

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. 12/01/2018-प्रोज/ 454

दिनांक: 10/01/2019

सेवा मे,

11/1/19

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 07/01/2019 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 मे दिनांक 07/01/2019 को पूर्वाह्न 11:30 बजे सम्मेलन हॉल, प्रशासनिक भवन, नौएडा विशेष आर्थिक क्षेत्र, नौएडा मे आयोजित नौएडा विशेष आर्थिक क्षेत्र की यूनिट अनुमोदन समिति की बैठक का कार्यवृत्त अग्रेषित करने का निर्देश हुआ है।

भवदीय,



(नितिन गुप्ता)

उप विकास आयुक्त

संलग्नक: उपरोक्त

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 07/01/2019 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 Harish Kumar, Dy. Commissioner, Customs, Noida Commissionerate.
- 3) Shri R.L. Meena, Asstt. DGFT, O/o Addl. DGFT, CLA, New Delhi.

2. Besides, during the meeting S/Shri (i) Md. Salik Parwaiz, Specified Officer, NSEZ, (ii) Nitin Gupta, Dy. Development Commissioner, NSEZ, (iii) M.V. Ruhella, ADC, NSEZ, (iv) Shri Rajendra Mohan Kashyap, PA to JDC, NSEZ, and (v) Vijay, SDO, UPPCL, 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 05/12/2018.

It was informed that no reference against the decisions of the Approval Committee held on 05/12/2018 was received and, therefore, Minutes of the meeting held on 05/12/2018 were ratified.



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Item wise decisions on proposals included in agenda:

1.	<p>Proposal in respect of M/s. Virtual Employee Pvt. Ltd. for Renewal of LOA and Monitoring of performance.</p> <p>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 29/12/2018.</p> <p>1.2 It was informed to the Approval Committee that unit has made exports worth Rs. 19452.58 Lakhs and achieved NFE earnings worth Rs. 18957.43 Lakhs during previous block of five years as per APRs for the year from 2013-14 to 2017-18. The Approval Committee monitored the performance of the unit and noted achievement of positive NFE by the unit.</p> <p>1.3 It was also informed that the unit has not been submitting softex forms for attestation. It was also informed that the said proposal was also considered by the Approval Committee in its meeting held on 05/09/2018. The Approval Committee had directed the unit to submit all the details on the services being rendered by them along with their submission on softex forms. The Approval Committee also decided to constitute a Committee under the chairmanship of JDC, NSEZ comprising of Shri R.K. Srivastava, DDC, Md. Salik Parwaiz, DC Customs, NSEZ and Shri Rajesh Sharma, Asstt. Commissioner, Noida Custom Commissionerate which will examine the matter related to submission of softex forms inter alia in the light of Agreement between the unit and its overseas client as well as scope of services. It was also decided that the Committee will visit the unit, if required. Committee will submit its recommendations which will be placed before the Approval Committee in its next meeting for consideration and decision.</p> <p>1.4 It was informed that as per decision of Approval Committee held on 05/09/2018, a team of officers consisting of Shri R.K. Srivastava, DDC, Shri Nitin Gupta, DDC and Shri Rajesh Sharma, Asstt. Commissioner, Noida Custom discussed the matter with directors of the company. During discussion, Shri Rajinder Singh Mahil, director explained that they are not exporting computer software and audio/video/television software for which softex forms is required to be filed as per RBI notification. He also explained that the unit is</p>
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providing manpower services to foreign based companies for their work. They provide manpower service in such a way that the employees remain on the rolls of unit, but work for their clients for which the unit charges lump sum fee. The said Committee directed the unit to furnish the details of activities being carried out with full justification regarding non-filing of softex forms duly supported with proper examples and invoices raised by them for the said services and proof of payment received.

1.5 No one from the unit appeared or the meeting.

1.6 The Approval Committee deliberated the matter and after due deliberations, 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. The Approval Committee meanwhile also decided to renew the LOA for a period of 3 months i.e. upto 29/03/2019 subject to the condition that unit shall comply with Section 2(z)(iii) of SEZ Act, 2005. The Approval Committee also directed to request the unit to submit Form-F1 for renewal of LOA in terms of Rule 19(6A) of SEZ (Amendment) Rules, 2018.

2. Proposal in respect of M/s. Balaji Export Co. for Renewal of LOA and Monitoring of performance.

It was informed to the Approval Committee that M/s. Balaji Export Co. had been issued an LOA dated 16/09/2003 for following activities:

- (1) *Manufacturing of Plain Gold Jewellery and Studded jewellery (with precious/non-precious stones, beads and pearls).*
- (2) *Import of outdated/old jewellery and melting the same for manufacturing of fresh jewellery.*
- (3) *Manufacturing of rhodium plated gold jewellery.*
- (4) *Manufacturing of Plain & Studded Silver/Platinum/ Palladium Jewellery.*
- (5) *Manufacturing of Brass/Steel Jewellery/Plain & Studded imitation Jewellery item.*

2.2 The unit commenced its export production w.e.f. 13/10/2003 and LOA is valid till 12/01/2019.

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2.3 It was informed to the Approval Committee that the unit has made exports worth Rs. 5994.64 Lakhs and earned positive NFE earnings worth Rs. 175.78 Lakhs during previous block of five years between 2013-14 to 2018-19 (upto 12/10/2018). It was further informed that unit has achieved following value addition during previous block of five years:

Year	:	Value addition achievement
2013-14	:	3%
2014-15	:	3%
2015-16	:	3.5%
2016-17	:	No export
2017-18	:	No export
2018-19	:	3.5%

2.4 Shri Viren Shah, partner in the firm appeared before the Approval Committee. Shri Shah informed that during 2016-17 & 2017-18, the company undertook major repair works for the factory building which also included structural setup for undertaking another major silver Jewellery project alongside gold Jewellery project. The silver project unfortunately could not be materialized because of unfavorable market conditions in the export business. Due to these, they could not deliver as per their initial mentioned estimates. However, now they are committed to their estimated performance in coming years.

2.5 The Approval Committee observed that unit has given downward projections of employment from 100 to 50 for next five years. Shri Shah informed that they have also been issued another LOA in NSEZ in the name of M/s. BE Gold Pvt. Ltd. he further stated that by mistake they have mentioned existing workforce of M/s. BE Gold Pvt. Ltd. in the Form F1 of M/s. Balaji Export Co. The Approval Committee directed him to submit corrected Form F1.

2.6 The Approval Committee monitored the performance of unit and took note of positive NFE and achievement of prescribed value addition norms by the unit. The Approval Committee further observed that there is no foreign exchange pending for realization against the unit.

2.7 The Approval Committee after due deliberations, decided to extend the validity of LOA for next block of five years i.e. upto 12/10/2023 subject to submission of corrected Form F1 by the unit.

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3. Proposal in respect of M/s. Dr. Fresh Assets Ltd. (Unit-I) for Renewal of LOA and Monitoring of performance.

It was informed to the Approval Committee that M/s. Dr. Fresh Assets Ltd. (Unit-I) had been issued an LOA dated 19/12/1995 for following activities:

1. Manufacturing & Export of Tooth Brushes, Oral Hygiene products like Toothpick, Tongue Cleaner, Dental Floss and Travel Kit.
2. Trading of:
 - i) Fashion Jewellery sets such as Necklace, Bracelet, Earring, Pendants, Bangles, Jhumki other than gold, silver & precious metals.
 - ii) Clothing such as Ladies suits, Slips, Kurti, Skirts, Sleepwear, Night Gowns, Costumes and Men's Clothing.
 - iii) Handicraft items such as Table mats, Wooden Stool, Trays, Chowki, Statue, Bouquet and Painting.
 - iv) Essential Oils such as Lemon Grass, Lavender, Rosemary, Rose Geranium and Peppermint oil etc.
3. Trading of Turmeric Powder, Ginger Powder, Peppercorns Powder & Dry Extract, Cow Ghee, Honey, Dates and Nuts bars, Ashwagandha Powder, Triphala Tablets, Guduchi Powder, Amaranth Muesli, Oats Granola, Other related products.
4. Trading of (i) Organic Ragi Flour, (ii) Himalayan Rock Dark Pink Salt, (iii) Paper Bags (printed craft), (iv) Arimedadi Oil and (v) Neelibhrigandi Oil.

[Trading condition -No DTA sale and 100% physical export shall be carried out by the unit]

3.2 The unit commenced its export production w.e.f. 15/06/1996 and LOA is valid till 12/01/2019.

3.3 It was further informed that the past performance of unit are as under:

Values in Rs. Lakhs

Year	FOB Value of Export	Forex Outgo	NFE Earning
2009-10	0.00	0.00	0.00
2010-11	0.00	0.00	0.00
2011-12	0.00	0.00	0.00
2012-13	0.00	0.00	0.00
2013-14	0.00	0.00	0.00
2014-15	0.00	0.00	0.00

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2015-16	0.00	0.00	0.00
2016-17	3.30	0.00	3.30
2017-18	32.98	0.00	32.98
Total	39.28	0.00	9.60

3.4 It was informed that the Approval Committee in its meeting held on 12/11/2018, in view the dismal performance of the unit during previous block of five years, decided to renew the LOA for a period of two months upto 12/01/2019 and directed the unit to submit concrete plan for working in NSEZ. The Approval Committee further directed that on receipt of all the documents from the unit, the facts may again be placed before it for further consideration.

3.5 It was informed to the Approval Committee that M/s. Dr. Fresh Assets Ltd. has been issued one more LOA in NSEZ. Brief details of Dr. Fresh Assets Ltd. (Unit-II) are as under:

Name & Factory Address of the Unit	:	M/s. Dr. Fresh Assets Ltd. (Unit-II) Plot No. 155-157 (on sharing with Unit-I).			
LOA Date	:	24/08/2004			
DCP	:	01/04/2005			
Date of expiry of LOA	:	31/03/2020			
Main Authorized operations	:	(1) Oral Care Products like inter Dental Brushes, Floss Picks and Dental Floss (2) Plastic Hangers and related Accessories			
Yearwise performance of the unit during current five years block (2015-16 to 2019-2020)	:	Values in Rs. Lakhs			
		Year	FOB Value of Export	Forex outgo	NFE Earning
		2010-11	4.91	56.73	-51.82
		2011-12	12.18	47.32	-35.14
		2012-13	15.24	31.87	-16.63
		2013-14	8.14	22.94	-14.80
		2014-15	0.00	20.05	-20.05
		2015-16	0.00	0.62	-0.62
		2016-17	91.67	0.00	91.67
		2017-18	0.00	0.00	0.00
	2018-19	0.00	0.00	0.00	
	Total	132.14	179.53	-47.39	

3.6 The Approval Committee observed that despite several opportunities, employment generation (3 persons) and export performance of Unit-I during previous years in comparison to the space of 1815 sq.mtrs. allotted to it is very low. The Approval Committee expressed its displeasure over the dismal performance.



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3.7 The Approval Committee further observed that unit-II is also not working since 2017-18.

3.8 Shri Vijay Pathak, director appeared before the Approval Committee. Shri Pathak informed that they had been granted in-principle approval for exit in respect of Unit-I in the year 2009 and since then unit was closed. They have revived the unit in the year 2016 and started working again from this LOA.

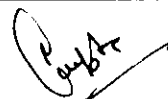
3.9 Shri Pathak further stated that they are operating in NSEZ since last 20 years. They have 3 plots (total area of 1815 sq.mtrs.) in which they have already invested approx. Rs. 5 Crores in the construction of building and other facilities on these plots. He further informed that since last few years, their export has been reduced because of bad market conditions in international trade for their products. Further, they got added some new ayurvedic items in their LOA due to new avenues for exports in these products. They have some good orders also in their hand for making exports of approx. Rs. 2-3 Crores per year, which can grow by 20-30% every year.

3.10 The Approval Committee observed that unit has been allotted Plot No. 155-157, NSEZ admeasuring 1815 sq.mtrs. Further, unit has given export projections of Rs. 470 Lakhs and employment projection of 5 persons only during next five years block. Besides, the export projections have been given only in respect of trading activities. The Approval Committee did not find export & employment projection justified with comparison to the space available with the unit.

3.11 Shri Pathak informed that they are planning to invest some additional amount to renovate their building and other facilities. They are into talks with their customers for manufacturing orders and within one month they will get the orders. After that they will also start manufacturing activities. Shri Pathak further stated that they will submit projections in respect of manufacturing activities within one month.

3.12 The Approval Committee further observed that Rule 19(6A)(3) of SEZ Amendment Rules, 2018 provides that "the Development Commissioner may renew the Letter of Approval for a period of five years or for a shorter period, in form F2, based on the evaluation of the Unit as per sub-rule (6B), which is reproduced as under:

(6B) The renewal of Letter of Approval shall be based on the evaluation of the



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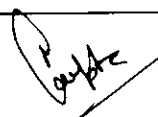
following criteria, namely:-

- i) Export performance of the Unit in the last block vis-a-vis the initial export projection submitted by the Unit.
- ii) Projected employment with reference to actual employment generated.
- iii) Instance of violation of applicable statutes related to the functioning of the Unit.
- iv) Cases of default, if any, of statutory payments.
- v) Undertaking of any activity not sanctioned or approved by the Development Commissioner.
- vi) The decision of the Development Commissioner or Approval Committee in this regard shall be final and binding on the Unit except in cases where the Unit prefers an appeal before the Board of Approval, in accordance with rule 55".

3.13 Keeping in view the submission of the unit that it will submit projection for manufacturing unit within one month and dismal performance of the unit during previous block of five years, low export projections for next five years the Approval Committee, after due deliberations, decided to renew the LOA for a period of three months i.e. upto 12/04/2019 in terms of Rule 19(6A)(3) of SEZ (Amendment) Rules, 2018. The Approval Committee directed the unit to submit projections for manufacturing activities within one month as promised by Shri Pathak in Approval Committee meeting. The committee further clarified that the unit has been allotted 3 plots having an area of 1815 sqm. As would be evident from the Tables given in para 3.3 and para 3.5 above, exports done by both the units in the last several years are very small for a plot size of 1815 sqm. Even current projections of exports amounting to Rs.470 lakhs and employment projections of 5 persons only in next 5 years block against trading activity is also not proportionate to the size of plot. The committee clarified that once projections for manufacturing activities are received, the same would be placed before the Approval Committee for appropriate decision/consideration on the request of the unit for further extension, keeping in view the projections of exports/employment and size of plot of 1815 sqm.

4. Proposal in respect of M/s. Naimex for Renewal of LOA and Monitoring of performance.

It was informed to the Approval Committee that M/s. Naimex has been issued an LOA dated 22/08/2007 for following activities:



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1. *Manufacturing of Geo Technical Investigation Instruments and Construction Materials testing equipments, (Compression machines, Soil and Auto Compactors, CBR, Marshall and Direct Shear Test equipments, Vibrating Wire Piezometer and Vibrating Wire Temperature Gauge, Earth Pressure Cell and Concrete Pressure Cell, Joint Meters, Bore Hole Extensometers, Strain Gauges, Los Angeles, Consolidation Apparatus and Concrete Mixers).*
2. *Manufacturing of (i) Hot plate, Rectangular, with Energy Regulator, 250x300x150mm, 1.2kw (84194020); (ii) Hot Plate, Rectangular, with Energy Regulator, 300x450x180mm, 2.0kw (84195020); (iii) Environmental Test Chamber "Eco Friendly" with cooling Temp. Range-10°C to 60°C. +_1°C, Humidity-50% to 95% +_4%, Double Walled, Inner Chamber SS 304, Digital Controller cum Indicator, Size-610x610x910mm (84199090)*
3. *Trading of following items:*
 - (i) *All types of soil Testing equipments with accessories, parts and spares thereof.*
 - (ii) *All types of Concrete Testing equipments with accessories, parts and spares thereof.*
 - (iii) *All types of cement, lime, plaster and Mortar Testing equipments with accessories, parts and spares thereof.*
 - (iv) *All types of sand, aggregate and fillers testing equipments with accessories, parts and spares thereof.*
 - (v) *All types of asphalt quality control testing equipments with accessories, parts and spares thereof.*
 - (vi) *All types of laboratory hardware with accessories, parts and spares thereof.*

(Trading conditions have been incorporated)

4.2 The unit commenced its export production w.e.f. 17/12/2008 and LOA is valid till 16/02/2019.

4.3 It was informed to the Approval Committee that the unit has made exports worth Rs. 5833.50 Lakhs and earned positive NFE earnings worth Rs. 5554.47 Lakhs during previous block of five years between 2013-14 to 2017-18. Further, no foreign exchange has been shown pending for realization. It was also informed that unit has made DTA sales worth Rs. 528.99 Lakhs during previous block of five years.

4.4 Shri Sudip Chattopadhyay, authorized representative of the unit appeared before the Approval Committee. Shri Chattopadhyay informed that during previous block of five years they have made physical export of Rs. 372.45 Lakhs against trading activities. No DTA sale has been made against trading activities.

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4.5 The Approval Committee monitored the performance of the unit and noted positive NFE achievement by the unit during previous block of five years between 2013-14 to 2017-18. The Approval Committee further observed that there is no foreign exchange pending for realization against the unit.

4.6 The Approval Committee after due deliberations, decided to extend the validity of LOA for next block of five years i.e. upto 16/12/2023.

5. Proposal in respect of M/s. GKB Opticals Ltd. for Inclusion of additional authorized operation in LOA.

It was informed to the Approval Committee that M/s. GKB Opticals Ltd. has been granted an LOA dated 17/06/2011 for following activities:

1. *Manufacturing of Glass/mineral and bifocal ophthalmic lens.*
2. *Manufacturing of sunglass lenses of glass.*
3. *Manufacturing of Sunglass, Spectacle Lenses, Edged plastic lenses.*
4. *Trading of Plastic Ophthalmic Lens & Spectacle Frame fitted with Lenses*
(*Trading activities included on 03/04/2017 subject to conditions of no DTA sale of trading goods and to maintain separate area/NFE status for manufacturing & trading)

5.2 The unit has commenced its export activities w.e.f. 28/06/2012 and LOA of the unit is valid up to 27/06/2022.

5.3 It was informed that unit has submitted a proposal for inclusion of Trading of Spectacle Frames and Sunglasses in its authorized operations.

5.4 Shri Aditya Gupta, director appeared before the Approval Committee. Shri Gupta informed that these items belong to their line of business. However, the same are currently not being manufactured by them. Further, they have an order from their existing customers in South Africa for these items and due to that they have sought permission for trading of Spectacle Frames and Sunglasses. He further stated that they will procure these products mainly from Taiwan and China.

5.5 Shri Gupta further informed that they are expecting export turn over to be increased by Rs. 3-4 Crores per annum after addition of these products in their authorized

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operations.

5.6 It was informed that unit vide this office letter dated 28/12/2018 was asked to submit some documents/information related to proposed inclusion. However, the same are still awaited from the unit.

5.7 The Approval Committee, after due deliberations, approved the request of unit for inclusion of Trading of Spectacle Frames and Sunglasses subject to submission of documents as asked vide this office letter dated 28/12/2018. The Approval Committee further directed that the permission shall be further subject to following conditions:-

- (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.

6. Proposal in respect of M/s. Cyfuture India Pvt. Ltd. for monitoring of performance.

It was informed to the Approval Committee that M/s. Cyfuture India Pvt. Ltd. has been granted an LOA dated 28/09/2007 for service activities viz. 1) BPO- International Call Centre, Back Office Services. IT Services - Software + Internet Marketing Services. 2) Services: - i) Data center Services ii) Web hosting iii) Cloud Computing. The unit has commenced its export activities w.e.f. 15/04/2008 and LOA of the unit is valid up to 14/04/2023.

6.2 It was informed that the Approval Committee in its meeting held on 04/07/2018 while considering proposal of unit for renewal of LOA also monitored the performance of unit. The Approval Committee had observed that unit has rendered services worth Rs. 10815.06 Lakhs in DTA against payment in INR. The representatives of company during the

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said meeting had informed that they have checked the status of services rendered in DTA from their finance team and it has been observed that they have mistakenly shown cumulative figures of services rendered in DTA made by the company from its SEZ and DTA units in the APRs of NSEZ unit. The Approval Committee directed the unit to submit following:

- (i) Reasons for submission of wrong data in APRs.
- (ii) Revised APRs for the current block of five years i.e. from 2012-13 to 2017-18 duly certified by Chartered Accountant.
- (iii) Break-up of DTA sales in foreign exchange and Indian Rupees duly certified by Chartered Accountant.

6.3 It was informed that now the unit has submitted revised APRs and based on that performance of unit is as follows:

(Rupees in Lakhs)

First Block	(1) Exports	(2) Forex Outgo	(3) NFE Earnings	(4) DTA Sale
2008-09	286.40	10.23	276.17	0.00
2009-10	290.66	7.69	282.97	0.00
2010-11	394.12	31.95	362.17	91.78
2011-12	351.50	23.12	328.38	217.89
2012-13	1310.73	31.76	1278.97	1.73
Total of first block	2633.41	104.75	2528.66	311.40
Second Block				
2013-14	1434.18	50.08	1384.10	5.09
2014-15	1610.28	142.50	1467.78	8.65
2015-16	1409.32	111.48	1297.84	49.79
2016-17	1008.53	65.44	943.09	38.38
2017-18	1807.02	105.98	1701.04	50.23
Total	7269.33	474.35	6793.85	152.14

6.4 The Approval Committee observed from the revised APRs that unit has made total DTA sale worth Rs. 311.40 Lakhs during first block of five years (2008-09 to 2012-13) and Rs. 152.14 Lakhs during second block of five years (2013-14 to 2017-18) against payment in INR. Hence, unit has made total DTA sales worth Rs. 463.54 Lakhs against payment received in INR which is against section 2(z)(iii) of SEZ Act 2005.

6.5 Shri Munish Mahajan and Ms. Neha Gairula, authorized representatives of the unit appeared before the Approval Committee. Shri Mahajan informed that the person in charge



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at the time of reporting for APR is new to the unit and was unaware about what figure he should mention in reporting of APR, whether it is consolidated or of some specific branch. He further stated that their Chartered Accountant has also informed them about what data should reflect in APR. Due to that they mistakenly submitted APRs for previous years with cumulative data of NSEZ unit along with DTA units.

6.6 Shri Mahajan further informed that they have already taken measures for rectifying the mistakes including removal of Chartered Accountant as it was their duty to inform the company about financials/data to be submitted in the legal documents. He apologized for the wrong submission of data in APRs and ensured that the same would never happen in future. The Approval Committee directed to issue a letter to CEO/Director of the unit to be careful in submission of APRs as it may lead to cancellation of LOA under Section 16 of SEZ Act, 2005.

6.7 It was informed to the representatives that as per Section 2(z)(iii) of SEZ Act 2005, "Services means such tradable services which earn foreign exchange". Hence, the above sales are not as per SEZ Act/Rules and value of Rs. 463.54 Lakhs had to be against free foreign exchange but the unit has received payments in INR.

6.8 The Approval Committee informed Shri Mahajan 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 Mahajan gave consent on behalf of company to settle the case as per section 11(4) of the FT(D&R) Act, 1992.

6.9 In light of facts & circumstances of the case, DC, NSEZ in consultation with the members of the Approval Committee, imposed a penalty at the rate of 0.1% of the value of services rendered in DTA against payment in INR subject to minimum Rs.10,000/- on the unit as per section 11(4) of the FT (D&R) Act, 1992.

7. Proposal in respect of M/s. Agra Products Pvt. Ltd. for monitoring of performance.

It was informed to the Approval Committee that M/s. Agra Products Pvt. Ltd. had been

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issued LOA dated 18/03/2002 for following activities:

Manufacturing of:

- a) Silver Jewellery studded with stones.
- b) Silverware & gold, diamond jewellery.
- c) Jewellery of silver, gold, palladium and platinum studded and plain, studded with diamond, precious and semi-precious stones and enamel.
- d) Jewellery in white metal and brass plain and studded with real and artificial stones and plain.
- e) Import of semi-finished articles and jewellery in silver, gold, palladium and platinum studded and plain, studded with diamond, precious and semi-precious stones and enamel for further processing and re-export.
- f) Jewellery of other materials viz rubber, wood, threads, leather, steel, any white and yellow metal with silver, gold, platinum and palladium or without them.
- g) Jewellery of other materials viz rubber, wood, threads, leather, steel, any white and yellow metal with silver, gold, platinum and palladium or without them, studded or in combination with precious or semi-precious stones.

Service Activities:

Export of jewellery designing, prototyping and development or any related services pertaining to jewellery industry.

7.2 The unit commenced its export production w.e.f. 01/08/2003 and LOA is valid till 31/07/2023.

7.3 It was informed that the Approval Committee in its meeting held on 04/10/2018 had monitored performance of M/s. Agra Products Pvt. Ltd. and observed that foreign exchange of Rs. 32.08 Lakhs (pertaining to period 2013-14) has been shown pending for realization as on 31/03/2018. Shri Rohit Gupta, director informed that they are continuously taking action for recovery of outstanding foreign exchange towards export proceeds amounting to Rs. 32.08 Lakhs from ECGC of India Ltd. and the matter is still pending with ECGC. He further informed that they have intimated the same to their AD Bank for extension permission. The Approval Committee in the said meeting dated 04/10/2018 had directed Shri Gupta to resolve the issue of outstanding foreign exchange of Rs. 32.08 Lakhs within 2 months and submit copy of valid permission for extension of time to realize pending foreign exchange within two months.

7.4 Shri Rohit Gupta, director of the company informed that they have received letter from AD bank mentioning writing off seven transactions out of eight transactions of unrealized shipping bills for exports outstanding for more than 1 year. The unit has further

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stated that they will submit the BRC of remaining one transaction (of Rs. 28,549.18/-) as soon as they receive it from the bank.

7.5 The Approval Committee observed that as per Rule 71 export value of goods/ software & services may be realized and repatriated as per instructions of Reserve Bank of India (RBI) issued from time to time.

7.6 Further, as per A.2 RBI Master Circular No. 16/2015-16 dated 01.01.2016, it is obligatory on the part of the exporter to realise and repatriate the full value of goods/ software/ services to India within a stipulated period from the date of export, as under:

It has been decided in consultation with the Government of India that the period of realisation and repatriation of export proceeds shall be nine (09) months from the date of export for all exporters including units in Special Economic Zones (SEZs), Status Holder Exporters, Export Oriented Units (EOUs), Units in Electronic Hardware Technology Parks (EHTPs), Software Technology Parks (STPs) & Bio-Technology Parks (BTPs) until further notice.

7.7 Further, as per para C.20 of the said circular the Reserve Bank of India has permitted the AD category-I banks to extend the period of realization of export proceeds beyond stipulated period of realization from the date of export, upto a period of six months, at a time, irrespective of the invoice value of the export subject to the conditions given therein. Cases which are not covered by the instruction given therein would require prior approval from the concerned Regional Office of the Reserve Bank.

7.8 It was also informed that as per RBI Circular No.88 dated 12/03/2013, the unit has to surrender proportionate export incentives availed on the relative shipments which have not been realized.

7.9 Chapter 2 of Foreign Trade Policy (FTP) deals with general provisions regarding imports & exports. Further, as per 2.54 (a) of FTP 2015-20 if an exporter fails to realize export proceeds within time specified by RBI, he shall without prejudice to any liability or penalty under any law in force, be liable to return all benefits/incentives availed against such export and action in accordance with provisions of FT (D&R) Act, Rules and orders

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made thereunder.

7.10 As per chapter 2.87 of Handbook of Procedures (HBOP) Vol.I (2015-2020), realization of export proceeds shall not be insisted under Foreign Trade Policy, if the Reserve Bank of India (RBI) or any "Authorised Bank" (authorised by RBI for this purpose) writes off the requirement of realization of export proceeds on merits and the exporter produces a certificate from the concerned Foreign Mission of India about the fact of non-recovery of export proceeds from the buyer. However, this would not be applicable in self-write off cases.

7.11 As per Notification No GSR 772 (E) dated 05.08.2016:

"(5) Refund, Demand, Adjudication, review and Appeal with regard to matters relating to authorised operations under Special Economic Zone Act, 2005, transactions, and goods and services related thereto, shall be made by the jurisdictional Customs and Central Excise Authorities in accordance with the relevant provisions contained in the Customs Act, 1962, the Central Excise Act, 1944, and the Finance Act, 1994 and the rules made thereunder or the notifications issued there under."

7.12 The Approval Committee, after due deliberations, directed the unit to submit BRC in respect of remaining export proceed of Rs. 28549.18/- and return the duty benefits/incentives availed on the inputs against the write-off foreign exchange excluding the value of insurance claim availed as calculated by NSEZ Customs.

8. Proposal in respect of M/s. RA International for dissolution in partnership deed and change in shareholding of the company.

No one from the unit appeared for the meeting. It was informed that the promoter of unit has requested for deferment of proposal. Accordingly, Approval Committee defer the proposal for its next meeting and directed to write a letter to the unit to submit APR for the year 2017-18 and registered dissolution deed of partnership.

9. Proposal in respect of M/s. P.P. Jewels Pvt. Ltd. for Monitoring of performance.

It was informed to the Approval Committee that M/s. P.P. Jewels Pvt. Ltd. was issued an LOA dated 25/09/2007 for Manufacturing & Export of Plain & Studded

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Gold/Platinum/Silver jewellery. The unit commenced its export production w.e.f. 01/02/2010 and LOA was valid till 31/01/2015. The unit has been allotted Plot No. 142A/17, NSEZ admeasuring 450 Sq. mtrs.

9.2 It was also informed that the said proposal was also considered by the Approval Committee in its meeting held on 05/12/2018. As, no one from the unit appeared for the meeting, the Approval Committee deferred the matter for its next meeting.

9.3 Shri Ajay Goyal and Shri G.P. Singh appeared before the Approval Committee on behalf of the unit. The Approval Committee observed that authorization letter in favour of them is not available in this office records. Further, they were also not carrying authorization letter.

9.4 Shri Goyal requested for one month time to submit their detailed business plan and also ensured that in the meantime they will also submit authorization letter in their favour.

9.5 The Approval Committee, after due deliberations, decided to defer the proposal and directed to place the same in its meeting to be held in March' 2019. The Approval Committee further directed Shri Goyal to submit business plan & authorization letter within month. The Approval Committee also directed that the meeting should positively be attended by the directors/partners of the unit. In case any Authorized Representative is deputed to attend the meeting on behalf of the company/firm in place of Director/Partner, such Authorized Representative should carry valid Authority Letter to this effect.

10. Proposal in respect of M/s. P.P. Jewellers (Delhi) for Monitoring of performance.

It was informed to the Approval Committee that M/s. P.P. Jewellers (Delhi) was issued an LOA dated 29/04/2011 for Manufacturing & Export of Plain & Studded Gold/Platinum/Silver jewellery. The unit commenced its export production w.e.f. 20/01/2012 and LOA was valid till 19/01/2017. The unit has been allotted Plot No. 129G/17, NSEZ.

10.2 It was also informed that the said proposal was also considered by the Approval Committee in its meeting held on 05/12/2018. As, no one from the unit appeared for the meeting, the Approval Committee deferred the matter for its next meeting.

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