

The Committee was informed that the applicant unit, M/s Techtex (a unit of M/s Commercial Syn Bags Ltd.) was advised to submit an Undertaking to the effect that all the applicable duties and liabilities as well as export obligations of M/s GeoTech Worldwide (Transferor unit) shall stand transferred to M/s Techtex (a unit of Commercial Syn Bags Ltd.) (Transferee unit) who shall be under obligation to discharge the same on the same terms and conditions as the Transferor unit. The unit was also advised to submit an Undertaking regarding taking over the assets and liabilities of M/s GeoTech Worldwide. Further, an NOC from the Developer regarding transfer of the lease deed of land bearing plot Nos. A-12 & A-13 admeasuring 16,423 sq. mtrs. in SEZ Phase II, Pithampur in the name of M/s Techtex (a unit of M/s Commercial Syn Bags Limited) was also called.

The Specified Officer informed the Committee that a letter in the matter had already been issued by his office to the Official Liquidator. The applicable duties and liabilities as per Rule 74A would stand transferred to M/s Techtex (a unit of Commercial Syn Bags Ltd.). It was further informed that the capital goods, raw material (if any) whether imported or procured duty free are still lying in the factory



premises of the unit and as and when the same is cleared, the duty liability will be assessed at the time of clearance. A letter to this effect will also be submitted.

The representative of the Developer vide letter No. 4960 dated 30.08.2022 submitted during the meeting informed that transfer of lease hold rights in respect of plot Nos. A-12 & A-13, SEZ Phase II admeasuring 16423 sq. mtrs. in favour of the applicant unit would be done in terms of the provisions M.P. Land Management Rules, 2019, as amended, pursuant to payment of pending dues and compliance of the terms and conditions of M.P. Land Management Rules, 2019.

The representative of the income Tax department informed that there are huge demands outstanding against M/s Neo Corp International Ltd., which have duly been conveyed by the Income Tax Department to the Resolution Professional as appointed by the NCLT, Mumbai Bench, Mumbai. He further stated that while approving transactions/arrangements between M/s Geotech Worldwide (a division of M/s Neo Corp International Ltd.) and M/s Techtex (a unit of M/s Commercial Syn Bags Ltd.) it should be ensured that the interests of the Revenue are not effected adversely.

The Committee noted that as regards the requirement for submission of Undertaking(s) as per the applicable Rule provisions, the applicant has submitted inter-alia that they have acquired the said assets through e-auction under the IBC, 2016 which give the title of assets free from all the past liabilities and encumbrances and any liabilities of the previous owner are not payable by them. Further, all the liabilities of the previous owner by virtue of any act will be settled by the liquidator and they are absolved from it by virtue of IBC, 2016. Accordingly all the liabilities would be required to be intimated to the liquidator who will admit and settle it as per the provision of IBC, 2016.

The representatives stated that they are being asked submission of undertaking as per the provisions of SEZ Act and the Rules made thereunder. The representatives submitted that they have acquired the leasehold land, building and allied structures, plant and machinery of Geotech Worldwide (a division of Neo Corp International Ltd.) and further the provision of IBC, 2016 will prevail over all the other act and rules made thereunder and per se they are not supposed to give any undertaking for the liability of previous owner.

The representatives added that the dues pertaining to the lease hold land are being dealt with the Developer of Land i.e. MPIDC Ltd., RO-Indore, who have issued a demand note for the transfer and maintenance charges, security deposit, application fees and dues of the previous owner. It was informed that they have made the payment as per the demand note of the Developer, except the dues of the previous owner. The dues of previous owner have ben intimated by MPIDC Ltd., RO Indore to the Official Liquidator and they have admitted their claim in full. As regards, the Building and allied structures as well as plant & machinery being constructed / acquired without payment of duty, the liability may arise for Custom duty in respect of the acquired assets only under the SEZ Act and the rules made thereunder.

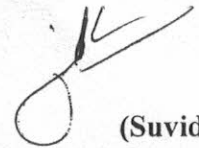


The representative submitted that they may be informed of any liability as mentioned above that may arise in future and that they reserve the absolute right to protest that liability in the court of law/Tribunal and seek the relief from the court/Tribunal/appellate authority(s).

The representatives further stated that they undertake to pay the liability only after extinguishing all our legal remedy that is available to them from the court of law/tribunal/appellate authority(s) and as per their final verdict and that except this, they are no way liable for any liabilities and obligation of previous owner.

The Committee noted that this is the first such proposal related to NCLT and transfer/modification in IEC which is being dealt. The Committee discussed the case in detail with Stake Holders. The Committee members representing the Developer, Income Tax department and Specified Officer were informed by the chair about their dues to the concerned NCLT unit. The Developer, MPIDC Ltd., RO, Indore submitted their reply in the meeting. The representative of the Income tax department and the Specified Officer sought some more time to submit their comments on the subject matter. The chair proposed that all the replies should be gathered and sent to the applicant for their reply and comments in the light of the decision of NCLT. Accordingly, after deliberations, the Committee decided to defer the proposal till receipt of reply and comments from M/s Techtex (a unit of M/s Commercial Syn Bags Limited).

C. Any other proposal, if received – Nil.



(Suvidh Shah)
Development Commissioner