

भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग

विकास आयुक्त का कार्यालय

नौएडा विशेष आर्थिक क्षेत्र

नौएडा दादरी रोड, फेस-II, नौएडा.201305, जिला - गौतमबुद्ध नगर

Government of India, Min. of Commerce & Industry, Deptt. of Commerce,

Office of the Development Commissioner

NOIDA SPECIAL ECONOMIC ZONE

Noida Dadri Road, Phase-II, NOIDA-201305, Distt. Gautam Budh Nagar (UP)

फा. सं. 12/01/2019-प्रोज/

दिनांक: 07/05/2019

सेवा में,

1. मुख्य कार्यपालक अधिकारी, न्यू ओखला औद्योगिक विकास प्राधिकरण, मुख्य प्रशासनिक भवन, सेक्टर - 6, नौएडा।
2. अतिरिक्त महानिदेशक विदेश व्यापार, वाणिज्य एवं उद्योग मंत्रालय, 'ए' विंग, इंद्रप्रस्थ भवन, आई पी एस्टेट, नई दिल्ली।
3. आयुक्त, आयकर, ए 2 डी, आयकर भवन, सेक्टर 24, नौएडा।
4. आयुक्त, सीमा शुल्क, नौएडा सीमा शुल्क आयुक्तालय, इनलैंड कंटेनर डिपो, तिलपता, दादरी, गौतम बुद्ध नगर, उत्तर प्रदेश - २०१३०६.
5. उप सचिव, वाणिज्य विभाग, वाणिज्य एवं उद्योग मंत्रालय, भारत सरकार, उद्योग भवन, नई दिल्ली - 110001।
6. उप सचिव (आई एफ-1), बैंकिंग प्रभाग, आर्थिक मामलों का विभाग, वित्त मंत्रालय, भारत सरकार, तृतीय तल, जीवन दीप बिल्डिंग संसद मार्ग, नई दिल्ली।
7. महाप्रबंधक, जिला उद्योग केंद्र, कलेक्ट्रेट के पास, सूरजपुर, ग्रेटर नौएडा।

**विषय: दिनांक 01/05/2019 को पूर्वाह्न 11:30 बजे आयोजित नौएडा विशेष आर्थिक क्षेत्र की यूनिट अनुमोदन समिति की बैठक का कार्यवृत्त - एतद संबंधी।**

महोदय,

मुझे उपरोक्त विषय का सन्दर्भ लेने और डॉ. एल बी सिंघल, विकास आयुक्त, नौएडा विशेष आर्थिक क्षेत्र की अध्यक्षता में दिनांक 01/05/2019 को पूर्वाह्न 11:30 बजे सम्मेलन हॉल, प्रशासनिक भवन, नौएडा विशेष आर्थिक क्षेत्र, नौएडा में आयोजित नौएडा विशेष आर्थिक क्षेत्र की यूनिट अनुमोदन समिति की बैठक का कार्यवृत्त अग्रेषित करने का निर्देश हुआ है।

संलग्नक: उपरोक्त

भवदीय,




(नितिन गुप्ता)

उप विकास आयुक्त

प्रतिलिपि:

1. विशेष कार्याधिकारी - विकास आयुक्त के सूचनार्थ।
2. वैयक्तिक सहायक - संयुक्त विकास आयुक्त के सूचनार्थ।
3. निर्दिष्ट अधिकारी, नौएडा विशेष आर्थिक क्षेत्र - सूचनार्थ एवं आवश्यक कार्यवाही के लिए।
4. सचिव, नौएडा विशेष आर्थिक क्षेत्र प्राधिकरण- सूचनार्थ एवं आवश्यक कार्यवाही के लिए।
5. सहायक विकास आयुक्त (एडमिन) - सूचनार्थ एवं कार्यवृत्त के हिंदी अनुवाद के लिए।

  
उप विकास आयुक्त

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**Minutes of meeting of the Approval Committee of Noida SEZ held under the Chairmanship of Dr. L.B. Singhal, Development Commissioner (DC), Noida SEZ at 11:30 AM on 01/05/2019 in the Conference Hall of NSEZ.**

The following members of the Approval Committee were present during the meeting:-

- 1) Shri S.S. Shukla, Jt. Development Commissioner, NSEZ.
- 2) Shri Rajesh Sharma, Asstt. Commissioner, Customs, Noida Commissionerate.
- 3) Shri Rucheer, Income Tax Officer, Income Tax Deptt., Noida.
- 4) Shri Mukesh Goyal, Manager, (Rep. of Noida Authority).

2. Besides, during the meeting S/Shri (i) Md. Salik Parwaiz, Specified Officer, NSEZ, (ii) Nitin Gupta, Dy. Development Commissioner, NSEZ, (iii) Mohan Veer Ruhella, Asstt. Development Commissioner, NSEZ, (iv) Rajendra Mohan Kashyap, PA to JDC, NSEZ and (v) Javir Ali, Steno, NSEZ, were also present to assist the Approval Committee.

3. At the outset, DC, NSEZ welcomed the participants. After brief introduction, each items included in the agenda were taken up for deliberation one by one. After detailed deliberations as well as interaction with the applicants / representatives of the units, the following decisions were taken:-

**(i) Ratification of Minutes of last meeting of the Approval Committee held on 03/04/2019.**

It was informed that no reference against the decisions of the Approval Committee held on 03/04/2019 was received and, therefore, Minutes of the meeting held on 03/04/2019 were ratified.



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**Item wise decisions on proposals included in agenda:**

1. हेटवी ट्रेडिंग एल.एल.पी - नौएडा विशेष आर्थिक क्षेत्र में नयी इकाई की आवेदन की वापसी हेतु प्रस्ताव |

It was informed to the Approval Committee that M/s. Hevti Trading LLP vide its letter dated 10.12.2018 & subsequent letter dated 15.01.2019 had submitted proposal for setting up of unit in NSEZ for following authorized operations:-

- a) Manufacturing of Gold & Silver Studed Jewellery (ITC HS- 71131930)
- b) Manufacturing of Export of Polished Diamonds (ITC HS- 71023910).

1.2 It was further informed that the said proposal was considered by the Approval Committee in its meeting held on 07/01/2019 & subsequent meeting held on 13/03/2019. During the meeting of the Approval Committee held on 13/03/2019, Shri Sanjay Tolani requested the Approval Committee to grant some time to rethink on their application and requested for deferment of the proposal.

1.3 Accordingly, the Approval Committee agreed with the request of Shri Tolani and deferred the proposal with direction that on receipt of required documents from the applicant, proper examination of the proposal would be done and thereafter complete facts should be placed before the Approval Committee. The decision of the Approval Committee was communicated to the applicant with request to submit requisite documents.

1.4 The Approval Committee was informed that now a letter dated 15/04/2019 has been received from Shri Sukhbir Singh, Authorised Signatory of M/s. Hetvi Trading LLP. Shri Sukhbir Singh has informed that they have been advised by Hetvi Trading LLP to request this office to withdraw the present application with reference to File No, 07/02/2018-Project. Shri



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Sukhbir Singh has requested to treat the application of M/s. Hetvi Trading LLP for issue of LOA for gold and studded jewellery as withdrawn.

1.5 Shri Sukhbir Singh, authorized representative of the firm appeared before the Approval Committee. He informed that he has consent of all the partners to withdraw the application and accordingly he has submitted the application for withdrawal of their proposal.

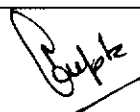
1.6 The Approval Committee, after due deliberations, took note of the request of M/s. Hetvi Trading LLP for withdrawal of their proposal for setting up a unit in NSEZ.

2. कनक शैल्फी इंडस्ट्रीज प्राइवेट लिमिटेड - नौएडा विशेष आर्थिक क्षेत्र में नयी इकाई लगाने हेतु प्रस्ताव |

It was informed to the Approval Committee that the M/s. Kanak Shallfy Industries Pvt. Ltd. has proposed to set up a unit in NSEZ for "Manufacturing & Export of Sweet betel Nut (08028090), Mouth Freshner(21069020), Pan Masala(21069020), Pan Chutney(21069030), Tobacco (Sheesha)(24031110), Tobacco(Chewing)(24039910), Flavours and extracts(24039960), Tobacco Extract(24039960), Gutka(24039990)" with projected exports of Rs. 28100.00 Lakhs and NFE earnings worth Rs. 28010.95 Lakhs over a period of five years.

2.2 Shri Pankaj Bhasin, director, Shri Yogesh Sood, Sr. Manager & Shri Anurag appeared before the Approval Committee to explain the project. Shri Sood informed that one of the directors, Shri Ashok Kumar has experience of 20 years in textile and garments industry. He is also director in M/s. MLG Exports (P) Ltd. (engaged in garments & textile products and having turnover of Rs.60 Crores in current year) and M/s. JJ Dyeing (P) Ltd. (registered with tobacco board having turnover of Rs. 50Crores in current year).

2.3 Shri Bhasin informed that he has working experience of approx. 18 years in business development, planning, co-ordination and marketing with different companies. He further informed that both he and Shri Ashok Kumar



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have joined M/s. Kanak Shallfy Industries Pvt. Ltd. on 16/02/2019. He also informed that Shri Ashok Kumar has been in the business of trading of Tobacco from M/s. JJ Dyeing Pvt. Ltd. which is supplying to KASEZ and had turnover of Rs. 50 Crores during 2018-19.

2.4 It was informed that verification/site inspection of M/s. Kanak Shallfy Industries Pvt. Ltd. alongwith M/s. MLG Exports (P) Ltd. & M/s. JJ Dyeing (P) Ltd. has been got done. Extract of the report given by Inspecting Officer is as under:

*“As directed, we the undersigned i.e. Shri M.V. Ruhella, Asstt. Development Commissioner and Shri Vinay Kumar Bhardwaj, Preventive Officer (Customs) visited the following premises as declared by M/s. Kanak Shallfy Industries Pvt. Ltd. on 25/04/2019 and 30/04/2019.*

**1. Office No. 69, NH-4 Market, Faridabad, Haryana (Regd. Office):- After visiting this premises, we found that there was a Chemist Shop on this address named as “Faridabad Chemist”. Shri Sourabh Singh, employee was present there and he told that the owner of the Chemist Shop is Shri Jitendra Madan.**

**2. M/s. MLG Export Pvt. Ltd., F-47A, 1<sup>st</sup> Floor, Eldeco Station-1 Mall, Sector-12, Faridabad, Haryana-121007:- It is to mention here that F-47A, as declared by the applicant does not exist in the Eldeco Station-1 Mall, Sector-12, Faridabad. Further, premises F-47 was found to be of M/s. GNT Textiles.**

**3. M/s. JJ Dyeing Pvt. Ltd., 54, Block-B, Sector-11, Faridabad:- It was found that the said premises is a residential address of Shri S. Surjeet Singh Gill/S. Joga Singh Gill.”**

*(Signature)*

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2.5 Shri Sood informed that Shri Ashok Kumar has informed him at night of 30/04/2019 after the officers of this office visited the premise that the address of M/s. MLG Export has been changed from Eldeco Station-1 Mall to some another place. However, he couldn't specify exact location of the new address. The Approval Committee observed that in the first place there was no address with detail F-47A, 1<sup>st</sup> Floor, Eldeco Station-1 Mall, Sector-12, Faridabad. Therefore, there was no question of change of location from F-47A, 1<sup>st</sup> Floor, Eldeco Station-1 Mall, Sector-12, Faridabad to some other place.

2.6 Shri Bhasin informed that recently they have procured an office premise in Sector-50, Noida and now they are sitting there only. He further informed that as per his knowledge M/s. JJ Dyeing Pvt. Ltd. has been doing business from a warehouse in Faridabad. However, he does not have entire information as he is not related to M/s. MLG Export and M/s. JJ Dyeing Pvt. Ltd.

2.7 It was informed that applicant has mentioned turnover of M/s. MLG Export Pvt. Ltd. and M/s. JJ Dyeing Pvt. Ltd. as Rs. 60 Crores and Rs. 50 Crores respectively. However, as per the balance sheet given for both the companies, it has been observed that M/s. MLG Export Pvt. Ltd. has not done any export during 2017-18 whereas total revenue of M/s. JJ Dyeing Pvt. Ltd. during 2017-18 was Rs. 28,44,052/- only. Further, no documentary proof in support of turnover of Rs. 60 Crores and Rs. 50 Crores have been given for both the companies. **Further, as per documents given by the applicant, the gross profit of M/s. Kanak Shallfy Industries Pvt. Ltd. is mere Rs. 9954/- against total turnover of Rs. 22,53,10,089/-.**

2.8 The Approval Committee observed that applicant has proposed to manufacture Sweet betel Nut (08028090), Mouth Freshner(21069020), Pan Masala(21069020), Pan Chutney(21069030), Tobacco (Sheesha)(24031110), Tobacco(Chewing)(24039910), Flavours and extracts(24039960), Tobacco Extract(24039960), Gutka(24039990). It was informed that the Govt. of Uttar Pradesh vide Notification No. 6288/FSDA/FOOD/2012 dated 04/10/2012 has in pursuance of Regulation 2.3.4 of the Food Safety and Standards



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(Prohibition and Restrictions on Sales) Regulation 2011, prohibited, w.e.f. 1st April 2013, in the state of Uttar Pradesh, the manufacture, storage, sale or distribution of Gutkha and Pan Masala containing tobacco or nicotine as ingredients, by whatsoever name it is available in the market.

2.9 The Approval Committee, after due deliberations, rejected the proposal of M/s. Kanak Shallfy Industries Pvt. Ltd. for setting up a unit in NSEZ in terms of section 15(3) of SEZ Act, 2005 & Rule 18 of SEZ Rules, 2006 in view of mis-declaration, mis-statement, mis-representation and suppression of facts presented in a manner to mislead the Approval Committee as the same do not match with the ground reality about their existence, experience, financial strength and turnover specifically as evident from the verification report of NSEZ Team as given in Para 2.4 and Para 2.5 above. Inspection report categorically corroborates that deliberately wrong information has been provided to this office for taking approval of this unit.

3. **इम्पैक्टक्यूए सर्विसेज प्राइवेट लिमिटेड - नौएडा विशेष आर्थिक क्षेत्र में नयी इकाई लगाने हेतु प्रस्ताव |**

It was informed to the Approval Committee that the M/s. ImpactQA Services Pvt. Ltd. has proposed to set up a unit in NSEZ to undertake service activities viz "Software Testing Services" with projected exports of Rs. 2722.71 Lakhs and NFE earnings worth Rs. 2692.78 Lakhs over a period of five years.

3.2 Shri Jyoti Prasad Bhatt, director of the company, appeared before the Approval Committee to explain the project. Shri Bhatt informed that ImpactQA is a full services Software Testing Firm. In order to cater their multiple clients/agencies and to speed up the time to market, they have proposed to set up a new unit in NSEZ. The company is already running a DTA unit at "D-49, 2<sup>nd</sup> Floor, Sector-63, Noida".

3.3 Shri Bhatt further informed that their clients include companies viz Schneider electric, Deloitte, KFC, Panasonic, Realplayer, Quartz etc. He also



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stated that that main destination of export of proposed services will be "United States of America" (USA).

3.4 The Approval Committee observed that the applicant has shown requirement of built up area of 700 sq. mtrs. The Approval Committee informed the applicant that there are SDFs of about 500 sq. mtrs. available in NSEZ and they may be allotted one or two SDFs as per their requirement. Shri Bhatt stated that they will apply for SDFs as per their requirement.

3.5 The Approval Committee, after due deliberations, approved the proposal of M/s. ImpactQA Services Pvt. Ltd. for setting up a unit in NSEZ to undertake service activities viz Software Testing Services.

4. **डॉलफिन अपारेल्स - नौएडा विशेष आर्थिक क्षेत्र में नयी इकाई लगाने हेतु प्रस्ताव।**

It was informed to the Approval Committee that the M/s. Dolphin Apparels has proposed to set up a unit in NSEZ to undertake Manufacturing & Export of (i) Leather bags (4202 & 4203) such as laptop bags, ladies handbags and purses, wallets and passport holders etc., (ii) Men's and ladies leather garments such as jackets, coats, trousers, skirts, shorts dresses etc. (ITC HS Code 6204) with projected exports of Rs. 3543 Lakhs and NFE earnings worth Rs. 2753 Lakhs over a period of five years.

4.2 Shri Mitesh Verma, proprietor of the firm, appeared before the Approval Committee to explain the project. Shri Verma informed that he has started the firm in 1996 for manufacture & export of leather coats and jackets. He further stated that due to higher rent in DTA and other obligations their profit margins have decreased and now they are facing stiff competition from other countries like Pakistan and Bangladesh on the pricing.

4.3 Shri Verma further informed that they came to know about NSEZ very late. Hence, they have now proposed to set up a unit in NSEZ which will provide them better facility on low cost which will further help them to reduce cost of products in International markets.

*Handwritten signature/initials*



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4.4 Shri Verma was informed that certain documents/information as called for them vide letter dated 26/04/2019 are awaited, for which he assured to submit the same soon.

4.5 The Approval Committee, after due deliberations, approved the proposal of M/s. Dolphin Apparels for setting up a unit in NSEZ to undertake Manufacturing & Export of (i) Leather bags (4202 & 4203) such as laptop bags, ladies handbags and purses, wallets and passport holders etc., (ii) Men's and ladies leather garments such as jackets, coats, trousers, skirts, shorts dresses etc. (ITC HS Code 6204) subject to furnishing of satisfactory reply to this office letter dated 26/04/2019.

5. **कपूर टेक्नोलॉजी - इकाई के साझेदारी की पुनर्गठन एवं शेयरहोल्डिंग में बदलाव हेतु प्रस्ताव**

It was informed to the Approval Committee that M/s. Kapoor Technology has been issued an LOA dated 19/07/2017 for Manufacturing of e-passport Inlay, e-Card, e-Keyfob, e-Certificate, e-Inlay, e-Wristband, e-Prelam & e-Tag, e-Pass, Electronic Fare & Toll Collection Token & Cards, Electronic Sub-assembly, Reader & Software and molded Components. The unit has not yet commenced its authorized operations. LOA of the unit is valid till 18/07/2019.

5.2 It was informed to the Approval Committee that unit has informed that the duration of firm was "partnership at will" and Shri Alok Kumar Kapoor, Shri Sumant Kumar Kapoor & Shri Anant Kumar Kapoor, in exercise of their volition and because of various considerations and other exigencies intimated their intention not to continue further in the partnership and to retire from Kapoor Technology w.e.f. 20<sup>th</sup> February 2019.

5.3 Shri Puneet Kapoor, partner in the firm, appeared before the Approval Committee. Shri Kapoor informed that all the three outgoing partners were citizens of United Kingdom and because of that they had to comply with various formalities in India as well as UK. Hence, they decided to retire from M/s. Kapoor Technology. He further informed that due to change in partners,

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there is also change in shareholding pattern of the firm as under:

Name of shareholder	Shareholding percentage before change	Shareholding percentage after change
1. Mr. Puneet Kumar Kapoor	50%	50%
2. Mr. Prem Kumar Kapoor	20%	25%
3. Mrs. Kiran Kapoor	19%	25%
4. Mr. Sumant Kumar Kapoor	5%	--
5. Mr. Anant Kumar Kapoor	5%	--
6. Mr. Alok Kumar Kapoor	1%	--

5.4 The Approval Committee observed that there is change of 11% in the shareholding due to change in partners.

5.5 Shri Kapoor further informed that they have now taken possession of one SDF and will commence their production till July-August 2019.

5.6 It was informed that the DOC vide Instruction No. 89 dated 17/05/2018 has issued guidelines regarding change in shareholding pattern, name change of SEZ Developer and SEZ Units which inter alia states as under:

*"5(ii) Re-organisation including Change of name, change in shareholding pattern, business transfer arrangements, court approved mergers and demergers, change in constitution of Units located in SEZs may be undertaken with the prior approval of Approval Committee in respect of Units 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 will remain unchanged on such reorganization.*

*6. Such reorganization shall be subject to the following safeguards:*

- i) Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered entity;*
- ii) Fulfilment of all eligibility criteria applicable, including security clearances etc., by the altered entity and its constituents;*

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- iii) *Applicability of and compliance with all Revenue / Company Affairs / SEBI etc. Acts/Rules which regulate issues like capital gains, equity change, transfer, taxability etc.*
- iv) *Full financial details relating to change in equity/merger, demerger, amalgamation or transfer in ownership etc. shall be furnished immediately to Member (IT), CBDT, Department of Revenue and to the jurisdictional Authority.*
- v) *The Assessing Officer shall have the right to assess the taxability of the gain/loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and ownerships etc. as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.*
- vi) *The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.*
- vii) *The unit shall furnish details of PAN and jurisdictional assessing officer of the unit to CBDT."*

5.7 It was further informed that DOC vide Instruction No. 90 dated 03/08/2018 has also clarified that "it may not be interpreted that prior approval of BOA/UAC is to be taken before approaching the Registrar of Companies or the National Company Law Tribunal as is being done in some cases came to the notice of this department".

5.8 The Approval Committee, after due deliberations, approved the intimation of M/s. Kapoor Technology for change in partners and shareholding in terms of Instruction No. 89 dated 17/05/2018 & Instruction No. 90 dated 03/08/2018.

*P. Gupta*

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6. वर्चुअल एम्प्लोयी प्राइवेट लिमिटेड - इकाई के सॉफ्टेक्स फॉर्म भरने से संबंधित समस्या के संदर्भ में RBI से प्राप्त स्पष्टीकरण पर चर्चा हेतु प्रस्ताव।

It was informed to the Approval Committee that M/s. Virtual Employee Pvt. Ltd. has been issued LOA dated 06/09/2011 for IT Enabled Services (BPO Services). The unit commenced its export activities w.e.f. 30/04/2013 and LOA is valid till 29/04/2023.

6.2 It was informed that unit had not been submitting softex forms. Accordingly, unit was asked to submit clarification on softex and unit has submitted following information/ documents:-

- (i) *In regard to non-submission of Softex forms at SEZ online system, unit had informed that they do not provide services related Computer software, Audio or Video or Television Software. Further, unit stated that they are providing Manpower services with Good Infrastructure facilities from their premises under the concept of "Served from India" and enhancing India's strong reputation in skill and quality manpower as the best service provider of human resource.*

6.3 It was also informed that the Approval Committee in its various meetings discussed on the issue related to non-filing of softex forms. The Approval Committee in its meeting held on 07/01/2019 had directed to send a detailed letter along with full facts of the case and unit's submissions to the RBI for clarification on the requirement of softex filing on the services being provided by the unit. Accordingly, as per decision of Approval Committee dated 07/01/2019, a letter dated 21/01/2019 was sent to RBI for clarification on the requirement of softex filing on the services being provided by the unit.

6.4 Pending receipt of clarification from RBI, the Approval Committee in its meeting held on 03/04/2019 had renewed the validity of LOA of M/s. Virtual Employee Pvt. Ltd. for remaining period of current block of five years i.e. upto 29/04/2023 subject to condition that unit shall file softex forms and comply

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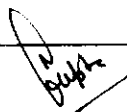
with Section 2(z)(iii) of SEZ Act, 2005. The Approval Committee further directed that issue related to filing of Softex Forms for past period in respect of export of services rendered by the unit shall be taken up in line with clarification received from RBI.

6.5 It was further informed that now, Reserve bank of India vide its letter dated 05.04.2019 has stated that in view of the submissions made by the unit and Notification No. FEMA 23R/2015-RB dated January 12, 2016, they advise that the services provided by the unit may not be considered as software export.

6.6 Shri Narinder Singh Mahil, director of the company appeared before the Approval Committee. The Approval Committee informed him that they are not required to file softex forms in terms of clarification received from RBI. The Approval Committee asked Shri Mahil that now as they are not required to file softex form, what documents they will be filing with the departments for declaration of export of services.

6.7 Shri Mahil stated that they can file invoices in support of the exports made by them. However, they may be guided as to which documents they should file for declaration of exports of services other than software services.

6.8 The Approval Committee informed Shri Mahil that the unit does not need to file softex forms in terms of clarification dated 05.04.2019 received from RBI. The Approval Committee observed that as of now, in case of export of goods, Shipping Bill is to be filed and in case of software export, Softex form is to be filed. But in case if services other than software export are rendered, then there is no mention in SEZ Rules as to which paper may be filed with SEZ Customs. The Approval Committee therefore directed that a detailed reference may be sent to DOC with a request to issue guidance w.r.t. requirement of documents to be filed in case of export of services other than software services.



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7. मार्केट मूवर्स एक्सपोर्ट्स (इंडिया) प्राइवेट लिमिटेड (ट्रेडिंग यूनिट) - SEZ से Exit से पहले इकाई के प्रदर्शन की निगरानी हेतु प्रस्ताव।

It was informed to the Approval Committee that M/s. Market Movers Exports (India) Pvt. Ltd. (Trading unit) has been issued an LOA dated 22/02/2008 for Trading of all kinds of stationary products. The unit commenced its export activities w.e.f. 19/02/2009 and LOA was valid till 08/02/2019.

7.2 It was informed that the unit has made exports worth Rs. 217.47 Lakhs and earned positive NFE earnings worth Rs. 42.13 Lakhs during current block of five years i.e. from 2013-14 to 2017-18.

7.3 It was further informed that the unit vide its letter dated 12.12.2018 and subsequent letter dt. 14.01.2019, 08.03.2019 & 13.03.2019 has submitted all the NOCs/documents related to exit from SEZ scheme as asked vide this office letter dated 30.10.2017 & subsequent letters. NSEZ Customs has also issued NOC to the unit on 09/04/2018.

7.4 It was also informed that unit has however not submitted online application for final exit from SEZ scheme at SEZ online system. Unit vide this office letter dt. 09.04.2019 has been requested to submit online application for final exit, which is still awaited.

7.5 It was informed that in terms of Rule 74 of SEZ Rules, 2006, "if the unit has not achieved positive Net Foreign Exchange, the exit shall be subject to penalty that may be imposed under the Foreign Trade (Development and Regulation) Act, 1992". It was also informed that in terms of Rule 54 of SEZ Rules, 2006, it is for Approval Committee to arrive at conclusion that unit has achieved positive NFE.

7.6 Shri Vivek Chandra, authorized representative of the unit appeared before the Approval Committee. Shri Chandra informed that they have now filed the online application for final exit on SEZonline system.

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7.7 The Approval Committee monitored the performance of the unit under Rule 54 of SEZ Rules, 2006 on the basis of APRs and noted the achievement of positive NFE by the unit. The Approval Committee further observed that no foreign exchange is pending for realization as on date. The Approval Committee further directed to examine rest of the formalities related to issuance of final exit on file.

8. ओरिवेंटर इंजीनियरिंग प्राइवेट लिमिटेड - नौएडा विशेष आर्थिक क्षेत्र में नयी इकाई लगाने हेतु प्रस्ताव |

It was informed to the Approval Committee that the M/s. Oriventor Engineering Pvt. Ltd. has proposed to set up a unit in NSEZ to undertake "(i) Providing Technical/Engineering Consultancy Services for setting up Turnkey Project outside India for Extraction of CBD/THC from Cannabis (hemp) including Research and Development services for IT and (ii) Manufacturing and extraction of CBD/THC from Cannabis (HEMP)" with projected exports of Rs. 22868 Lakhs and NFE earnings worth Rs. 21468.28 Lakhs over a period of five years.

8.2 Shri Rahul Chitale, director of the company appeared before the Approval Committee to explain the project. Shri Chitale informed that they are associated with HEMP Association of India and procuring Industrial HEMP for extraction of CBD/THC from it for multiple medical uses. He further informed that CBD/THC extracts from Cannabis plant are used by various industries such as Pharmaceutical Industry, Health Supplements Industry, Cosmetic Industry and Herbal Industry as raw materials for producing their final products.

8.3 Shri Chitale also informed that in the proposed NSEZ unit they will carry out following activities:

**i) Technical/Engineering Consultancy Services**

For setting up client companies turnkey projects (in India & abroad) for

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extraction of CBD(Cannabidiol)/ THC(Tetrahydrocannabidiol) from Cannabis plant.

**ii) Manufacturing and extraction of CBD/THC from Cannabis (HEMP)**

They will set up a laboratory for research & development and will produce CBD/THC from Cannabis plant which shall be exported to various Pharma, Cosmetic Industry abroad.

8.4 Shri Chitale further informed that they had already been issued an LOA in Mayar Biotech SEZ, Gurgaon for the same project. However, the developer is planning for denotification of SEZ and hence, they have not been allotted any space there.

8.5 It was informed to the Approval Committee that as per Chapter 12 of import Policy, import of Cannabis (cannabis species) is not permitted.

8.6 The Approval Committee, after due deliberations, approved the proposal of M/s. Oriventor Engineering Pvt. Ltd. for setting up a unit in NSEZ to undertake "(i) Providing Technical/Engineering Consultancy Services for setting up Turnkey Project outside India for Extraction of CBD/THC from Cannabis (hemp) including Research and Development services for IT and (ii) Manufacturing and extraction of CBD/THC from Cannabis (HEMP)" subject to following conditions:

- (i) Import of Cannabis (cannabis species) shall not be permitted.
- (ii) No trading activity shall be allowed to the proposed unit.
- (iii) The unit shall obtain 'NOC' from Drug Controller or FSSAI, wherever required.
- (iv) The unit shall obtain necessary license / permission which may be required from other authorities under any other law(s).
- (v) NFE status for manufacturing activity and service activity will be seen separately.



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9. लक्ष्मण ओवरसीज - LOA में अतिरिक्त अधिकृत परिचालनों को शामिल करने के प्रस्ताव ।

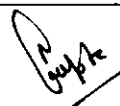
It was informed to the Approval Committee that M/s. Lakshman Overseas has been issued an LOA dated 25/10/2002 for Manufacturing & Export of Consumer electronics items such as Electronic Office Equipments, Calculators, Communicators, Palm Top & Computers, Electronic Time Piece/Electronic Wrist Watch/Electronic Movement & Modules (parts of Electronic Wrist Watch). The unit commenced its export production w.e.f. 01/03/2003 and its LOA is valid till 28/02/2023.

9.2 It was further informed that unit has submitted a proposal for inclusion of additional authorized operations in its LOA to undertake re-furbishing of Mobile Phones.

9.3 Shri Vipul Aggarwal, proprietor of the firm appeared before the Approval Committee. Shri Aggarwal informed that they have large infrastructure in the zone and the present activity is restricted to a small portion of the factory. They have been looking for a viable product that can be processed here and they have now got an assured supply, technical know-how for refurbishing and buying arrangement of mobile phones. The plant is proposed to be setup with a capacity of producing 120000 phones per year (at full capacity in 5 years) and export.

9.4 Shri Aggarwal further informed that they have an agreement with M/s. Attero Recycling who would be providing them complete technical know-how for refurbishing these phones. He also stated that they have tied up with a company in USA who would be supplying the phones to them for refurbishing.

9.5 Shri Aggarwal informed that they will import defected mobiles from USA and after refurbishing export them to Hong Kong, Singapore, Sharjah etc. Shri Aggarwal also informed that they will be investing approx. Rs. 1.33 Crores in the plant & machinery for the said project. Shri Aggarwal further stated that the installation of plant & machinery will take approx. 1-2 months. He requested that they may be permitted to send a first trial lot of 5000 pcs in



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DTA whereby they will be providing all necessary securities and assurance of product return.

9.6 It was informed that the proposal appears to be covered under Rule 18(4) of SEZ Rules, 2006, which is reproduced as under:

*"18(4) no proposal shall be considered for-*

*(d) Import of other used goods for recycling;*

*PROVIDED that extension of Letter of Approval for an existing unit shall be decided by the Board;*

*PROVIDED FURTHER that reconditioning, repair, and re-engineering may be permitted subject to the condition that exports shall have one to one correlation with imports and all the reconditioned or repaired or reengineered products and scrap or remnants or waste shall be exported and none of these goods shall be allowed to be sold in the Domestic Tariff Area or destroyed;"*

9.7 It was further informed that in terms of Notification GSR No. 395(E) dated 04/04/2016, **"Used Laptop, Personal Computers, Mobile, Tablet up to 01 number each imported by organisations in a year can be imported and exported without permission from Ministry of Environment, Forest and Climate Change"**. However, in the instant proposal, unit has proposed capacity of producing 120000 phones per year (at full capacity in 5 years). Hence, unit needs to obtain permission from Ministry of Environment, Forest and Climate Change for import and export of used mobiles.

9.8 It was also informed that in terms of Para 2.31 of FTP, import policy for Second Hand Goods other than capital goods is Restricted and goods are Importable against Authorization. For restricted goods in terms of Instruction No. 47 dated 04/03/2010, case needs to be placed before BOA.

*Handwritten signature/initials*

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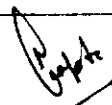
9.9 The Approval Committee discussed the matter in detail and informed Shri Aggarwal that permission for sending the defected goods in DTA cannot be given even for a single piece in terms of Rule 18(4)(d) of SEZ Rules, 2006. The unit shall have to carry out entire activity in-house. Shri Aggarwal ensured that entire activity shall be carried out in-house and also withdrew his request made in the application form that to begin with unit would do first trial lot of 5000 pcs in DTA.

9.10 Thereafter, the Approval Committee, after due deliberations, directed the unit to first obtain permission from M/OEFCC in terms of Notification GSR No. 395(E) dated 04/04/2016 and submit a copy of the same to this office. The Approval Committee further directed that on receipt of permission from MOEFCC, the case shall be again placed before it for consideration.

10. अर्दिती इंडिया प्राइवेट लिमिटेड - LOA में Trading activities फिर से शामिल करने हेतु प्रस्ताव।

It was informed to the Approval Committee that M/s. Arditi India Pvt. Ltd. has been issued an LOA dated 28/02/2013 for Manufacture of Electrical and electronic components for lighting and components for lighting and parts thereof including LED Modules & Fixture. The unit commenced its export production w.e.f. 10/12/2013 and LOA is valid till 09/12/2023.

10.2 It was informed to the Approval Committee that the unit vide its letter dt. 04.12.2018, while applying for renewal of LOA had stated that *"in Last LOA manufacturing and Trading activities both was allowed, but with amendment in SEZ Rule 2018 from September, the trading activities are no more relevant. Therefore, we proposed to renew LOA for manufacturing activity only"*. The proposal of the unit was placed before Approval Committee in its meeting held on 06.02.2019. The Approval Committee approved the request of the unit and decided to renew the validity of LOA for next block of five years i.e. upto 09.12.2023 for manufacturing & export of electrical and electronic components for lighting and components for lighting and parts thereof



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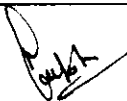
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including LED Modules & Fixtures. The Approval Committee also decided to delete Trading activities from the LOA as requested by the unit.

10.3 Shri Rohit Kapoor and Shri Dinesh Sharma, directors of the company appeared before the Approval Committee. Shri Kapoor informed that that their buyers are mainly from abroad and also are present in SEZ's, EOU's, who also manufacture and export final products to other countries. He stated that they manufacture raw materials for electrical lamps as per the specification and standard of the respective country. However, the buyers often need some raw materials in small quantity, manufacturing of which is not commercially viable for them. There are many small finished products for which the buyers place order. For those items, no value addition could be done at their end. Also any value addition activity done on finished products would not only amount to infringement of the property right of the manufacturer but also render those value added products unacceptable in the international market being tempered with. Nevertheless, they cannot afford to lose potential buyers in the extremely competitive international market. Thus deletion of "trading" activity from their LOA has practically posed a formidable situation where they will lose the export customers.

10.4 Shri Kapoor also informed that trading is not priority of unit but, it is important and supplementary to the business to complete the requirement of the customer/s. There are various small items that they could not manufacture but important to procure orders (sometimes there is no value additions, not possible in small components, as it violates the safety and approval norms in the foreign country). Therefore, it is important to have trading permissions and requested to restore trading activity in their LOA.

10.5 The Approval Committee, after due deliberations, approved the request of unit for restoration of trading activities i.e. "Trading of parts (electrical and electronic components for lighting and parts thereof including LED Modules & Fixture) in their authorized operations subject to following conditions:




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- (i) No DTA sale of trading goods shall be allowed.
- (ii) Trading will be allowed only for physical export to any other country, for supply to other units and Developers in the same or other SEZ or EOUs, against freely convertible currency in terms of Section 2(z) of SEZ Act, 2005.
- (iii) Unit will maintain separate area earmarked for manufacturing and trading activities and maintain separate records/accounts of NFE for manufacturing and trading activities.
- (iv) NFE status for manufacturing activity and trading activity will be seen separately.

Meeting ended with a vote of thanks to the Chair.

  
(S. S. Shukla)  
Jt. Development Commissioner

  
(Dr. L. B. Singhal)  
Development Commissioner