

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: 10/01/2017

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 04/01/2017 को दोपहर 12:00 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 04/01/2017 को दोपहर 12:00 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.पी. वर्मा)  
सहायक विकास आयुक्त

प्रतिलिपि:

1. अवर सचिव (एस.ई.जेड.), वाणिज्य विभाग, वाणिज्य एवं उद्योग मंत्रालय, भारत सरकार, उद्योग भवन, नई दिल्ली - सूचनार्थ।
2. विशेष कार्याधिकारी - विकास आयुक्त के सूचनार्थ।
3. वैयक्तिक सहायक - संयुक्त विकास आयुक्त के सूचनार्थ।
4. निर्दिष्ट अधिकारी, नोएडा विशेष आर्थिक क्षेत्र - सूचनार्थ एवं आवश्यक कार्यवाही के लिए।
5. सहायक विकास आयुक्त, सम्पदा अनुभाग, नोएडा विशेष आर्थिक क्षेत्र, सूचनार्थ एवं आवश्यक कार्यवाही के लिए।

सहायक विकास आयुक्त

**Minutes of the meeting of the Approval Committee of Noida SEZ held under the chairmanship of Dr. L.B. Singhal, Development Commissioner (DC), Noida SEZ at 12:00 Noon on 04/01/2017 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 Sukhbir Singh Badhal, Asstt. DGFT, CLA, New Delhi.
- 3) Ms. Sandhya Maurya, Income Tax Officer, Income Tax Deptt., Noida.
- 4) Shri Tribhuvan Nath Patel, Addl. Statistical Officer, DIC, Noida (Rep. of Principal Secretary, Industry, Govt. of UP.).
- 5) Shri S.K. Tomar, Supdt., Customs, Noida Commissionerate.
- 6) Shri Mukesh Goyal, Associate Architect, (Rep. of Noida Authority).

2. Besides, during the meeting (i) Smt. Mala Ranagarajan, Dy. Development Commissioner, NSEZ, S/Shri (ii) R.K. Srivastava Dy. Development Commissioner, NSEZ (iii) H.K. Rathi, Specified Officer, NSEZ, (iv) R.P. Verma, Asstt. Development Commissioner, NSEZ, (v) Rajendra Mohan Kashyap, PA to JDC, NSEZ, and (vi) J.N. Tiwari, JE, 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) It was informed to the Approval Committee that as per Section 13(7) of SEZ Act, 2005, "All orders and decisions of the Approval Committee and all other communications issued by it shall be authenticated by the signature of the Chairperson or any other member as may be authorized by the Approval Committee in this behalf".

It was further informed that all the decisions of the Approval Committee are taken by the Approval Committee chaired by the Chairperson, minutes of the meeting are signed by the Chairperson of the Approval Committee and minutes duly signed by Chairperson, containing the orders and decisions of the Approval Committee, are uploaded on the website of the SEZ. Thus orders and decisions of the Approval



Committee, as contained in the minutes, duly signed by the Chairperson and uploaded on the website are thus communicated to all concerned. In addition these decisions are also conveyed to the units by email/letters by Assistant Development Commissioner or Dy. Development Commissioner, NSEZ.

The Approval Committee took note of the practice and decided to follow the same in future too.

**(ii) Ratification of Minutes of last meeting of the Approval Committee held on 07/12/2016:-**

It was informed that no reference against the decisions of the Approval Committee held on 07/12/2016 was received and therefore, Minutes of the meeting held on 07/12/2016 were ratified.

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

1.	<p><b>Proposal in respect of M/s. ANG Industries Ltd. (Unit-II) for monitoring of performance &amp; renewal of LOA for five years.</b></p> <p>It was informed to the Approval Committee that the proposal of M/s. ANG Industries Ltd. (Unit-II) was considered by the UAC in its meeting held on 07/12/2016 wherein no one from the unit appeared for the meeting. The Approval Committee in its earlier meeting held on 07/12/2016 decided to defer the proposal for its next meeting and directed that a reminder be sent through speed post/email to the unit to submit reply of this office letter dated 18/11/2016 along with a direction to ensure their presence in the next meeting of Approval Committee. Accordingly, the decision of UAC was conveyed to the unit vide this office letter dated 21/12/2016 with a request to submit the required documents immediately and ensure their presence in the next meeting of Approval Committee to be held on 04/01/2017.</p> <p>It was informed to the Approval Committee that promoters of the company were called and advised by this office to apply for either renewal of LOA or to submit their option to exit from SEZ scheme. Incomplete proposal for renewal of LOA in respect of Unit-II at Plot No. 150-A, NSEZ has been received. However, no proposal in respect of Unit-I has been submitted.</p>
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No one from the company appeared for the meeting whereas the communication for appearing before the Approval Committee was sent through speed post and Email.

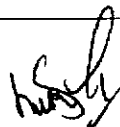
The Approval Committee observed that total lease rent of Rs. 31,71,944/- (Rs. 8,89,421/- in respect of Plot No. 150A, NSEZ + Rs. 22,82,523/- in respect of SDF No. I-11, NSEZ) outstanding against the company. Eviction Orders in respect of Plot No. 150A and SDF No. I-11, NSEZ have been issued in pursuance of the provisions of P.P. Act 1971 and Rule 11(5) of SEZ Rules, 2006. Recovery Certificate has been issued against Unit-I for recovery of outstanding lease rent of Rs. 22,82,523/- in respect of SDF No. I-11, NSEZ.

The Approval Committee noted that the LOA No. 02/07/2005-Proj/3528 dated 03/05/2005 and LOA No. NSEZ/02-13/2005-Proj/6678 dated 11/08/2005 of the unit had already expired on 03/10/2015 & 20/08/2016 respectively. Incomplete proposal for renewal of LOA in respect of Unit-II at Plot No. 150-A, NSEZ has been received in November 2016. However, no proposal in respect of Unit-I has been submitted. The promoters were called to attend the meeting. However, no one turned up.

In the Approval Committee, attention of the members was invited to Rule 11(5) of SEZ Rules, 2006, which says that notwithstanding any other conditions in the Lease Deed, the lease rights would cease to exist in case of the expiry or cancellation of LOA and in this case, LOA of M/s. ANG Industries Ltd.(Unit-II) had expired in August 2016. Also, the unit had not made any request for renewal of the same within due date. Further, huge amount of lease rent is outstanding against the company.

The Approval Committee, after due deliberations, observed that LOA in respect of both units already stands expired and are no more valid. In terms of Rule 11(5) of SEZ Rules, 2006, lease deed also stands expired. The Approval Committee also decided to not to renew the LOA until lease rent in respect of both units are cleared. The Approval Committee further directed the Estate Management section to take appropriate action in respect of both the units, as required under provisions of P.P. Act.

The Approval Committee also decided that the proposal of unit for renewal of LOA may again be placed before the Approval Committee for taking a view, once the lease rent is cleared and required documents are received from them.



**2. Proposal in respect of M/s. Aar Ess Exim Pvt. Ltd. (Unit-II) for ratification of one time permission granted for export.**

It was informed to the Approval Committee that unit vide its letter dated 05/12/2016 had stated that they are in the process of exporting NKP fertilizer plant and together therewith they are also required to export some "Laboratory items (HA Code: 90249000)" for testing the quality of the input raw material and the final product, i.e. the fertilizer produced on the NKP fertilizer plant being exported by them; supply of the Laboratory items is included in the Contract between the Buyer & their Company.

Shri Rajendra Mishra, authorized representative of company appeared before the Approval Committee. He informed that the "Laboratory items" are not included in their LOA so they had requested to grant "One Time Permission" to enable them to export "Laboratory Items" together with the fertilizer plant.

Shri Mishra further informed that informed that the company is working since 1995 and has its presence in Dubai, Africa, Kazakhstan and many other countries. The total turnover of the company during last year was approx. Rs. 40-50 Crores.

It was further informed to the Approval Committee that unit vide this office letter dated 19/12/2016 was given one time permission to procure & export "Laboratory Items" together with the fertilizer plant, subject to ratification by the Approval Committee.

After due deliberations, the Approval Committee ratified the approval granted to them vide letter dated 19/12/2016 to procure & export "Laboratory Items" together with the fertilizer plant.

**3. Proposal of M/s. Groz Engineering Tools Pvt. Ltd. for inclusion of additional services apart from default list of services.**

It was informed to the Approval Committee that the unit has sought approval for additional services namely 'Management or Business Consultant's Service'.

Shri Sumeet Sharma and Shri Ram Bhardwaj, authorized representatives of the company appeared before the Approval Committee. Shri Sharma informed that they have been claiming MEIS benefits on their exports. The consultant hired by them for reimbursement of these benefits from the Deptt., falls under this particular service. For



exemption from their service tax amount, they are requesting for addition of "Management or Business Consultant's Service".

The Approval Committee observed that the company has units also in DTA apart from NSEZ and the consultant hired by them works for all the units. Hence, it will not be possible to monitor whether the unit has claimed exemption for NSEZ unit or DTA units. The Approval Committee was of the view that this service does not relate to the authorized operations of the unit.

The Approval Committee, after due deliberation, **rejected** the proposal of unit for additional services namely 'Management or Business Consultant's Service'.

4. **Proposal in respect of M/s. Matchless Technology for renewal of LOA; inclusion of additional manufacturing items and monitoring of performance.**

It was informed to the Approval Committee that the unit has been issued LOA dated 03/08/2006 for Manufacturing and export of (1) Buckles, Complete Chin Straps (CCS), D-Rings, (DD Ring) and Brackets (2) Safety Helmets, parts of Safety Helmets and Carry Bag for Helmets (3) Helmet Stand, Driving Goggles. The unit has commenced its export production w.e.f. 27/02/2007 and LOA of the unit is valid till 26/02/2017.

It was informed to the Approval Committee that the unit has requested for renewal of LOA for five years along with a proposal for inclusion of additional manufacturing items i.e. i.e. "Manufacturing & Export of Coat, Jackets, Body Back Protectors/Armors, Breeches/ Jodhpurs/Jocky Pants/ Horse Riding Trousers/ Trousers/ Pullons, Shirt/ T-Shirt/ Polo, Rain Gears/ Rain Wears, Denim Pants, Laptop Bags/ Bags/ Backpacks etc." in the authorized operations.

The Approval Committee noted that the Unit has made exports worth Rs. 90 Crores and earned positive NFE of Rs. 79.79 Crores during last block of five years. The Approval Committee also noted that the export performance of unit has decreased during 2015-16 as compared to previous years.

Shri Rajeev Kapur, proprietor of the firm appeared before the Approval Committee. He informed that since last few years demand of their existing products has decreased due to global economic situation. So they have explored some new markets with new



products which are similar to existing manufacturing activities.

It was informed to Shri Kapur that the unit is currently approved for manufacturing of Safety Helmets, Helmet Stands & Driving Goggles, which belongs to a different sector. Moreover, the proposed additional items relates to the textile sector. It was further informed to him that broadbanding of unrelated items in a single LOA cannot be allowed in terms of Instruction No. 69 issued by Deptt. of Commerce.

Shri Kapur stated that they have at present approx. 400 Nos. of sewing machines/stitching machines, which are used for manufacturing of Complete Chin Straps & Interior parts of Helmets, which can also be used for producing their new products. He further informed that they are not manufacturing Safety Helmets, Helmet Stands or Driving Goggles and only doing manufacturing & export of the parts of the helmets and complete Chin Straps etc. Shri Kapur also gave his written consent to delete the above products from their existing authorized operations. He stated that existing machines, used for stitching etc. for inner parts of Helmets, Complete Chin Straps etc., will be used for proposed additional items also.

The Approval Committee, after due deliberations, **decided to delete Safety Helmets, Helmet Stands and Driving Goggles from existing authorized operations of the unit.**

The Approval Committee further agreed to the request of unit for revision as well as addition of the authorized operations. Revised authorized operations of the unit would be as under:

- (i) Manufacturing of Buckles, Complete Chin Straps (CCS), D-Rings, (DD Ring) and Brackets
- (ii) Manufacturing of Parts of Safety Helmets and Carry Bag for Helmets.
- (iii) Manufacturing of Coat, Jackets, Body Back Protectors/Armors, Breeches/ Jodhpurs/Jocky Pants/ Horse Riding Trousers/ Trousers/ Pullons, Shirt/ T-Shirt/ Polo, Rain Gears/ Rain Wears, Denim Pants, Laptop Bags/ Bags/ Backpacks etc.

The Approval Committee also decided to renew the LOA for next block of five years i.e. upto 26/02/2022.



**5. Proposal of M/s. Sahdev Jewellers for change in partners of the firm.**

It was informed to the Approval Committee that M/s. Sahdev Jewellers has been issued an LOA dated 15/03/2000 for manufacturing & export of Plain Gold Jewellery. The unit has commenced its export production w.e.f. 01/04/2000 and LOA of the unit is valid till 31/03/2020.

It was further informed that earlier Shri Vasdev Sahdev and Shri Ravi Sahdev were partner in the firm. However, there has been change in constitution /partners of the firm due to death of a promoter Shri Vasdev Sahdev. Shri Ravi Sahdev has claimed to acknowledge him as proprietor of the unit.

Shri Ravi Sahdev, promoter of the firm appeared before the Approval Committee. He informed that he and his father Shri Vasdev Sahdev were running the business on 50-50% partnership. He further informed that his father Shri Vasdev Sahdev expired on 28/08/2016 and now he has started running this business as a proprietorship concern.

It was informed to him that this office vide letter dated 16/11/2016 has requested for documents viz. NOC from other legal heirs and registered dissolution deed of partnership. However, the said documents are still awaited.

Shri Sahdev informed that they have applied for the above documents in the respective departments and will submit the same as soon as possible.

The Approval Committee, after due deliberation, **deferred** the proposal and directed to take up the matter again before the Approval Committee after submission of the documents as asked vide this office letter dated 16/11/2016.

**6. Proposal in respect of M/s. Cyient Ltd. for change in Directors; matter relating to violation of condition no.14 of Bond-cum-LUT and monitoring of performance**

It was informed to the Approval Committee that M/s. Cyient Ltd. has been issued an LOA dated 10/11/2008 for Software Development & IT Enabled Service. The unit has commenced its export activities w.e.f. 31/07/2012 and the LOA is valid till 30/07/2017.

It was further informed that the unit has intimated about appointment of Ms. Andrea





Bierce & Mr. John Paterson w.e.f 15/10/2014 and cessation of Mr. Shankar Narayanan & Mr. Jayant Sabnis w.e.f. 06/08/2015 & 21/04/2016 respectively. **The Approval Committee observed that forex of Rs. 8.04 Lakhs is also pending for realization as on 31/03/2016.**

Shri Sanjit Kumar Pal and Shri Aditya Mohnish, authorized representatives of the company appeared before the Approval Committee. Shri Aditya Mohnish informed that there is **no** change in the pattern of shareholding due to change in directors. He further informed that the pending forex has already been realized and they submitted a copy of realization certificate on 04/01/2017.

It was informed to the representatives that as per condition No. 14 of Bond-cum-LUT executed by the unit, the unit is required to intimate any changes in the Board of Directors/Partners, telephone No., E-mail address, Web-Site, Pass port No., Bank Address and Factory address, forthwith, to the Development Commissioner and the Specified Officer. However, the unit has failed to comply with the same and intimated about change in directors after delay of 2 years, which is violation of condition No. 14 of Bond-cum-LUT executed by unit.

The authorized representatives of the unit admitted the delay on their part and requested for help in sorting these issues out. They further assured that they will be more careful in future. It was informed to them 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 representatives informed that they are not authorized by the company to take such decisions. It was assured by them that they will bring the above aspect of the case in the notice of the promoters/appropriate authority of their company and requested to defer the proposal for its next meeting.

The Approval Committee, after due deliberations, decided to **defer** the proposal for its next meeting.

7. **Proposal in respect of M/s. SynapseIndia Outsourcing Pvt. Ltd. [LOA-2008] for Change in regd. office address and matter relating to violation of condition No. 14 of Bond-cum-LUT.**

It was informed to the Approval Committee that M/s. SynapseIndia Outsourcing Pvt. Ltd.



has been issued an LOA dated 10/04/2008 for Customized web based applications, E-business solutions, Software (application) development, Web designing and hosting, Corporate multimedia presentations. Unit commenced its export activities w.e.f. 02/04/2010 and LOA is valid upto 01/04/2020. It was further informed that the unit has intimated about change in regd. office address of the company w.e.f. 21/09/2015.

Shri Sanjeev Kaloti and Shri Kapil Kumar, authorized representatives of the company appeared before the Approval Committee. It was informed to them that the unit has intimated about change in regd. office address after delay of 1 year 3 month, which is violation of condition No. 14 of Bond-cum-LUT executed by unit. Shri Kaloti admitted the delay on their part and requested for condonation. He further assured that they will be more careful in future. He further submitted that new registered office address was incorporated in their letter head, which were used for correspondence with NSEZ regularly since the change.

The Approval Committee, after due deliberations, condoned the delay and decided to take the intimation of unit for change in regd. office address on records. The Approval Committee also warned the unit to be more careful in future for timely compliances.

**8. Proposal in respect of M/s. SynapseIndia Outsourcing Pvt. Ltd. [LOA-2008] for Change in regd. office address and matter relating to violation of condition No. 14 of Bond-cum-LUT.**

It was informed to the Approval Committee that M/s. SynapseIndia Outsourcing Pvt. Ltd. has been issued an LOA dated 20/12/2010 for Customized web based applications, E-business solutions, Software (application) development, Web designing and hosting, Corporate multimedia presentations. Unit commenced its export activities w.e.f. 14/12/2012 and LOA is valid upto 13/12/2017.

Shri Sanjeev Kaloti and Shri Kapil Kumar, authorized representatives of the company appeared before the Approval Committee. It was informed to them that the unit has intimated about change in regd. office address after delay of 1 year 3 month, which is violation of condition No. 14 of Bond-cum-LUT executed by unit. Shri Kaloti admitted the delay on their part and requested for condonation. He further assured that they will be more careful in future. He further assured that they will be more careful in future. He



further submitted that new registered office address was incorporated in their letter head, which were used for correspondence with NSEZ regularly since the change.

The Approval Committee, after due deliberations, condoned the delay and decided to take the intimation of unit for change in regd. office address on records. The Approval Committee also warned the unit to be more careful in future for timely compliances.

9. **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 UAC are indicated below:-**

i) **M/s. Adhikaar Datapro Systems Pvt. Ltd.** – It was informed to the Approval Committee that the unit has submitted a letter on 04/01/2017 intimating that all the pending foreign exchange have been realized within the prescribed time period.

The Approval Committee monitored the performance of the unit on the basis of APRs up to 2015-16 and noted achievement of positive NFE by the unit.

ii) **M/s. Digital Web Solutions Pvt. Ltd.** – The Approval Committee monitored the performance of the unit on the basis of APRs up to 2015-16 and noted achievement of positive NFE by the unit.

iii) **M/s. Allied Information Technology** - The Approval Committee monitored the performance of the unit on the basis of APRs up to 2015-16 and noted achievement of positive NFE by the unit.

iv) **M/s. RFB Latex Ltd.** – it was informed to the Approval Committee that Lease rent of Rs. 10,52,971/- [Rs. 3,46,908/- in respect of Plot No.24 + Rs. 7,06,063/- in respect of Plot No. 78-80] is currently outstanding against the unit. Itb was further informed that Unit vide this office letter dated 28/12/2016 has been requested to submit online application for renewal of LOA along with other documents and also to clear outstanding lease rent. However, reply is awaited.

No one from the unit appeared for the meeting. The Approval Committee observed that the LOA of the unit is valid till 31/03/2017.

The Approval Committee, after due, deliberation decided to defer the proposal for its next meeting.



**10. Proposal of M/s. Water Next Solutions Pvt. Ltd. for Setting up a new unit in NSEZ.**

It was informed to the Approval Committee that the applicant has proposed to set up a new unit in NSEZ to undertake Manufacturing, Assembling, Erecting, Commissioning of Waste Water Treatment Plant with projected exports of Rs. 14800 Lakhs and NFE earnings worth Rs. 4438 Lakhs over a period of five years.

Shri Anil Behl and Shri Paranay Behl, directors of the company appeared before the Approval Committee to explain the project. Shri Paranay Behl informed that the company was established in 2008 and is pioneer in introducing Italian biological technology for waste water treatment for textile industries and provides pre 7 post sales and installation services in India and other companies across the globe. He further informed that since many years, they have been promoting the sales of Waste Water Treatment Plant in India and abroad with greater emphasis on pollution control devices. The company has entered into strategic relationship with Technical partners at Italy and have sold large turnkey projects in Russia and China in the current year and a few more projects are in pipeline which are to be executed from Noida unit.

The Approval Committee observed from the manufacturing process flow chart submitted by applicant that there will not be any substantial manufacturing activity in the proposed SEZ unit. Shri Behl informed that Water Next Solutions Pvt. Ltd. will procure finished goods from Indian & overseas market and the same will be assembled as waste water treatment unit on turnkey basis. The finished product will be a waste water treatment plant, which will be installed on site.

It was informed that some shortcomings were observed in the application and these were conveyed to the applicant on 03/01/2017. However, reply is still awaited. Shri Behl assured to rectify the deficiencies observed in their application at the earliest.

The Approval Committee, after due deliberations, approved the proposal of M/s. Water Next Solutions Pvt. Ltd. for Manufacturing, Assembling, Erecting, Commissioning of Waste Water Treatment Plant subject to rectification of the deficiencies observed in their application.

The representatives of company agreed with the decision of the Approval Committee and assured to comply with the same.



**11. Proposal of M/s. Iotina Technology Pvt. Ltd. for Setting up a new unit in NSEZ.**

It was informed to the Approval Committee that the applicant has proposed to set up a new unit in NSEZ to undertake Software Services with projected exports of Rs. 1186 Lakhs and NFE earnings worth Rs. 1173.20 Lakhs over a period of five years.

Shri Ajay Singh and Shri Vikram Singh, directors of the company appeared before the Approval Committee to explain the project. Shri Vikram Singh informed that the company is currently working on the 2 projects for designing, development & testing of Wireless Gateway. He further informed that they want to establish themselves as leading service provider in niche and emerging field of IOT and IP Networking.

The Approval Committee observed that the applicant has shown requirement of built up area of 80 sq. mtrs. The Approval Committee informed Shri Singh that as on date no SDF of 80 sq. mtrs is available in NSEZ for allotment. However, they may be allotted half SDF of 250 sq. mtrs. as per availability. Shri Vikram Singh requested that to begin with they may start export activities from SDFs.

The Approval Committee further observed that the applicant has not specified the services which are to be rendered from the NSEZ unit. The Approval Committee directed the promoters to revise the service activities as per Rule 76 of SEZ Rules, 2006 and submit the same to this office.

It was further informed that some shortcomings were observed in the application and these were conveyed to the applicant on 04/01/2017. Shri Behl assured to rectify the deficiencies observed in their application at the earliest.

The Approval Committee, after due deliberations, approved the proposal of M/s. Iotina Technologies Pvt. Ltd. subject to rectification of the deficiencies observed in their application including furnishing of details of specific services to be included in LOA. The applicant agreed to submit nomenclature of service as per Rule 76 of the SEZ Rules, 2006.

**12. Proposal in respect of M/s. GPL Exports Ltd. for Monitoring of Performance and review of authorized operations.**

No one from the unit appeared for the meeting. It was informed to the Approval

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Committee that the unit has requested to defer the proposal as their Directors are on overseas trip due to pre-occupied schedule.

The Approval Committee agreed and decided to **defer** the proposal for its next meeting.

13. **Proposal of M/s. Aksasia Creations Pvt. Ltd. for change in shareholding of the company.**

It was informed to the Approval Committee that M/s. Aksasia Creations Pvt. Ltd., vide its letter dated 20/12/2016 has informed about change in shareholding pattern of the company w.e.f. 04/10/2016 as per following details:

Name	Shareholding (before 23/04/2016)	Shareholding (as on 23/04/2016)	Current Shareholding (w.e.f. 04/10/2016)
1. Shri Arvind Singh	90%	70%	55%
2. Smt. Priti Singh	10%	10%	Nil
3. Smt. Chhaya Devi	--	20%	45%

Shri Arvind Singh and Smt. Chhaya Devi, Director appeared before the Approval Committee and explained the proposal. Shri Singh informed that viewing the further expansion of company business with recently approved additional authorized operations and requirement of funds for implementation to export orders; they have transferred more shares to Smt. Chhaya Devi.

It was informed to the Approval Committee that Board of Approvals in its 69th meeting held on 23.02.2016 has issued 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.”

The Approval Committee observed that in the instant case, the change in shareholding is less than 50%.

The Approval Committee, after due deliberations, **approved** the proposal of unit for change in shareholding w.e.f. 04/10/2016 as the change is less than 50%.

**14. Proposal in respect of M/s. Jungsan Diamond Tools India Pvt. Ltd. for Monitoring of performance and renewal of LOA.**

It was informed to the Approval Committee that M/s. Jungsan Diamond Tools India Pvt. Ltd. has been issued an LOA dated 15/06/2010 for Manufacturing of Insert, PCD Reamer, Grooving Blades, End Mills PCD Drills, Ball Nose & Trading Activities. The unit has commenced its export production w.e.f. 07/01/2011 and LOA is valid till 06/01/2017.

The Approval Committee observed that the unit has achieved negative NFE earnings worth Rs. 152.61 Lakhs during previous block of five years.

Shri Young Cheol Min, Director and Shri Rittik Mitra, authorized representative appeared before the Approval Committee. Shri Min informed that their main aim is to switch over their production from Korea to their unit in Noida SEZ and to export the same to their overseas customers. He further informed that the manufacturing of diamond cutting tool is an expensive & skilled process. He also informed that they are not doing any trading



activity.


It was informed to them that the NFE earnings of the unit during previous block were negative to the tune of Rs. 152.61 Lakhs, which is a violation of LOA condition & SEZ Rules, 2006. Shri Min agreed about achievement of negative NFE during previous block of five years. He further informed that they have started achieving positive NFE since 2015-16 and assured to continue achievement of positive NFE earnings.

It was informed to him that as per section 11(4) of the Foreign Trade (Development & Regulation) Act, 1992, there is a provision to settle the cases where a person admits any contravention by imposing a penalty. The Approval Committee gave him the option to settle the matter as per section 11(4) of the FT(D&R) Act, 1992 for achievement of negative NFE earnings by imposing penalty @1% of shortfall of reconciled value of NFE in terms of Rule 54 read with its Annexure of the SEZ Rules, 2006. In addition to this, unit shall also be liable to pay the duty on the unutilized goods corresponding to negative NFE in terms of Rule 54 of SEZ Rules, Paragraph (ii) of Annexure-I of SEZ Rules, Rule 25 & Rule 37 of SEZ Rules as may be calculated by NSEZ customs. Shri Min consented to settle the case as per section 11(4) of the FT(D&R) Act, 1992 for achievement of negative NFE.

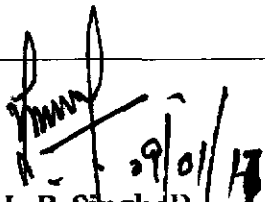
In the light of facts & circumstances of the case, DC, NSEZ in discussion with the members of the Approval Committee imposed a penalty @1% of shortfall of reconciled value of NFE in terms of Rule 54 read with its Annexure of the SEZ Rules, 2006. Unit shall also have to pay duty on the unutilized goods corresponding to negative NFE.

The Approval Committee, after due deliberations, decided to renew the LOA for remaining period of current five years block i.e. upto 06/01/2021. The Approval Committee also directed that approval letter for renewal of LOA shall be issued after payment of penalty amount by the unit.

Meeting ended with thanks to the Chair.

  
(S. S. Shukla)

**Jt. Development Commissioner**

  
(Dr. L. B. Singhal)

**Development Commissioner**