

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: 10/04/2017

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 05/04/2017 को पूर्वाह्न 11:30 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 मे दिनांक 05/04/2017 को पूर्वाह्न 11:30 बजे सम्मेलन हॉल, प्रशासनिक भवन, नोएडा विशेष आर्थिक क्षेत्र, नोएडा मे आयोजित नोएडा विशेष आर्थिक क्षेत्र की यूनिट अनुमोदन समिति की बैठक का कार्यवृत्त अग्रेषित करने का निर्देश हुआ है ।

भवदीय,


संलग्नक : उपरोक्त


(माला रंगराजन)

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. सहायक विकास आयुक्त, सम्पदा अनुभाग, नोएडा विशेष आर्थिक क्षेत्र, सूचनार्थ एवं आवश्यक कार्यवाही के लिए.


उप 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 11:30 AM on 05/04/2017 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 Manbir Singh, Asstt. Commissioner, Customs, Noida Commissionerate.
- 3) Shri Gobinda Banerjee, FTDO, O/o Addl. DGFT, CLA, New Delhi.
- 4) Ms. Sandhya Maurya, Income Tax Officer, Income Tax Deptt., Noida.

2. Besides, during the meeting S/Shri (i) R.K. Srivastava Dy. Development Commissioner, NSEZ (ii) Md. Salik Parwaiz, Specified Officer, NSEZ, (iii) R.P. Verma, Asstt. Development Commissioner, NSEZ, (iv) Rajendra Mohan Kashyap, PA to JDC, NSEZ, and (v) G.P. Singh, 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 01/03/2017:-

It was informed that no reference against the decisions of the Approval Committee held on 01/03/2017 was received and therefore, Minutes of the meeting held on 01/03/2017 were ratified.

A. Malik

Item wise decisions on proposals included in agenda:

1.	<p>Proposal for adjudication of Notice dated 14/03/2017 issued to M/s. Shri Lal Mahal Ltd. in the wake of report of DRI about Diversion of duty free imported gold and contravention of provisions of SEZ Act, 2005, SEZ Rules 2006, Conditions of LOA and conditions of Bond-cum-LUT.</p> <p>It was informed to the Approval Committee that the unit has requested to grant 4 weeks time to them to furnish a reasonable response to the notice as well as a workable opportunity for hearing.</p> <p>The Approval Committee, after due deliberations, decided to grant time upto 28th of April 2017 to the unit to submit reply of the Notice dated 14/03/2017 issued to them. The Approval Committee also <u>decided to provide last opportunity to the unit of personal hearing in the next meeting of Approval Committee</u> proposed to be held in NSEZ Service Centre, Noida at 11:30 AM on 03/05/2017. It was also decided that if the unit fails to do so, it will be presumed that they have nothing to say in their defence and the matter will be decided on the basis of records available in this office, on merits.</p> <p>Accordingly, the Approval Committee deferred the proposal for its next meeting.</p>
2.	<p>Proposal in respect of M/s. Indo-Dan Lampshades Pvt. Ltd. for Renewal of LOA and monitoring of performance.</p> <p>It was informed to the Approval Committee that the unit has been issued LOA dated 05/01/2002 for Manufacturing and Trading Activities subject to condition that 100% physical export shall be undertaken and no DTA sale will be allowed in respect of Trading activities. The unit has commenced its export production w.e.f. 01/04/2002 and LOA of the unit was valid till 31/03/2017. It was further informed that LOA of the unit was extended for one month i.e. upto 30/04/2017 so that working of the unit does not suffer.</p> <p>It was informed to the Approval Committee that the unit has requested for renewal of LOA for further five years. The Approval Committee noted that the Unit has made exports worth Rs. 5291.67 Lakhs and earned positive NFE of Rs. 5182.88 Lakhs during last of five years i.e. from 2011-12 to 2015-16.</p>

A. Mahal

The Approval Committee observed that LOA of the unit was amended vide this office letter dated 31/03/2014 subject to condition that unit shall submit acceptance of the said letter and execute Bond-cum-LUT. However, till date unit has neither submitted acceptance nor executed Bond-cum-LUT against above amendment letter dated 31/03/2014.

Shri Vikas Rungta and Shri Gulshan Kumar, authorized representatives of the unit appeared before the Approval Committee. Shri Rungta informed that due to oversight, they could not fulfill compliance of letter dated 31/03/2014. He stated that they are one of the oldest running unit in the zone and have been working since 2003 and such type of mistake has never been committed by them. He requested to condone the non-compliance and assured that this type of mistake will not be repeated in future.

Shri Rungta also informed that they have not done any trading activities during last 5 years. He further informed that they have made only physical exports and no DTA sale has been undertaken from the zone in last five years. **It was informed to Shri Rungta that unit has to maintain positive NFE achievement separately for both manufacturing & trading activities.**

The Approval Committee, after due deliberations, decided to renew the LOA for remaining period of five years i.e. upto 31/03/2022 subject to the following conditions:

1. 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.
2. Existing stock can be cleared in DTA in freely convertible currency as permissible under Rule 53 of SEZ Rules, 2006 till 31/08/2017. Thereafter, no DTA clearance for trading goods shall be allowed.
3. Unit will maintain separate area earmarked for manufacturing and trading activities and maintain separate records/accounts of NFE for manufacturing and trading activities.
4. NFE status for manufacturing activity and trading activity will be calculated separately.

The Approval Committee also condoned the non-compliance of the conditions of letter dated 31/03/2014 and warned the unit to be more careful in future.

A. Mahesh

3. Proposal in respect of M/s. GPL Exports Ltd. for inclusion of additional manufacturing items in LOA.

It was informed to the Approval Committee that M/s. GPL Exports Ltd. has been issued an LOA dated 19/03/2009 for Manufacturing of Lamps, Handicrafts, Article of metals and Brass parts & Trading activities. Unit has commenced its export production w.e.f. 26/04/2013 and LOA of the unit is valid till 25/04/2018.

It was informed to the Approval Committee that the unit has submitted a proposal for inclusion of additional manufacturing items as authorized operations in their LOA. It was further informed that the unit vide its letter dated 23/03/2017 has submitted ITC HS Code of proposed manufacturing items. However, it has been observed that unit has changed nomenclature of products as compared to earlier given names.

Shri Vikas Rungta and Shri Gulshan Kumar, authorized representatives of the unit appeared before the Approval Committee. Shri Rungta informed that they have submitted correct list of manufacturing items along with their ITC HS code on 30/03/2017 as under:

S.No.	Name of items	ITC HS Code
1	Manufacturing of wiring	85441920
2	Manufacturing of cord set with switch placement and Ferrule Fitting	85444220
3	Assembly of cord set with switch placement and Ferrule Fitting	85444220
4	Assembly of Plastic/Phenolic Lamp Holder	85366110
5	Customized Wire, Cutting, Ferrule and Connector Fitting for lampshades	85441920
6	Braiding on Wire and Cord set a) Braiding on wire b) Braiding on cord set	85441990 85444290

They further informed that machines would be installed for insulation of PVC on copper wire.

The Approval Committee, after due deliberations, approved the proposal of unit for inclusion of additional manufacturing items as authorized operations subject to the

a. mala

following conditions:

- (i) Trading will be allowed only for physical export to any other country, for supply to other units in NSEZ or other SEZ or EOUs, against freely convertible currency.
- (ii) No DTA clearance for trading goods shall be allowed.
- (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 calculated separately.

4. Proposal of M/s. Jayashree Jewellers for inclusion of additional authorized operations in LOA.

It was informed to the Approval Committee that M/s. Jayashree Jewellers has been issued an LOA dated 15/10/2004 for Manufacturing & export of Plain Gold Jewellery. Unit has commenced its export production w.e.f. 12/04/2007 and LOA of the unit is valid till 11/04/2022.

It was informed to the Approval Committee that the unit has submitted a proposal for inclusion of "Studded Gold Jewellery [studded with diamond - 71131930; and studded with Coloured gem stone - 71131120]" as authorized operations in their LOA.

Shri B.P. Sharma, authorized representative of the unit appeared before the Approval Committee. He informed that currently they are engaged in manufacturing of handcrafted plain gold jewellery only and approx. 75 employees are working in the unit. He also informed that all the manufacturing process is being undertaken in-house and no sub-contracting has ever been done by them.

He further informed that now they are getting orders from their foreign buyers for Studded Jewellery of various precious metals viz. gold, silver, platinum, which is not in their authorized operations and requested to include the same. He further informed that they will import cut-polished diamonds, pearls and gem-stone for the proposed additional authorized operations.

R. Malik

Noida Special Economic Zone

(Minutes of Meeting of Approval Committee of Noida SEZ held on 05/04/2017)

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It was informed that earlier another jewellery unit viz. M/s. M.D. Overseas had submitted a proposal to allow for manufacture and export of all permissible Gem & Jewellery items under Para 4.61 of HBOP, 2015-20 as under:-

Sl No	Items of export	Minimum Value Addition
a)	Plain gold jewellery, Articles, and ornaments like Mangalsutra containing gold and black beads / imitation stones, except in studded form of jewellery.	3.5 %
b)	All types of Studded gold	6.0% (for those studded with coloured Gem stones) and 7.0% (for those studded with diamonds).
c)	Any jewellery / articles manufactured by fully mechanised process	2.0 %
d)	Gold medallions & coins (excluding coins of nature of legal tender)	1.5 %
e)	Gold / silver / platinum findings / mountings manufactured by mechanised process	2.5 %

This request of M/s. M.D. Overseas was referred by NSEZ to DOC vide letter dated 25.05.2015. In response to the aforesaid reference, DOC vide letter dated 11.08.2015 had clarified that in view of the instructions issued vide letters dated 25.04.2013 and 19.07.2013, the request of M/s. M.D. Overseas Ltd. for manufacturing and exporting all permissible Gem & Jewellery items under FTP 2015-2020 may not be accepted. Thus as per DOC letter dated 11.08.2015 read with their earlier letters dated 25.04.2013 & 19.07.2013 only two activities in the jewellery sector indicated at (a) and (b) are permitted in SEZ.

The Approval Committee observed that unit has submitted proposal for inclusion of Studded Gold Jewellery only. It was informed to Shri Sharma that unit needs to submit ITC HS Code along with complete proposal for studding in Platinum, Silver, if they desire to include the same in authorized operations. Shri Sharma assured to submit the same.

The Approval Committee, after due deliberations, approved the instant proposal of unit for inclusion of Gold jewellery studded with coloured gem stone & diamond in their authorized operations subject to achievement of value addition as prescribed in FTP 2015-2020.

A. Moha

5. **Proposal of M/s. Divya Creations (Unit-I) for inclusion of additional authorized operations in LOA.**

It was informed to the Approval Committee that M/s. Divya Creations (Unit-I) has been issued an LOA dated 12/03/2003 for Manufacturing & export of Plain & Studded Gold/Silver Jewellery and Part & Components thereof namely push, post, ear-dash wire, leaf, lock; Plain & studded platinum jewellery; remaking of outdated/old jewellery; base metal jewellery clad with precious metal. Unit has commenced its export production w.e.f. 26/05/2003 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 "Parts & Components of Gold & Silver Jewellery viz. Butterfly, Ball, Bead, Tag, Heart, Circle, Hole Circle" as authorized operations in their LOA.

Shri Sumeet Gupta, partner of the firm appeared before the Approval Committee. He informed that some of their foreign customers have given them orders for supply of "**Gold Balls/ Beads (i.e. components of gold jewellery falling under ITC(HS) 71131960)**". He also stated that being huge in number it is not possible to specify each and every components of jewellery.

The Approval Committee asked Shri Gupta whether these components will be sold as part of jewellery or independently. Shri Gupta informed that they will export these components as part of jewellery as well as independently as per their buyer's requirement.

The Approval Committee informed Shri Gupta that in Gems & Jewellery Sector only two activities i.e. Manufacturing of Plain Jewellery and Manufacturing of Studded Jewellery are allowed in SEZ. It was further informed that any part or component is allowed when it is exported with jewellery. However, export of only independent parts & components are not allowed as then these are classified as Article of Gold, Silver etc.

Shri Gupta informed that they have already been authorized to manufacture and export jewellery. He further informed that they do not need the proposed amendment in light of the above clarification and requested for withdrawal of the said proposal.

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The Approval Committee agreed with the request of unit for withdrawal of the proposal for inclusion of "Parts & Components of Gold & Silver Jewellery viz. Butterfly, Ball, Bead, Tag, Heart, Circle, Hole Circle".

6. Proposal in respect of M/s. Aksasia Creations Pvt. Ltd. for Change in Directors.

It was informed to the Approval Committee that M/s. Aksasia Creations Pvt. Ltd. has submitted a proposal for change in Directors, as per following details:-

S.No.	Directors (prior to change)	Director (post change)
1	Shri Arvind Singh	Shri Arvind Singh
2	Smt. Priti Singh	Smt. Chhaya Devi
3	Smt. Chhaya Devi	Smt. Vatika Arya

Shri Arvind Singh, Smt. Chhaya Devi and Smt. Vatika Arya, Directors appeared before the Approval Committee and explained the proposal. On being asked about the shareholding details, Shri Singh informed that there shall be no change in the shareholding pattern due to above change in directors.

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

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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, after due deliberations, approved the proposal of unit for change in directors as there is no change in shareholding pattern of the company.

7. Proposal in respect of M/s. S.I. Overseas Jewellers for Change in Partnership Deed.

It was informed to the Approval Committee that M/s. S.I. Overseas Jewellers (a partnership firm of Shri Shamsuddin Molla and Smt. Trannum Nishat) has been issued LOA dated 31/03/2015 for Manufacturing & Export of Handcrafted Plain Gold Jewellery. Unit is yet to commence its export activities and LOA is valid till 30/03/2018.

It was informed to the Approval Committee that unit has informed that Mrs. Trannum Nishat, partner has expired on 12/11/2016 due to which the partnership deed was revised and legal heir of Mrs. Trannum Nishat namely Mr. Ahmad Nabeel Mohsin has been taken as partner w.e.f. 12/11/2016.

Shri Shamsuddin Molla, partner in the firm appeared before the Approval Committee and explained the proposal. He informed that Mr. Ahmad Nabeel Mohsin is the son of Mr. Shamsuddin Molla & Mrs. Trannum Nishat. He has been pursuing B.Tech. and was also assisting his parents in the day to day work of jewellery manufacturing & has acquired a working knowledge of the trade.

On being asked about commencement of activities from the zone, Shri Molla informed that due to untimely demise of Mrs. Trannum Nishat, the execution of the project got delayed as he had to put in a lot of his time for his family. He further stated that they will start the export production within 2-3 months.

A. Molla

The Approval Committee observed that in the instant case, there is 50% change in shareholding of the firm.

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, after due deliberations, approved the proposal of unit for change in partnership deed as there is 50% change in shareholding of the firm.

A. Malik

8. Proposal in respect of M/s. Legos India for Change in constitution.

It was informed to the Approval Committee that M/s. Legos India (a proprietary firm of Shri Rajiv Arora) has been issued LOA dated 10/11/2016 for IT/IT Enabled Service viz. Language & Linguistics Services. Unit is yet to commence its export activities and LOA is valid till 09/11/2017.

It was informed to the Approval Committee that the firm has submitted a proposal for change in name/constitution of the unit from "M/s. Legos India (a proprietary firm)" to "M/s. Legos India Language Services Pvt. Ltd. (a Private Limited company)".

Shri Rajiv Arora, director appeared before the Approval Committee. He informed that the constitution of the firm has been changed w.e.f. 18/01/2017 and Smt. Kusum Loomba has been inducted as another director. He further informed that there is 1% change in shareholding of the firm due to above changes in name/constitution. Shri Arora further informed that all the renovation work in the unit has been done and they will start their export activities within one month.

It was informed to the Approval Committee that unit vide this office letter dated 22/03/2017 has been requested to submit some documents/information related to proposed change, which are awaited.

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

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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, after due deliberations, approved the proposal of unit for change in name/constitution of the unit from “M/s. Legos India (a proprietary firm)” to “M/s. Legos India Language Services Pvt. Ltd. (a Private Limited company)” as there is less than 50% change in shareholding, subject to submission of requisite documents/information.

9. Proposal in respect of M/s. Jai Hanuman Exports for Extension in the time for compliance of exit formalities.

It was informed that the Approval Committee taken in its meeting held on 02/11/2016 had allowed extension of LOA by 3 months only after withdrawal of court case & submission of evidence thereof, only for compliance with exit formalities and for the purpose of export of machinery/goods lying in the premises subject to condition that lease rent beyond 28/10/2016 is paid by the unit till the period they are allowed access to clear the machines/goods lying in the premises i.e. SDF No. H-3 A&B, NSEZ.

Now, the unit vide its letter dated 07/03/2017 has stated that the exit compliances are taking little bit longer time and requested to extend their LOA for two months to dispose

A. Malik

off/ clear the capital goods & other goods in the domestic area.

It may be noted that the Approval Committee has **allowed access in the premises by the unit exclusively for export of the machines & goods lying in the premises.** However, now the unit has stated that they want to clear the capital goods & other goods in the Domestic Area.

Shri Neeraj Kumar, authorized representative of the unit appeared before the Approval Committee. He informed that since the capital goods/machinery is quite old, no foreign buyer is interested in buying the same. He requested to grant them permission to clear the capital goods & other goods in the Domestic Area and also to extend their LOA for two months for compliance with exit formalities.

The Approval Committee, after due deliberations, agreed with the request of unit and granted permission to clear the capital goods & other goods in the Domestic Area subject to payment of duty. The Approval Committee also allowed extension for two months for compliance with exit formalities subject to condition that lease rent is paid by the unit till the period they are allowed access to clear the machines/goods lying in the premises i.e. SDF No. H-3 A&B, NSEZ.

10. Proposal in respect of M/s. Tinius Olsen India Pvt. Ltd. for Renewal of LOA and monitoring of performance.

It was informed to the Approval Committee that the unit has been issued LOA dated 11/04/2008 for Manufacturing & export of Tension/Compression Materials Testing Machines (Screw Driven) and Associated Accessories including Specimen Gripping Systems, Extensometers, Temperature Chambers, Furnaces and Load Cells, Specimen Preparation Equipment and Rockwell Hardness Testers, Research and Development Centre.. The unit has commenced its export production w.e.f. 01/02/2012 and LOA of the unit was valid till 31/01/2017. It was further informed that LOA of the unit was extended for upto 30/04/2017 so that work of the unit does not suffer.

It was informed to the Approval Committee that the unit has requested for renewal of LOA for further five years. The Approval Committee noted that the Unit has made exports worth Rs. 1971.24 Lakhs and earned positive NFE of Rs. 268.34 Lakhs during last of five

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years i.e. from 2011-12 to 2015-16.

It was further informed that the Approval Committee in its meeting held on 07/05/2015 had monitored the performance of the unit on the basis of APRs since 2011-12 upto 2013-14 and decided to issue an SCN for negative NFE achievement. Accordingly, SCN dated 02/06/2015 was issued to the unit for non-achievement of positive NFE during first three years.

Shri Arjun Uppal, authorized representative of the unit appeared before the Approval Committee. Shri Uppal informed that they have also sold their products in DTA against freely convertible currency. However, they did not take the sales into consideration while calculation of NFE earnings, due to which their NFE earnings during initial period was negative.

The Approval Committee directed the unit representative to submit details of DTA Sales made since inception under Rule 53 or otherwise and the currency received against such sale in terms of Section 2(z) of the SEZ Act, 2005 along with details of EEFC account of DTA Buyer so as to ascertain correct status of NFE earnings by the unit.

The Approval Committee decided that on receipt of the same, the performance of unit may again be placed before the Approval Committee for monitoring under Rule 54 of SEZ Rules, 2006.

The Approval Committee, after due deliberations, also decided to renew the LOA for remaining period of five years i.e. upto 31/01/2022.

11. Proposal in respect of M/s. Dwarka Das Seth SEZ India Corporation for monitoring of performance and Review of LOA.

It was informed to the Approval Committee that M/s. Dwarka Das Seth SEZ India Corporation was issued an LOA dated 20/09/2011 for Manufacturing & Export of 22, 21 and 24 CT Handmade Gold Jewellery, 18 CT Diamond Jewellery. Unit has commenced its export production w.e.f. 27/12/2011 and LOA of the unit was valid till 26/12/2016. Unit has been allotted SDF No. I-9(B), NSEZ.

It was informed to the Approval Committee that the unit has neither made any request for

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further extension in the validity of LOA nor has applied for exit from SEZ scheme. Further, unit has not submitted APR for the period 2013-14, 2014-15 & 2015-16 till date. It was also informed that lease rent amounting to Rs. 18,86,843/- is currently outstanding in respect of SDF No. I-9(B), NSEZ for which RC has been issued on 23/05/2016 under provisions of PP Act. It was further informed that as per information received from NSDL data, unit has been lying non-functional since 2014-15.

The promoters were informed through the email to attend the meeting. However, no one from the unit appeared for the meeting.

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. Dwarka Das Seth SEZ India Corporation had expired on 26/12/2016. Also, the unit has not submitted any request for extension of validity of its LOA.

The Approval Committee deliberated on the matter in detail and came to the conclusion that the unit has been lying non-functional since 2014-15. The Approval Committee did not find any merit in this case for further extension in the validity of LOA as unit has not even applied for extension and accordingly did not grant further extension of LOA.

The Approval Committee, after due deliberations, observed that LOA of the unit stands expired w.e.f. expiry of its validity on 26/12/2016 and consequently lease right being co-terminus with validity of LOA also stands expired on 26/12/2016 in terms of provisions of Rule 11(5) of SEZ Rules, 2006. The Approval Committee directed the Estate Management section to take necessary action against the unit as appropriate under provisions of P.P. Act for realization of outstanding lease rent and to takeover possession of space allotted to it.

The unit may, under Rule 55 read with Rule 56 of the SEZ Rules, 2006, prefer an appeal against the decision of Approval Committee, to the appropriate Appellate Authority, i.e. Board of Approval, Ministry of Commerce & Industry, Department of Commerce, Udyog Bhavan, New Delhi in accordance with the procedure given in Chapter VII of the SEZ Rules, 2006, if they desire to do so.

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12.	<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> <ul style="list-style-type: none">i) M/s. Shass Information & Quality Engineering Services - 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. Ganpati Overseas - 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. Lister Moessner (I) 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.iv) M/s. Golden Peacock Overseas Limited - 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.
13.	<p>Proposal in respect of M/s. Reliance Precitone Jewellers Pvt. Ltd. for Renewal of LOA and monitoring of performance.</p> <p>It was informed to the Approval Committee that the unit has been issued LOA dated 19/04/1991 for Manufacturing & Export of Glass Beads, Costume Jewellery and Handicraft items. The unit has commenced its export production w.e.f. 01/12/1993 and LOA of the unit was valid till 31/03/2017.</p> <p>It was informed that the Approval Committee in its meeting held on 02/06/2016 renewed the LOA of the unit for one year i.e. upto 31/03/2017 and decided that further renewal shall be considered on the basis of performance of unit during the extended period of validity of LOA.</p> <p>It was also informed to the Approval Committee that lease rent of Rs. 32,615/- is currently outstanding against the unit in respect of Plot No. JC-7, 8 & 9, NSEZ as on</p>

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	<p>31/03/2017.</p> <p>Shri Raj K. Gupta and Shri Akash Gupta, Director appeared before the Approval Committee. Shri Gupta informed that they have made two exports during the period worth USD 5800/- and Rs. 70,000/- each and few more shipments of USD 17258/- and USD 25350/- are under process for export. They have already filed draft shipping bill.</p> <p>The Approval Committee, after due deliberations, decided to renew the LOA for remaining period of five years i.e. upto 31/03/2019 subject to payment of outstanding lease rent by the unit.</p>
14.	<p>Proposal in respect of M/s. Apothecaries Clinical research LLP for Renewal of LOA and monitoring of performance.</p> <p>It was informed to the Approval Committee that the unit has been issued LOA dated 16/07/2009 for Service activities. The unit has commenced its export production w.e.f. 25/03/2011 and LOA of the unit was valid till 24/03/2016.</p> <p>It was informed that the Approval Committee in its meeting held on 06/04/2016 renewed the LOA of the unit for one year i.e. upto 31/03/2017 keeping in view non-performance of unit during 2011-12 to 2014-15.</p> <p>Shri Deepak Khanna, authorized representative of the unit appeared before the Approval Committee. He informed that they have made exports of approx. Rs. 1.4 Crores during 2016-17. He further informed that they are engaged in clinical trial activities and currently there are 8 employees working in the unit.</p> <p>The Approval Committee, after due deliberations, decided to renew the LOA for remaining period of five years i.e. upto 24/03/2021.</p>
15.	<p>Proposal in respect of M/s. JP Horology for Renewal of LOA and monitoring of performance.</p> <p>It was informed to the Approval Committee that the unit has been issued LOA dated 01/05/1996 for Manufacturing & Export of (1) Clocks/Time Pieces/Watches of all types and parts thereof and (2) Trading Activities. The unit has commenced its export</p>

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production w.e.f. 18/11/1996 and LOA of the unit was valid till 31/03/2017.

It was informed that the Approval Committee in its meeting held on 22/08/2014 had approved extension in the validity of LOA for remaining 4½ years i.e. up to 31/03/2017 subject to 100% export and directed to recommence its activities within extended period.

Shri Atul Narula, authorized representative of the unit appeared before the Approval Committee. He informed that they have re-commenced export activities and exports worth Rs. 3,69,096/- has been made to Switzerland during 2016-17. He further informed that no imports have been made during the said period.

It was informed that the Approval Committee that as per APRs received for the period 2012-13 to 2015-16 for the current block of five years, unit has achieved negative NFE worth Rs. 4.80 Lakhs. On taking the value of import and export made by unit during 2016-17, total NFE achievement for the last block of five years comes to negative Rs. 1.11 Lakhs. However, exact NFE amount can be calculated only after receipt of APR for the period 2016-17.

The Approval Committee, after due deliberations, decided to renew the LOA for three months upto 30/06/2017 and directed the unit to submit APR for the period 2016-17 at the earliest, so as to ascertain correct status of NFE earnings achieved by the unit. The Approval Committee further decided that request of further extension in the validity of LOA shall be considered after receipt of APR for the period 2016-17 and monitoring of performance of unit under Rule 54 of SEZ Rules, 2006.

16. Proposal in respect of M/s. Moser Baer India Ltd. for Renewal of LOA and monitoring of performance.

It was informed to the Approval Committee that the unit has been issued LOA dated 27/04/1990 for Manufacturing & Export of Solid State Lighting and LED Lighting Products such as LED Bulb, LED Tube Light, LED Down Light and LED Street Light. The unit has commenced its export production w.e.f. 01/02/1991 and LOA of the unit was valid till 31/03/2017.

It was informed to the Approval Committee that unit was earlier granted in-principle

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approval for exit from SEZ scheme. The unit later requested for withdrawal of the exit request. The Approval Committee in its meeting held on 29/01/2015 approved the request of unit for withdrawal of in-principle exit approval from SEZ and also approved renewal of LOA subject to condition that the unit will commence commercial activities within four months. However, the unit has till date not commenced its production activities.

It was further informed that unit has been allotted Plot No. 66 and Plot No. 87, NSEZ. The Approval Committee in its meeting held on 25/11/2014 did not approve the request of unit to retain Plot No. 87, NSEZ and directed unit to surrender the Plot. The unit has however till date not surrendered Plot No. 87, NSEZ. Further, lease rent of Rs. 22,59,318/- (Rs. 18,22,540/- i.r.o. Plot No.66, NSEZ + Rs. 4,36,778/- i.r.o. Plot No.87, NSEZ) is currently outstanding against the unit.

Shri Girish Tuteja, authorized representative of the unit appeared before the Approval Committee. He informed that due to tight financial position of their company and lower demand of the product line, they could not commence their activities within the given timeline. He further informed that the lead banks have opted out of the Debt restructuring, putting them into severe financial trouble impacting negative cash flow.

He further informed that the premises allotted to them are mortgaged by the banks and due to that they could not surrender the Plot No. 87, NSEZ. However, he informed that they are in talk with their banks to grant NOC to surrender Plot No.87, NSEZ and further to release the amount so that lease rent could be paid.

Shri Tuteja also informed that meanwhile Moser Baer group has achieved the milestone in the domestic market through LED manufacturing unit at Noida Phase-II and through Toll manufacturing arrangement part of which they would like to shift to NSEZ.

The Approval Committee deliberated on the matter in detail. The Approval Committee observed that unit has been lying non-functional since 2008-09. Further, huge amount of lease rent is outstanding against the unit.

The Approval Committee, after due deliberations, deferred the matter till the entire lease

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rent outstanding against the unit is settled and directed unit to comply with the following:

- (i) Clear entire lease rent outstanding against the unit.
- (ii) Surrender Plot No. 87, NSEZ to NSEZ Authority.
- (iii) Submit detailed write-up of proposed activities in NSEZ and
- (iv) Submit details of actions taken so far and step-by-step implementation schedule (timeline) to start operation.

17. Proposal in respect of M/s. RFB Latex Ltd. for ratification of approval given for one month extension in the validity of LOA.

It was informed to that the Approval Committee in its meeting held on 01/02/2017 considered the proposal in respect of M/s. RFB Latex Ltd. for renewal of LOA and noted 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 outstanding against the unit. Shri P.S. Ratra, Director present during the meeting assured to clear the entire outstanding lease rent within 7 days and also assured that in future he will ensure that lease rents are paid well in time.

It was further informed that the Approval Committee in its meeting held on 01/02/2017 had approved the extension of validity of LOA of M/s. RFB Latex Ltd. for next five years beyond 31/03/2017 subject to payment of outstanding lease rent.

Now, the unit vide its letter dated 21/03/2017 has informed that they have deposited Rs. 5,95,000/- against Plot No. 24, 78-80, NSEZ and requested to renew the LOA. As per information received from EM Section, lease rent amounting to Rs. 7,95,325/- (Rs. 2,63,172/- i.r.o. Plot No. 24 and Rs. 5,32,153/- i.r.o. Plot No. 78-80) is still outstanding against the unit.

It was further informed that LOA of the unit was extended for one month i.e. upto 30/04/2017 vide this office letter dated 28/03/2017 subject to condition that further extension in the validity would be subject to payment of entire outstanding lease rent against the unit. It was also decided to place the approval granted for one month extension for ratification by the Approval Committee.

No one appeared on behalf of the unit.

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	<p>The Approval Committee deliberated on the matter and ratified the approval granted for one month extension in the validity of LOA upto 30/04/2017. The Approval Committee further decided to extend the validity of LOA for one more month upto 31/05/2017 and directed the unit to clear entire outstanding lease rent for further renewal.</p>
18.	<p>Proposal in respect of M/s. G. Metals Company for inclusion of additional services for Service Tax Exemption.</p> <p>It was informed to the Approval Committee that the unit has sought approval for additional services namely 'Business Auxiliary Service' and "Membership Fees to the various Trade Associations".</p> <p>Shri Rohit Gupta, partner appeared before the Approval Committee. He informed that 'Business Auxiliary Services' includes procurement of Export order by a person on commission basis and procurement of raw materials, procurement of goods or services whether imported or domestic by the person on behalf of them. He further informed that the service i.e. 'Membership Fees' includes membership service of the "Gems & Jewellery Export Promotion Council" and "EPCES". He requested to grant approval for these services.</p> <p>The Approval Committee, after due deliberations, approved the services namely 'Business Auxiliary Service' for the proposed activity and "Membership Fees" for obtaining membership from 'Gems & Jewellery Export Promotion Council' and 'EPCES' to the unit.</p>
19.	<p>Proposal of M/s. Handicraft Nation for Setting up a unit in NSEZ.</p> <p>It was informed to the Approval Committee that the applicant has proposed to set up a new unit in NSEZ to undertake manufacturing & export of Brass Artware, Aluminium Artware, Zari Embroidery, Dhup Batti, Agarbatti with projected exports of Rs. 777 Lakhs and NFE earnings of equal amount over a period of five years.</p> <p>Smt. Sreerupa Chaudhary, partner appeared before the Approval Committee to explain the project. Smt. Chaudhary informed that they have proposed to set-up an all women unit in NSEZ. She further informed that the firm is Country's first private employment exchange for women and has provided skill training and shelter to thousands of socially</p>

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abandoned women.

Smt. Chaudhary further informed that they were earlier engaged into trading activities and the turn-over of the organization in the year 2015-16 and 2016-17 was approx. Rs. 20. Crores & Rs. 40 Crores respectively. She also informed that now they want to move from trading to manufacturing and from domestic sale to International Sale.

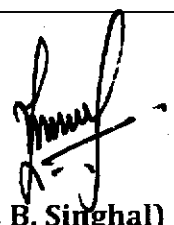
It was informed to them that some shortcomings were observed in their application which needs to be rectified.

The Approval Committee, after due deliberations, approved the proposal of M/s. Handicraft Nation for "manufacturing & export of Brass Artware, Aluminium Artware, Zari Embroidery, Dhup Batti, Agarbatti", subject to rectification of the deficiencies observed in their application.

Meeting ended with thanks to the Chair.


(S. S. Shukla)

Jt. Development Commissioner


(Dr. L. B. Singhal)

Development Commissioner