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Ministry of Commerce & Industry
Department of Commerce
Office of the Development Commissioner
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F. No. D-3/ISEZ/2006-07/ 797

Dated: 29.09.2022

OFFICE MEMORANDUM

Sub: Forwarding of Minutes of the Sixth Meeting (2022-23 series) of the Approval Committee for Indore SEZ held on 28.09.2022 – Reg.

The undersigned is directed to forward the Minutes of the Sixth Meeting (2022-23 series) of the Approval Committee, Indore SEZ held on 28.09.2022, duly authenticated, for your kind perusal and further action to implement the decisions of the Approval Committee.

Encl: As above

(RaviChhangani)

**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, CedmapBhawan, 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, AayakarBhawanAnnexe, Opp. White Church, Indore-1 (**Member representing Deptt. of Revenue, Govt. of India**).
5. The Joint Director General of Foreign Trade, NirmanSadan, 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, UdyogBhawan, 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. 06 (2022- 23 series) held on 28.09.2022

The meeting of the Approval Committee constituted by the Govt. of India vide Notification dated 07.02.2007 was held via video conferencing at 4:00 p.m. on 28.09.2020 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 Akash Agarwal, Asstt. Commissioner, Income Tax, Indore (representing the Commissioner, Income Tax, Indore), Shri G.K. Mishra, Dy. DGFT, Indore (representing the Joint 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.

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 Fifth Meeting of 2022-23 series.

B. Proposal received from new unit(s):-

M/s Nanofil Technologies Pvt. Ltd., DTJ 326, 3rd Floor, Tower B, DDA District Centre, Jasola, South Delhi, New Delhi – 110 025.

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

1. M/s Tectex (a unit of Commercial Syn Bags Limited), Commercial House, 3-4, Jaora Compound, MYH Road, Indore (M.P.) – 452 001.
2. M/s Balaji Steroids and Hormones Pvt. Ltd., Plot No. F-24, Indore SEZ, Phase I, Sector – 3, Pithampur, Distt. Dhar – 454 774 (M.P.).

D. Any other proposal, if received.

Proposal wise decisions taken are as under: -

A. Ratification of the Minutes of the Fifth Meeting – It was informed that no reference suggesting any amendment in the decisions of the Approval Committee Meeting held on 30.08.2022 was received and hence, the Minutes of the Fifth Meeting (2022-23 series) were ratified.

B. Proposal received from new unit(s):-

M/s Nanofil Technologies Pvt. Ltd. - Deferred. The Committee deliberated in detail on the contents of the Agenda. The Committee noted that the Company has submitted a proposal for setting up of a unit for manufacturing of PP Woven Fabric, Flexible Intermediate Bulk Container (FIBCs) and PP Woven Sacks with a proposed investment in plant & machinery of Rs. 1.00 crores, in raw materials as Rs. 20.00 lacs and consumables/store and miscellaneous expenses of Rs. 5.00 lacs. The Committee was informed that the Company did not provide the details regarding Total Project Cost proposed to be incurred under other heads viz. Land, Building, others along with recurring expenditure etc. and the means of finance regarding the same in its original project proposal. The Committee noted that the Company proposes to procure raw materials viz. LDPE granules, PP granules, LLDPE and HD granules from Reliance, IOCL, GAIL, Haldia, Sigma Chemtrade, SafeFlex International and Zetwek and the semi-finished goods viz. Tape, PP thread, Fabric, Belt Liner etc. will be procured through jobwork. The Specified Officer stated that with a proposed investment of only Rs. 1.25 crores and in a space as requested by the unit for allotment, the viability of the project is not justified.

The Company was represented by Sh. Ravi Patni who informed the Committee regarding the manufacturing activities, stating that they would be procuring fabric from various suppliers and would manufacture FIBCs by stitching the same and the other materials viz. thread, belt, liner etc. will be procured through jobwork. The representative informed that they have submitted the Total Project Cost details a day prior to the meeting wherein they have proposed to take land & building admeasuring 1675 sq. mtrs. through sub-lease from M/s Sigma Chemtrade Pvt. Ltd., plot No. C-17A, SEZ Phase – I, Pithampur. As regards, the means of finance they have proposed to finance the project through promoter's capital of Rs. 1.00 crores and through bank finance of Rs. 25.00 lacs. The representative informed that they are in receipt of a letter from the Developer regarding sub-leasing of the said land & building of M/s Sigma Chemtrade Pvt. Ltd.

The Committee was informed that MPIDC Ltd., Regional Office, Indore, Developer has confirmed to allot space to the unit in SEZ Phase II and no information regarding sub-leasing of the premises of M/s Sigma Chemtrade Pvt. Ltd., SEZ Phase – I has been intimated to DC office by the Developer. As regards, the matter concerning sub-lease of a portion of land allotted to another unit in the SEZ, Rule 11(7) of SEZ Rules, 2006 stipulates that any transfer by way of sub-lease or any other mode by the Developer shall be valid only if the same is made to a person holding a valid Letter of Approval issued by the Development Commissioner. That is, the transfer even by

way of sub-lease is to be done by the Developer and not by any unit situated in the SEZ.

The representatives of the Developer present in the meeting informed that taking into account the requirements of the unit, the provisions of sub-leasing including its conditions thereof as per the extant rules along with the provisions pertaining to MOS etc. as per the applicable Land Rules will have to be looked into in the subject matter. The representative informed that the unit had submitted a request with them for sub-leasing of the premises of M/s Sigma Chemtrade Private Ltd. and accordingly the unit was informed that after issuance of Letter of Approval by the DC office their office would proceed further on the unit's request.

In view of the afore-said submissions, after deliberations, the Committee decided to defer the proposal of the unit and advised the Developer to examine the request of the unit for sub-leasing the premises of M/s Sigma Chemtrade Private Ltd. as per the applicable rule provisions governing sub-lease of land, building etc. in line with the provisions contained in Rule 11(7) of SEZ Rules, 2006 and intimate the same to the DC office as to whether sub-leasing is allowed or not, pursuant to which the proposal may be placed before the Committee for further consideration.

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

- 1. 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 Neo 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 the proposal of the applicant unit was deferred in the meeting held on 30.08.2022 and the unit was advised to provide its reply/comments on the issues raised by the MPIDC Ltd., Regional Office, Indore, Developer of the SEZ, Specified Officer, Indore SEZ Pithampur and Income Tax Department. The Committee was further informed that the comments received from the applicant unit were forwarded to all the member departments for their further reply/comments. The Committee noted that the Income Tax department has informed that there is a huge demand outstanding against M/s Neo Corp International Ltd. which has duly been conveyed to the Resolution Professional as appointed by NCLT, Mumbai and the proposal under reference should be considered in such a way that the interests of revenue of the department are not affected adversely. The representative of the Income-Tax Department present in the meeting informed that an amount of Rs. 139.00 crores is outstanding against M/s Neo Corp International Ltd. which is pending for recovery and therefore did not convey NOC of the department for transfer of LoA.

The Committee further noted that the Office of the Commissioner of Customs has informed that M/s Neo Corp International Ltd. is the parent company of M/s Geotech Worldwide, which was formerly known as M/s Neo Sack Ltd., and that as per available records there are few cases against M/s Neo Corp International Limited /

M/s Neo Sack Ltd. pending under litigation due to which Government dues are pending for realization. The department informed that a claim of Rs. 50,40,69,251/- has already been lodged before the Official Liquidator, Sh. Shantanu T Ray, Resolution Professional for M/s Neo Corp International and all the dues are pending for recovery with the said Liquidator and therefore proper action be initiated to safeguard the government exchequer before initiation/commencement of such acquisition process and accordingly did not convey NOC of the department for transfer of LoA.

The representative of the Developer informed the Committee that a legal opinion has been sought in the matter pertaining to dues of the Developer which would further be forwarded to their higher authorities for further directions in the matter.

The Committee noted that the Specified Officer has already informed that the capital goods, raw material (if any), whether imported or 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 its clearance. The Specified officer stated that he unit in its reply/comments has also admitted that they will pay the applicable duty at the time of clearance of the above goods.

The Committee noted the comments forwarded by DGFT stating inter-alia that as per the database of DGFT system, IEC No. 1193002711 had been issued in the name of M/s Neo Corp International Ltd. and the present status of the IEC in the system is shown as deactivated. Under this IEC holder two branches viz. M/s Geotech Worldwide, Plot No. A-12 & A-13, Indore SEZ Phase II, Pithampur, Dist. Dhar and M/s Techtexile, Plot No. 64-A, Sector-1, Industrial Area Pithampur, Distt. Dhar are appearing and that it is verified in the system under the subject IEC that all the EPCG and Advance Authorisation has been obtained in the name of M/s Neo Corp International Limited who is under NCLT proceedings and no EPCG/Advance Authorisation has been obtained by Geotech Worldwide and Techtexile from the from this office and DGFT has No objection in transferring of LoA issued to M/s Geotech Worldwide in the name of M/s Tectex (a unit of Commercial Syn Bags Ltd.) as per NCLT decision.

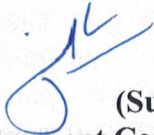
The applicant unit was represented by Sh. Anil Choudhary, Managing Director who informed the Committee that they have already submitted their comments on the points raised by the Developer, Income Tax Department and Specified Officer. It was stated that all the liabilities of the previous owner by virtue of any Act will be settled by the Official Liquidator and they are absolved from it by virtue of IBC, 2016. The representative stated that they have also submitted a copy of judgement dated 06.09.2022 passed by the Hon'ble National Company Law Appellate Tribunal, Principal Bench, New Delhi in a similar kind of matter wherein the NCLAT at para 16 of the judgement has inter-alia stated that the auction purchaser cannot be made liable for any dues arising on the property before the purchase of the said property. The representative therefore requested the Committee that since they have taken the assets of M/s Geotech Worldwide situated in SEZ Phase II as per the auction process

and as per NCLT Order, the subject LoA may be transferred in the name of M/s Techtex (a unit of Commercial Syn Bags Limited) in order to enable them to start operations of the acquired unit.

In view of the above submissions, the representative of the Commissioner, Customs, Indore stated that a legal opinion in the matter concerning their department will be taken at their end and will be intimated to the Committee. The representative of the Income Tax department informed that the matter would be discussed with the higher authorities and the same would accordingly be informed to DC office. The Chair proposed that the replies of the Developer, Customs and Income Tax department may be sent in a period of 7 days so that the matter may be taken up in the Approval Committee meeting for further consideration. Accordingly, after deliberations, the Committee decided to defer the proposal till receipt of reply from the afore-said member departments.

2. **M/s Balaji Steroids and Hormones Pvt. Ltd. - Request for broad-banding of LoA by way of addition of new items of manufacture under LoA dated 06.02.2017 under the provisions of Rule 19(2) - Approved** - The Committee deliberated in detail on the contents of the Agenda. The unit was represented by Ms. Jasmina Aildasani, Director who explained the proposal to the Committee. The representative informed that they are having ready orders of Etoposide from China for which they have signed a contract for regular exports and that talks are on for exporting other products as well. The representative stated that they have already submitted the requisite undertaking(s) regarding SCOMET items etc. and are also having FDA license for the applied products. Accordingly, after deliberations, the Committee approved the request of the unit for inclusion of six new additional items of manufacture in the LoA namely, Budesonide (ITCHS Code 29372900) having annual production capacity as 100 kg; Etoposide (ITCHS Code 29389090) having annual production capacity as 150 kg; Fluorouracil (ITCHS Code 29335400) having annual production capacity as 50 kg; Fluticasone Propionate (ITCHS Code 29372200) having annual production capacity as 50 kg; Methylcobalamin (ITCHS Code 29362690) having annual production capacity as 100 kg and Paclitaxel (ITCHS Code 29397900) having annual production capacity as 50 kg in terms of the provisions of Rule 19(2) of SEZ Rules, 2006.

D. Any other proposal, if received – Nil.


(Suvindh Shah)
Development Commissioner