

भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग  
विकास आयुक्त का कार्यालय  
नोएडा विशेष आर्थिक क्षेत्र  
नोएडा दादरी रोड, फेस-II, नोएडा-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.12/01/2017 -प्रोज/

दिनांक: 10/01/2018

सेवा मे,

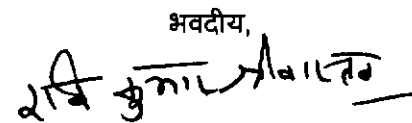
1. मुख्य कार्यपालक अधिकारी, न्यू ओखला औद्योगिक विकास प्राधिकरण, मुख्य प्रशासनिक भवन, सेक्टर - 6, नोएडा।
2. अतिरिक्त महानिदेशक विदेश व्यापार, वाणिज्य एवं उद्योग मंत्रालय, 'ए' विंग, इंद्रप्रस्थ भवन, आई पी एस्टेट, नई दिल्ली।
3. आयुक्त, आयकर, ए 2 डी, आयकर भवन, सेक्टर 24, नोएडा।
4. आयुक्त, सीमा शुल्क, नोएडा सीमा शुल्क आयुक्तालय, इनलैंड कंटेनर डिपो, तिलपता, दादरी, गौतम बुद्ध नगर, उत्तर प्रदेश - २०१३०६.
5. निदेशक, 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, नोएडा।

विषय: दिनांक 03/01/2018 को दोपहर 12:30 बजे आयोजित नोएडा 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, नोएडा विशेष आर्थिक क्षेत्र की अध्यक्षता में दिनांक 03/01/2018 को दोपहर 12:30 बजे सम्मेलन हॉल, प्रशासनिक भवन, नोएडा विशेष आर्थिक क्षेत्र, नोएडा में आयोजित नोएडा विशेष आर्थिक क्षेत्र की यूनिट अनुमोदन समिति की बैठक का कार्यवृत्त अग्रेषित करने का निर्देश हुआ है।

संलग्नक : उपरोक्त

भवदीय,  
  
(आर.के. श्रीवास्तव)  
उप विकास आयुक्त

प्रतिलिपि:

1. विशेष कार्याधिकारी - विकास आयुक्त के सूचनार्थ।
2. वैयक्तिक सहायक - संयुक्त विकास आयुक्त के सूचनार्थ।
3. निर्दिष्ट अधिकारी, नोएडा विशेष आर्थिक क्षेत्र - सूचनार्थ एवं आवश्यक कार्यवाही के लिए।
4. उप विकास आयुक्त, सम्पदा अनुभाग, नोएडा विशेष आर्थिक क्षेत्र, सूचनार्थ एवं आवश्यक कार्यवाही के लिए।

उप विकास आयुक्त

## Noida Special Economic Zone

(Minutes of Meeting of Approval Committee of Noida SEZ held on 03/01/2018)

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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 12:30 PM on 03/01/2018 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, Noida Customs.
- 3) Shri Gobinda Banerjee, FTDO, Office of DGFT, CLA, New Delhi.
- 4) Shri Jagbir Singh, Office of GM, DIC, Noida.

2. Besides, during the meeting (i) Sh. Rajesh Kumar, Dy. Development Commissioner, NSEZ, (ii) Sh. R.K. Srivastava Dy. Development Commissioner, NSEZ (iii) Md. Salik Parwaiz, Specified Officer, NSEZ, (iv) Sh. Prakash Chand Upadhyay, Asstt. Development Commissioner, NSEZ, (v) Sh. Rajendra Mohan Kashyap, PA to JDC, NSEZ, (vi) Sh. Meher Kumar Verma, SDO, UPPCL, Noida, (vii) Sh. Kapil Muni, JE, UPPCL, Noida and (viii) Sh. J.P. Maurya, AEE, UPPCB, Noida 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 06/12/2017:-**

It was informed that no reference against the decisions of the Approval Committee held on 06/12/2017 was received and therefore, Minutes of the meeting held on 06/12/2017 were ratified.



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Item wise decisions on proposals included in agenda:

**1. Proposal for monitoring of performance of M/s. Mectronics Marketing Services.**

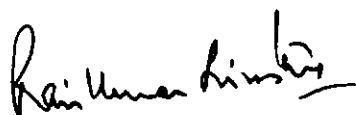
It was informed to the Approval Committee that M/s. Mectronics Marketing Services has been issued an LOA dated 25/10/2011 for trading activities. Unit has commenced its operations w.e.f. from 21/04/2012 and LOA is valid till 20/04/2022. As per submitted APRs, performance of the unit are as under:-

Table-A		Values In Rs. Lakhs		
Year	Export		Forex Outgo	NFE Earning
	Physical	Under Rule 53A (a to o)		
2012-13	4.33	170.92	115.11	60.14
2013-14	15.46	313.71	228.45	100.72
2014-15	9.99	345.99	262.24	93.64
2015-16	27.40	375.81	275.74	127.47
2016-17	1.99	484.21	297.23	188.97
Total		1749.81	1178.77	570.94

It was informed that the Approval Committee in its earlier meeting held on 02.08.2017 had observed that unit has been mainly doing trading in DTA and there has been very less physical export. It was informed that sale in DTA made by the unit against Rupee is not as per Rules as supply by trading units has to be in foreign exchange in terms of Rule 76 of SEZ Rules, 2006 read with Section 2(z) of SEZ Act, 2005.

It was informed that the Approval Committee in its meeting held on 02/08/2017 directed the unit to provide break up of international trading/supplies to SEZs/EOUs/DTA. As per information submitted by the unit on 04/09/2017, following sales have been made in INR:

Table-B		
Sales	Value (INR)	SEZ/DTA Unit name/Countries of export
SEZ	34,22,250	Sahasra Electronics Pvt. Ltd.



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EXPORT	81,180	Nepal
DTA	26,05,868	Mectronics Marketing Services (DTA Unit) (value-22,17,573) / Integrated Assembly Solutions (value-3,88,295)
Total	61,09,298/-	

It was further informed that the Approval Committee in its earlier meeting held on 01/11/2017 has observed that unit has done trading in INR including DTA sale worth Rs.26,05,868/-. The Approval Committee observed that it needs to be relooked into in terms of Section 2(z) of SEZ Act, 2005 and seen as to whether NFE calculations are required to be revised. The Approval Committee, after due deliberations, had deferred the proposal with the direction to the unit to submit revised NFE details showing complete break up of international trading/supplies to SEZs/EOUs/DTA, so as to ascertain correct status of NFE achievement.

It was informed to the Approval Committee that unit has submitted revised NFE calculation sheet as under:-

Table-C												
Year	Physical Export	Deemed Exports (Specify categorically the exact sub-rule of Rule 53A (a to o) under which sales have been made)						Total Export Foreign Exchange	Total Foreign Exchange Outgo	NFE Earnings Foreign Exchange	(D) DTA Sales not counted towards NFE (like payments not received through EEFC account)	
		(i) SEZ/EOUs (under Rule 53A(m))		(ii) DTA against Foreign Exchange under Rule 53A(n)		(iii) Others (Physical Export in INR)					Foreign Exchange	INR
		Foreign Exchange	INR	Foreign Exchange	INR	Foreign Exchange	INR					
		1	2	3	4	5	6				7	8
2012-13	4.33	169.83	1.09	0	0	0	0	175.25	115.11	60.14	0	0
2013-14	15.46	304.90	7.54	0	1.27	0	0	327.90	228.45	99.45	0	1.27
2014-15	9.18	337.70	7.30	0.51	0.48	0	0.81	354.69	262.24	92.45	0.51	0.48
2015-16	27.40	345.20	6.32	12.74	11.55	0	0	391.66	275.74	115.92	2.54	11.55
2016-17	37.16	409.37	11.97	14.96	12.74	0	0	473.46	297.23	176.23	1.24	12.74
<b>Total</b>	<b>93.53</b>	<b>1567.00</b>	<b>34.22</b>	<b>28.21</b>	<b>26.04</b>	<b>0</b>	<b>0.81</b>	<b>1722.96</b>	<b>1178.77</b>	<b>544.19</b>	<b>4.09</b>	<b>26.04</b>

It has been observed that the cumulative NFE earnings for previous five years have been positive even after removing the DTA sales made in INR from the total exports.

*Ravi Kumar Dhillon*

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However, the supplies worth Rs. 61,09,298/- for which payments have been received in INR are not in consonance with the provisions contained in Section 2(z) of the SEZ Act, 2005 which prescribes that tradable "services" are to earn foreign exchange. As such sale of trading goods has to be done only in free foreign exchange.

S/Shri Manish Agrawal and Pankaj Saxena, Partners of the unit appeared before the Approval Committee. Shri Agrawal informed that they were under misconception that 30% of the supplies can be done in DTA. He further informed that they supplied those goods to their DTA unit which they were unable to export.

The Approval Committee informed to them that in terms of Section 2(z) of the SEZ Act, 2005, tradable "services" are to earn foreign exchange. As such sale of trading goods within the SEZ has to be done only in free foreign exchange. It was informed to them that there is no doubt that supplies made to SEZ unit in terms of Rule 53(A)(m) will be counted towards NFE and as such the unit has achieved positive NFE to the tune of Rs. 544.19 Lakhs in terms of Rule 53(A)(m) of SEZ Rules, 2006. However, traded goods within SEZ in INR are not in line with the provisions as contained in Section 2 (z) of the SEZ Act and Rules made thereunder. Such non-compliance tantamount to violation of Section 2 (z) of the SEZ Act, for which appropriate proceedings are to be initiated against the unit.

It was also informed to Shri Agrawal that as per section 11(4) of the Foreign Trade (Development & Regulation) Act, there is a provision to settle the cases where a person admits any contravention. The Approval Committee gave him the option to settle the matter as per section 11(4) of the FT(D&R) Act, 1992 for violation of SEZ Act and Rules by imposing penalty to regularize authorized operation. Shri Agrawal gave his consent to settle the case under section 11(4) of the Foreign Trade (Development & Regulation) Act. Shri Manish Agrawal, however, requested for a minimum penalty.

In the light of facts & circumstances of the case, DC, NSEZ in discussion with the members of the Approval Committee, imposed a penalty of Rs. 25,000/- on the unit as per section 11(4) of the FT (D&R) Act, 1992 and settled the matter.

The Approval Committee also informed to Shri Agrawal that Trading for sale in DTA is not encouraged and SEZ Unit should be allowed Trading for physical export to any other country, for supply to other units and Developers in the same or other SEZ or EOUs, against free foreign exchange and therefore, it is decided to insert a condition

*Manish Agrawal*

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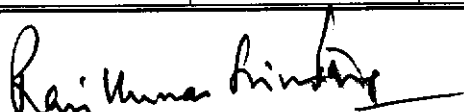
in the Letter of Approval that in general No DTA sale in respect of traded goods will be allowed. Shri Agrawal requested to give them trading permission to clear left over goods in DTA to their own unit with some capping as they are not able to utilize it.

The Approval Committee, after due deliberations, took note of positive NFE achieved by the unit. The Approval Committee also decided to incorporate the condition that unit shall make supplies to other SEZ units or EOUs against foreign exchange only and in general No DTA sale will be allowed. However, on the above specific request of the unit, Approval Committee agreed for the same and permitted for DTA sale not exceeding 2% of the turnover of the preceding year.

**2. Proposal for monitoring of performance of M/s. Associated Lighting Company Pvt. Ltd.**

It was informed to the Approval Committee that proposal in respect of M/s Associated Lighting Company for Monitoring of performance was placed before it in its earlier meeting held on 01/11/2017. The Approval Committee had deferred the matter with a direction to Specified Officer, NSEZ to carry out physical inspection of the premises of the unit. The Approval Committee had also directed to verify the details of export, import from NSEZ Customs and place block wise performance of the unit before it for monitoring. The block wise performance of the unit (as per APRs) is as under:-

		Values in Rs. Lakhs			
		Year	FOB Value of Export	Forex Outgo	NFE Earning
First block of five years		2006-07	3012.21	495.10	2517.11
		2007-08	8863.65	1483.15	7380.50
		2008-09	5201.85	570.92	4630.93
		2009-10	5210.03	470.65	4739.38
		2010-11	4210.69	637.66	3573.03
		Total	26498.43	3657.48	22840.95
Second block of five years		Year	FOB Value of Export	Forex Outgo	NFE Earning
		2011-12	5004.13	880.40	4123.73
		2012-13	6016.42	1119.31	4897.11



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2013-14	7209.51	1405.92	5803.59
2014-15	6683.34	1235.27	5448.07
Total	24913.40	4640.90	20272.50

\*APRs for the year 2015-16, 2016-17 have not been submitted till date.

It was also informed to the Approval Committee that though the unit has defaulted in payment of Lease Rent yet Eviction Notice has not been issued since the LOA is valid till 31/03/2021.

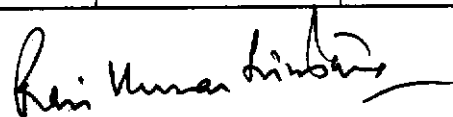
It was further informed to the Approval Committee that the Specified Officer, NSEZ vide his letter dated 19/12/2017 has informed that unit has submitted an undertaking on 05/12/2017 that they will deposit Rs. 1 Lakh in one week and the balance lease rent shall be paid in 2 monthly instalments. As regards, physical inspection of the unit, following have been observed:-

1. There was no electric supply in the unit, however supply was made by DG set.
2. Approx. 8-10 casual labours were found working and making lampshades.

The NSEZ Custom has also informed about details of import and export made by the unit as under:-

Values in Rs. Lakhs

Year	Import	Export
2010-11	973.57835	4586.72078
2011-12	672.74021	5989.15528
2012-13	1388.8476	6906.19729
2013-14	1209.35616	7012.31058
2014-15	1109.0223	6955.84329
2015-16	1086.6733	3194.08010
2016-17	47.14275	217.39106



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2017-18 (upto Nov'17)	0	23.89049
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Shri Rajesh Agarwal, CFO and authorized representative of the company appeared before the Approval Committee. Shri Agarwal informed to the Approval Committee that though their Company is having rich Assets yet they are currently facing cash crunch, as their major buyer M/s. IKEA has discontinued to purchase their products. This has resulted in their low performance. The Approval Committee directed him to submit a write up indicating the details due to which business was interrupted alongwith business plan for future operations.

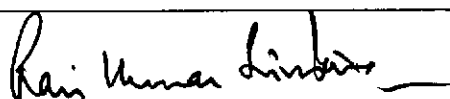
The Approval Committee observed that the data furnished by Customs, NSEZ does not match with the data provided in APRs by the unit. Also unit has not submitted APRs for the year 2015-16 & 2016-17 till date.

The Approval Committee, after due deliberations, directed the unit to reconcile the data as indicated by them in APRs with the data provided Customs, NSEZ. The Approval Committee further directed the unit to submit APRs for the year 2015-16 & 2016-17 within one week. Shri Rajesh Agarwal, CFO of the company assured to submit the same within one week.

Shri Agarwal requested to the Approval Committee that they will be allowed to pay lease rent in instalments. The Approval Committee accepted his request and directed him to ensure that Rs. 1 Lakh towards lease rent is deposited within one week and remaining lease rent be also deposited in two equal instalments latest by March, 2018. Shri Agarwal assured to comply with the directions of Approval Committee.

**3. Proposal for Renewal of LOA; Change of directors and Monitoring of performance of M/s. Heuer International**

It was informed to the Approval Committee that M/s. Heuer International (A division of G.S.T. Corporation Ltd.) has been issued LOA dated 07/07/2006 for (i) Manufacturing of medical/surgical devices, including manufacture of orthopedic implants, instruments accessories, orthotics aids, resuscitator silicon project and ii) Trading items as per list in file (52 items). The unit has commenced its export production w.e.f. 27/07/2007 and LOA of the unit is valid till 26/02/2018.





The Approval Committee observed that unit has made exports worth Rs. 1337.09 Lakhs and has earned positive NFE earnings worth Rs. 889.11 Lakhs during last block of five years.

Shri Manu Grover, Director of the company appeared before the Approval Committee. Shri Grover informed that there is no change in shareholding due to change in directors. He also informed that they have achieved negative NFE in respect of the Trading Activities performed by them, as they were not aware that they have to make DTA sale against foreign exchange only otherwise it will not be counted towards NFE.

The Approval Committee directed that the unit will not be allowed to do DTA sale in future in respect of Trading Activities. Shri Grover informed the Approval Committee that they have stock of Rs.20 Lakhs and he requested to allow them to sell it in DTA. The Approval Committee allowed clearance of remaining stock of Rs.20 Lakhs only in the DTA against free foreign exchange.

The Approval Committee observed that the data furnished by NSEZ Customs does not match with the data indicated in APRs by the unit. The Approval Committee directed the unit to reconcile the data as indicated by them in APRs with the data provided Customs, NSEZ and submit reconciled data to this office.

The Approval Committee, after due deliberations, decided to take the intimation of unit for change in directors on records and extend the validity of LOA for a period of 3 months subject to condition that no DTA sale will be allowed in respect of Trading Activities except clearance of remaining stock of Rs.20 Lakhs. The Approval Committee also decided that the proposal of unit for renewal of LOA for remaining period of 5 years should again be placed before the Approval Committee, once the required documents are received from them.

**4. Proposal for Renewal of LOA; Inclusion of additional authorized operations and Monitoring of performance of M/s. Pertech Exports Pvt. Ltd.**

It was informed to the Approval Committee that M/s. Pertech Exports Pvt. Ltd. for Renewal of LOA and monitoring of performance was placed before the Approval Committee in its meeting held on 04/10/2017. Shri P.V. Khullar, authorized representative of the company had appeared before the Approval Committee and had

*Ravi Kumar Khullar*

informed that they have made exports worth Rs.16,98,625/- of PCB Cards during 2017-18 to Singapore and Dubai. The Approval Committee observed that PCB cards are not part of authorized operations of the unit. Shri Khullar informed that these PCB cards belong to the same tariff head of 8925 and these are the parts of TV sets which are their authorized operations. Shri P.V. Khullar informed to the Committee that he was under the impression that PCBs being a part of their authorized operations viz. "Manufacturing of Electronic Consumer Goods" is also allowed to be exported. Accordingly, his unit has been doing export of PCBs also as part of authorized operations. The manufacturing of these PCBs is done in-house.

It was informed to him that for exporting PCBs he will have to get the same specifically included in the authorized operations as "PCB as part of items namely Electronic Consumer Goods: LCD TV Sets, Plasma TV Sets, Satellite Receiver (DTH), C.A.S.(Set Top Box for TV Sets) and RO Water System, CTV, CFL, DVD, VCD, Chasis of Color and B&W TV Sets" in the LOA. Shri Khullar had expressed urgency for inclusion of the same on the ground that he has got export orders for PCBs. He had informed that they have confirmed order for parts of TV sets and also of LED Bulbs of approx. Rs.50,000/- per month. The Approval Committee, after due deliberations, had allowed inclusion of "PCB as part of items to be used in their authorized operations" as mentioned in the LOA subject to satisfaction of NSEZ Customs that manufacturing activity is done in-house. The Approval Committee had also decided to extend the validity of LOA of M/s. Pertech Exports Pvt. Ltd. for two months i.e. upto 05/01/2018.

The Approval Committee had further directed the unit to submit complete list of specific items, which they want to keep in their authorized operations along with ITC HS Code, manufacturing process flow chart of each of the item, list of raw materials/machinery required for manufacturing of each of the item. The same was conveyed to unit vide this office letter dated 16/10/2017.

It was informed to the Approval Committee that the unit has submitted a proposal for renewal of LOA as well as for inclusion of Assembly/ manufacturing of (i) Main PCB Board, Power Supply board and operating unit/ card for TV, LED TV and Smart TV sets. (ITC HS Code: 8529 & 8528) (ii) LED Bulb, Tubes and its power supply. (ITC HS Code: 9405) (iii) CFL Bulb, Tubes and its power supply. (ITC HS Code: 8539) (iv) Mobile Phones (Bar phone), Touch phone and Smart phones. (ITC HS Code: 8517) (v)

*Ravi Kumar Dindia*

P.C. Computer and P.C. Tablets (ITC HS Code: 8471 & 8473).

Shri P.V. Khullar, authorized representative of the company appeared before the Approval Committee and informed that they have made request for inclusion of additional authorized operation in their LOA.

The Approval Committee, after due deliberations, decided to extend the validity of LOA of Pertech Exports Pvt. Ltd. for remaining period of five years i.e. upto 05/08/2022. The Approval Committee also allowed inclusion of Assembly/ manufacturing of (i) Main PCB Board, Power Supply board and operating unit/ card for TV, LED TV and Smart TV sets. (ITC HS Code: 8529 & 8528) (ii) LED Bulb, Tubes and its power supply. (ITC HS Code: 9405) (iii) CFL Bulb, Tubes and its power supply. (ITC HS Code: 8539) (iv) Mobile Phones (Bar phone), Touch phone and Smart phones. (ITC HS Code: 8517) (v) P.C. Computer and P.C. Tablets (ITC HS Code: 8471 & 8473), in their authorized operations.

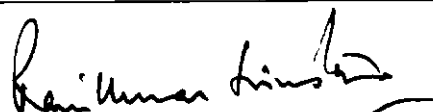
Further, the Approval Committee was informed them an amount of Rs. 4,40,550/- is pending against the unit towards lease rent. The Approval Committee asked Shri Khullar to deposit the outstanding lease rent. He assured that he will deposit Rs. 2.50 Lakhs within this month and rest will be deposited in the month of Feb, 2018.

**5. Proposal of M/s. Bahri paper Industries for Inclusion of additional items in its authorized operations.**

It was informed to the Approval Committee that M/s. Bahri Paper Industries has been issued LOA dated 01/09/2016 for Manufacturing of Greeting Cards; Gift Bags; Fluorescent Paper Packs; Canvas Bags and other above related products. The unit has commenced its export production w.e.f. 02/02/2017 and LOA of the unit is valid till 01/02/2022.

It was informed to the Approval Committee that the unit has submitted a proposal for inclusion of manufacturing of (i) All Paper & Board packed items; (ii) All Stationery items; (iii) Leather Diary & PVC Cover Books; (iv) Kraft Stencil items; (v) Poly Propylene(PP) & PVC Plastic items; (vi) All Cloth items bags diary.

Shri Vikram Bahri, Partner of the firm appeared before the Approval Committee. He



informed that they have applied for inclusion of additional authorized operation in the LOA. Shri Bahri further informed that right now they have 20 persons employed in their firm and they are currently exporting goods to UK & USA.

The Approval Committee observed that Poly Propylene(PP) & PVC Plastic is a raw material which cannot be part of their authorized operation. Shri Bahri informed that they are using Poly Propylene(PP) & PVC stencil/ sheets for manufacturing of their authorized items.

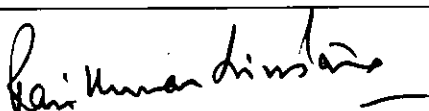
The Approval Committee, after due deliberations, granted in-principle approval for inclusion of authorised operations indicated above subject to the condition that ITC(HS) classification part of the above items would be examined by Customs, NSEZ and final approval letter will be issued on the basis of exact name of above items and its appropriate ITC(HS) classification received from Customs, NSEZ. For this purpose, the unit was directed to approach Dy. Commissioner, Customs, NSEZ.

**6. Proposal of M/s. Indeutsch Industries Pvt. Ltd. (Unit-I) for Inclusion of additional authorized operations in LOA.**

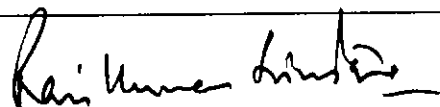
It was informed to the Approval Committee that M/s. Indeutsch Industries Pvt. Ltd. (Unit-I) has been issued LOA dated 29/07/1987 for (i) Manufacturing of Cosmetic/Artist Brushes and Accessories, Sketch/Drawing/Painting Books, Canvas and Easels. Processed Natural/Synthetic Hair for Painting/Artist Brushes and Trading Activities (ii) Manufacturing of Metallic ferrules, Tuffts, Brush Heads, Wooden/Plastic Shafts (Handles) and Metallic Pipe & Tubes (iii) Manufacturing of Apron, Bag & Purse and BOPP Pouches. The unit has commenced its export production w.e.f. 01/10/1988 and LOA of the unit is valid till 31/03/2020.

It was informed to the Approval Committee that the unit has submitted a proposal for inclusion of manufacturing of (i) Pouches & Sleeves (3923) (ii) Packing Boxes, Cards and Stickers (4819) (iii) Painting Knives/Spatulas (8208).

Shri Sanjeev Tyagi, HOD Finance of the company appeared before the Approval Committee. He informed that Pouches & Sleeves are used as brush covers and Painting Knives/Spatulas is used for painting. He also informed that initially manufacturing of these items will be got done through job work and subsequently it will



	<p>be manufactured in house.</p> <p>The Approval Committee, after due deliberations, approved the proposal of unit for inclusion of Manufacturing of (i) Pouches &amp; Sleeves (ii) Packing Boxes, Cards and Stickers (iii) Painting Knives/Spatulas in its authorized operations.</p>
7.	<p><b>Proposal for Monitoring of performance in view of exit request by unit of M/s. Xavient Infotech Pvt. Ltd.</b></p> <p>It was informed to the Approval Committee that M/s. Xavient Infotech Pvt. Ltd. was issued an LOA dated 22/11/2010 for Software Development and IT Enabled Services. The unit commenced its activities w.e.f. 07/06/2011 and LOA was valid till 06/06/2016.</p> <p>It was informed that unit vide this office letter dated 04/02/2014 was advised to submit requisite documents for compliance with exit formalities. Unit has now submitted all the documents related to exit from SEZ scheme. Besides, NSEZ Customs has also issued NOC to the unit on 25/08/2014. It was further informed that in terms of Rule 54, it is for Approval Committee to arrive at conclusion that unit has achieved positive NFE.</p> <p>Shri Ashish Jain, Director (Finance) of the company appeared before the Approval Committee. He informed that due to lack of business, the management has decided exit of unit from SEZ scheme. He requested to allow them exit, under Rule 74 of SEZ Rules, 2006.</p> <p>The Approval Committee monitored the performance of the unit on the basis of APRs submitted by it up to 2014-15 and noted achievement of positive NFE by the unit. The Approval Committee further observed that no foreign exchange is pending for realization as on date. In view of above, the Approval Committee, after due deliberations, granted final exit to the unit.</p>
8.	<p>Following cases for monitoring of performance/APRs under Rule 54 of SEZ Rules, 2006 were also placed before the Approval Committee. The unit wise decision of the Approval Committee are indicated below:-</p> <p>i) M/s. NTT Data Global Delivery Solutions Pvt. Ltd. (Unit-I) - The Approval Committee monitored the performance of the unit on the basis of APRs up to 2016-17 and noted achievement of positive NFE by the unit.</p>



	<p>ii) M/s. Embarc Information Technology Pvt. Ltd. – The Approval Committee monitored the performance of the unit on the basis of APRs up to 2016-17 and noted achievement of positive NFE by the unit.</p> <p>iii) M/s. FCS Software Solutions Ltd. – The Approval Committee monitored the performance of the unit on the basis of APRs up to 2016-17 and noted achievement of positive NFE by the unit.</p>
9.	<p><b>Proposal of M/s. Divya Creations (Unit-II) for Inclusion of additional authorized operations in LOA</b></p> <p>It was informed to the Approval Committee that M/s. Divya Creations (Unit-II) has been issued LOA dated 12/09/2014 for Manufacturing &amp; export of (a) Gold Jewellery plain &amp; studded with diamonds, precious, semi-precious &amp; CZ stones, (b) Silver Jewellery plain &amp; studded with diamonds, precious, semi-precious &amp; CZ stones, (c) Platinum Jewellery Plain &amp; Studded with diamonds &amp; precious stones. The unit has commenced its export production w.e.f. 10/09/2015 and LOA of the unit is valid till 09/09/2020.</p> <p>It was informed to the Approval Committee that the unit has submitted a proposal for inclusion of manufacturing &amp; Export of Plain &amp; Studded Semi-finished gold, silver &amp; platinum jewellery.</p> <p>Shri Sumit Gupta, Partner of the company appeared before the Approval Committee. He informed that their overseas buyer will solder lock &amp; finished jewellery at their end as per customer requirement. He further informed that in order to keep export orders &amp; to avoid any confusion, they have requested to include Semi-finished jewellery in their authorized operations. He also informed that value addition would be approx. 10%, which is more than the prescribed norms.</p> <p>The Approval Committee, after due deliberations, approved the proposal of unit for inclusion of manufacturing &amp; Export of Plain &amp; Studded Semi-finished gold, silver &amp; platinum jewellery in its authorized operations.</p>
10.	<p><b>Proposal of M/s. Divya Creations (Unit-I) for Revision of authorized operations</b></p> <p>It was informed to the Approval Committee that M/s. Divya Creations (Unit-I) has been issued LOA dated 12/03/2003 for Manufacturing of (i) Plain &amp; Studded Gold Jewellery and Part &amp; Components Thereof namely push, post, ear-dash wire, leaf, lock; (ii) Plain</p>

*Ravi Kumar Singh*

& Studded Silver Jewellery and Part & Components Thereof namely push, post, ear-dash wire, leaf, lock; (iii) Plain & Studded Platinum Jewellery; (iv) Remaking of Outdated/ Old Jewellery; (v) Palladium Jewellery; (vi) Manufacturing of Base Metal Jewellery Clad with precious metal. The unit has commenced its export production w.e.f. 21/05/2003 and LOA of the unit is valid till 25/05/2018.

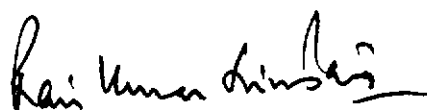
It was informed to the Approval Committee that the unit has submitted a proposal for inclusion of manufacturing of (i) Plain & Studded Gold Jewellery and Part & Components Thereof; (ii) Part & Components of Gold jewellery; (iii) Plain & Studded Silver Jewellery and Part & Components Thereof; (iv) Part & Components of Silver jewellery; (v) Plain & Studded Platinum Jewellery; (vi) Remaking of Outdated/ Old Jewellery; (vii) Palladium Jewellery (viii) Manufacturing of Base Metal Jewellery Clad with precious metal.

Shri Sumit Gupta, Partner of the company appeared before the Approval Committee. He informed that part & components of jewellery are manufactured by them in-house in their factory premises. During transit or use, some parts get damaged and require replacement for which their foreign buyer wants to keep some stock of these parts & components at their end to replace themselves rather than sending the damaged complete product to India for replacing/repairing & then re-export.

The Approval Committee, after due deliberation, approved the proposal and accordingly the revised authorized operation of the unit shall be manufacturing of (i) Plain & Studded Gold Jewellery and Part & Components thereof namely push, post, ear-dash wire, leaf, lock etc.; (ii) Plain & Studded Silver Jewellery and Part & Components thereof namely push, post, ear-dash wire, leaf, lock etc. (iii) Plain & Studded Platinum Jewellery; (iv) Remaking of Outdated/ Old Jewellery; (v) Palladium Jewellery; (vi) Manufacturing of Base Metal Jewellery Clad with precious metal.

**11. Proposal of M/s. Stable Packaging Pvt. Ltd. (Unit-I) for Exit and Transfer of assets & liabilities under Rule 74A of SEZ Rules, 2006**

It was informed to the Approval Committee that M/s. Stable Packaging Pvt. Ltd. (Unit-I) has submitted a proposal for exit from SEZ scheme and transfer of its assets & Building at Plot No. Plot No. 119A, 120 & 121, NSEZ to M/s. Ebix Software India Pvt.



## Noida Special Economic Zone

(Minutes of Meeting of Approval Committee of Noida SEZ held on 03/01/2018)

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Ltd. (Unit-III) under provisions of Rule 74A of SEZ Rules, 2006.

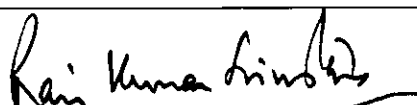
It was also informed to the Committee that there are two units in the name & title of M/s. Stable Packaging Pvt. Ltd. Details of the same are as below:-

	Unit-I	Unit-II
LOA No. & Date	09/50/2008-Proj/9288 20/11/2008	11/01/2013-Proj/12650 09/12/2013
Plot No.	119A, 120 & 121	149
DCP	08/05/2009	31/03/2017
LOA validity	07/05/2019	30/03/2022

It was informed to the Approval Committee that the above proposal of M/s. Stable Packaging Pvt. Ltd. (Unit-I) was placed before the Committee constituted under the chairmanship of JDC, NSEZ to examine the case under Rule 74A and 3<sup>rd</sup> proviso to Rule 19(2) held at NSEZ on 27/12/2017. The Committee noted that Rule 74A of the SEZ Rules, 2006 inter alia provides as under:-

*The unit may opt out of Special Economic Zone by transferring its assets and liabilities to another person by way of transfer of ownership including sale of Special Economic Zone units inter alia subject to the following conditions:-*

- (i). The unit has held a valid Letter of Approval as well as lease of land for not less than a period of five years on the date of transfer.*
- (ii). The unit has been operational for a minimum period of two years after the commencement of production as on the date of transfer.*
- (iii). Such sale or transfer transactions shall be subject to the approval of the Approval Committee;*
- (iv). The transferee fulfils all eligibility criteria applicable to a unit; and*
- (v). The applicable duties and liabilities, if any, as calculated under rule 74, as well as export obligations of the transferor Unit, if any, shall stand*





*transferred to the transferee Unit which shall be under obligation to discharge the same on the same terms and conditions as the transferor Unit.”*

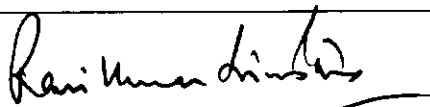
It was also informed that Board of Approvals in its 69th meeting held on 23.02.2016 has decided to issue clarification / instruction regarding Rule 74A of SEZ Rules, 2006. The extract of minutes of said meeting is reproduced below here:-

“The Joint Secretary (GPM) explained to the Board that representations have been received on the applicability of Rule 74A of SEZ Rules, 2006 in cases where the operational SEZ units continue to operate as such, i.e. on a going concern basis as a result of change of name, court approved mergers/de-mergers, slump sale, change of constitution from proprietorship to partnership & vice-versa, change of constitution from public limited company to private/limited liability company & vice-versa, company to partnership & vice-versa, change in shareholding up to 50 per cent, etc. and per se are not opting out/exiting out of the SEZ scheme.

With a view to promote the ease of doing business in India and that restructuring of entity/business is a fairly common occurrence, BOA decided that provisions of Rule 74A shall not apply to SEZ units that do not exit or opt out of the SEZ scheme by transferring its assets and liabilities to another person and the SEZ unit continues to operate as a going concern in the situations mentioned above. The UACs concerned, may consider such requests under Rule 19 (2) of the SEZ Rules, 2006.

In so far as Business Transfer Agreement is concerned, it was explained that certain acquisitions happen globally as a result of Business Transfer Agreement which result in transfer of the SEZ unit of the Indian company on a going concern basis to acquirer. The BOA decided that such cases resulting in change of ownership would be decided on merits by the Board of Approvals on a case to case basis.”

It was further informed that the said Committee observed that the transferor unit meets all the conditions of Rules 74A i.e. it has valid LOA/ valid lease deed for more than 5



years and has been operating for more than two years. Further, the transferee unit also has valid LOA and has also submitted an undertaking by incoming entrepreneur regarding taking over of all the assets & liabilities of transferor unit.

Accordingly the Committee recommended the proposal of M/s. Stable Packaging Pvt. Ltd. (Unit-I) for exit and transfer of assets & Building at Plot No. 119A, 120 & 121, NSEZ to M/s. Ebix Software India Pvt. Ltd. (Unit-III) in terms of Rule 74A of SEZ Rules.

Shri Sushil Kant Gupta, Director of M/s. Stable Packaging Pvt. Ltd. appeared before the Approval Committee. He informed that they have also second unit at Plot No.149 in NSEZ and they will transfer the goods of exiting unit to their second unit.

The Approval Committee, after due deliberations, accepted the recommendations of the Committee examining the case under Rule 74A and approved the proposal of M/s. Stable Packaging Pvt. Ltd. (Unit-I) for exit from SEZ scheme under Rule 74A of SEZ Rules, 2006 and transfer of its assets & building at Plot No. 119A, 120 & 121, NSEZ to M/s. Ebix Software India Pvt. Ltd. (Unit-III) subject to fulfillment of exit formalities by transferor and payment of applicable transfer charges.

**12. Proposal for Monitoring of performance in respect of taking decision on penalty on negative NFE of M/s. Gee Cee Exim Pvt. Ltd.**

It was informed to the Approval Committee that the proposal of M/s. Gee Cee Exim Pvt. Ltd. for monitoring of performance and Renewal of LOA was placed before the Approval Committee in its meeting held on 01/11/2017 had observed that during the first block of five years i.e. between 2009-10 to 2013-14 (upto 30/09/2013), unit had made exports worth Rs. 0.69 Lakhs and earned **negative** NFE worth Rs. 27.26 Lakhs.

The Approval Committee observed that lease rent amounting to Rs. 5,62,186/- is currently outstanding against the unit. Besides, the unit had taken capital goods out of NSEZ worth approx. Rs. 57 Lakhs for job work which has not been brought back by the unit. Hence, the unit is also liable to pay the Custom Duty on the said Capital Goods.

The Approval Committee in its meeting held on 01/11/2017, after due deliberations,

