

Minutes of the Meeting of the Approval Committee of Noida SEZ held on 25/07/2012 at 11:30 AM in the Conference Hall of NSEZ, Noida.

The meeting of the Approval Committee, NSEZ, was chaired by Shri C.P.S. Bakshi, Development Commissioner, Noida SEZ. The following Members of the Approval Committee were present in the Meeting:

1. Shri K.K. Katheria, Additional Commissioner (Customs), New Delhi
2. Shri Rakesh Kumar, Dy. Development Commissioner, NSEZ, Noida;
3. Shri Gagandeep Singh, Aast. DGFT, New Delhi.
4. Shri Ramesh Chandra, General Manager, D.I.C., Noida, Dist: G.B. Nagar (Representative of Principal Secretary, Industries, Govt. of U.P., Lucknow)
5. Shri N.K. Kapoor, Associate Architect, Noida Authority (representative of the CEO, NOIDA).

Besides, Shri Sharad Srivastav, Deputy Commissioner (Customs), Shri R.P. Verma, Aast. DC, NSEZ and Shri M.N.Sukole, Aast. DC, NSEZ, also attended the Meeting.

GIST OF THE MEETING:

Ratification of Minutes of last Meeting of the Approval Committee:

The Approval Committee ratified the minutes of the Meeting held on 26/06/2012.

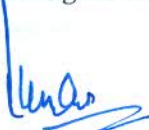
Decisions on Proposals

1. Application of M/s. Ramtex Overseas Corp. for setting up a unit in Noida SEZ for manufacture of Bed Linen, Table Linen, and Kitchen Linen.

The Committee was informed that the Proprietor of the Applicant firm had requested for considering the application without his appearance before the Committee, as he had been travelling abroad to avoid further delay. However, the Committee **decided to defer** consideration of the application in the absence of the Proprietor.

2. Application of M/s Gee Cee Exim Pvt. Ltd. for setting up a unit in NSEZ.

The representative informed that their existing unit for manufacturing of 'OHE Conductors, copper strips' had been non-functional after first export as there had been global slowdown and with the improvement in global trade scenario, they would restart their operations in that LOA within a year. He further explained that at plot No. 72 & 73, they had sufficient space to utilize for the new project. After deliberations, the Committee decided that it would be prudent to bring the space lying unused to utilization. As regards source of finance of the project, the representative informed they would be using their own funds partly and for the rest they would avail credit from any financial institution/bank. In view of this, the Committee **approved** the project only for "manufacturing of plain jewellery" and "trading of medallions". The approval shall be subject to proper separation of premises of both the units,



earmarking of separate entry and exit points to the satisfaction of NSEZ-Customs. The LOA shall be issued in the name of "M/s. Gee Cee Exim Pvt. Ltd. (Unit-II)".

3. Application of M/s Sunglass Palace Pvt. Ltd. for setting up a unit in NSEZ for assembling/trading activities.


The Committee was informed by ADC(Project) that the proposal was for trading of watches, bicycles, water-cooler, skin cares, bags, foot-wears, pet cares and baby accessories and there was nothing like assembling/manufacturing in the project, as submitted in the Application. The representative-director explained about his existing and expected tie-ups with well-known brands. After due deliberations, the Committee **directed** the representative-director to submit legal documents/substantial write-ups relating to purchase agreements of the brands like *STRIDENTS* and *BEING HUMAN* as elaborated by him. He had also been directed to produce documents showing that repacking would be allowed and also to submit documents evidencing that his work would not offend any trademarks / patents and fulfill legal requirements of statutes and guidelines in this regard.

4. Application of M/s Advance Engineering Services for setting up a unit in NSEZ for IT/ITES.

The Committee considered the proposal. As regards observation relating to source of finance noted in the Agenda note, the unit representatives clarified that the income exempted under section 10(2A) of the Income Tax Act had not been shown in the main ITRs of the last three years and the income of more than Rs. 15 lacs each year was reflected in Annexures to ITRs of Shri O.P. Agarwal. Keeping in view technical expertise of one of the partners, the Committee **approved** the proposal. The representative partners assured that they would work from shared premises at Plot No. 142A/20A of M/s. Advance Informatics in which Shri O.P. Agarwal was also a partner.

5. Application of M/s. C.K. Exports for setting up a unit in Noida SEZ for manufacturing of plain gold jewellery, small gold bars, gold articles, medallions and small bars.

The Committee discussed with the representative of the applicant as to why they want third LOA for the same two partners although the partnership firm was in different names. The representative informed that some buyers object on finding that the unit was also working for another buyer. In that case, they require separate unit to satisfy the foreign customer. On being asked, he explained that if manufacturing activity was allowed in the existing LOA in the name of M/s. Jayashree General Trading Co., he might not need a separate LOA. It was confirmed by the concerned ADC that their request for allowing manufacturing activity in that LOA was received but the same was not approved because the said LOA was for trading activities and performance was very low even after getting all types trading activities as authorised activities.



The Committee **decided not to approve** another LOA to the same promoter-partners and the existing LOA of M/s. Jayashree General Trading Co., was approved for amendment to include manufacturing activity. However, the request should be submitted by the unit formally and the UAC authorised that the approval be granted to the Unit on file.

6. M/s. Ebix Software Asia SEZ P. Ltd. – Change of entrepreneurship in pursuant to High Court's Order.

The Committee was informed that M/s. Ebix Software Asia SEZ P. Ltd. filed a Company Petition before Hon'ble High Court of Delhi with Scheme of Arrangement between M/s. Ebix Software India Pvt. Ltd. , M/s. Ebix Software Asia SEZ P. Ltd. and M/s. Premier Ebix Exchange Software Pvt. Ltd. Vide Order dated 30.4.2012 the Hon'ble High Court of Delhi has ordered that all the liabilities and duties of M/s. Ebix Software Asia SEZ P. Ltd. be transferred to M/s. Ebix Software India Pvt. Ltd. without further act or deed under section 394(2) of the Companies Act, 1956. In view of the court Order, the Committee **decided to approve** change of entrepreneur of the unit in NSEZ subject to execution of fresh Bond-cum-LUT, registry of fresh Sub-lease deed of the Plots, and submission of undertaking that assets and liabilities of the earlier entrepreneur have been taken over by the new one.

7. M/s. Mectronics Marketing Services – inclusion of additional items in LOA.

The Committee was informed that the unit's justification of the proposal was that they had initially thought that they needed to give only the major items/parts in application form and the items proposed for inclusion in the LOA were left out in spite of being a part and parcel of their project. After deliberations, the Committee **decided to approve** the proposal for inclusion of additional items except the items at Sl. No. 17.

8. M/s. Indeutsch International – change of constitution of the firm.

The Committee **approved** the change in the partnership firm of M/s. Indeutsch International as per Agenda Note.

9. Proposal for enhancement of production capacity of (i) M/s. M.D. Overseas Ltd. and (ii) M/s. Kanak Exports and monitoring of performance.

The Committee viewed that the proposal of enhancement of production capacity should be submitted by any SEZ Unit in case there would be any additional installation of plant and machinery. As stated by the Director/Proprietor of the company/firm, these two units had not increased plant and machinery after initial installation and therefore there was no question of enhancement of production capacity. As initial capacity in case of these units was noted as 840 Kg. and 600 Kg., the Committee **decided** that production capacity was deemed as enhanced and no formal approval of the Committee

was needed. The Committee directed the Units to obtain approval of the Committee, if they propose to install additional plant & machinery in future.

The Committee reviewed performance of these units and compliance with the conditions of approval on the basis of the Annual Performance Report for the period up to 2011-12 and took note of achievement of positive NFE earnings.

10. M/s. Electro Optic System Division – request for permission for import of samples and Bore Inspection and cleaning System.

The Unit-representative informed that their company always looks into the possibility of developing new products. This time they need to import the equipments for the purpose of reverse engineering and research. The import would be on loan basis and for a maximum period of 6 months. The Committee, after deliberations, concluded that the equipments desired to be imported were covered under the authorized operations in the existing LOA. Therefore, the Committee **allowed** import of equipments for bore inspection and cleaning systems subject to keeping photographic evidence of import, and obtaining all requisite approvals of Ministry of Defence and any other Government Agency. The responsibility of adhering to guidelines on patenting or intellectual property rights shall remain with the unit.

11. M/s Gee Cee Exim Pvt. Ltd. – Review of performance.

The unit representative informed that due to slow down in the world market, the unit was lying non-functional after first export dated 23.12.2009. He assured that the management wanted to work from this unit and they would start export within a year. The Committee **advised** the unit to submit APR within 15 days' time and also **decided** to review performance of the unit after one year.

12. M/s. Royal Frozen Foods – Review of project implementation and extension of LOA.

The representative partner: Shri Chetan Kumar informed that their building was almost complete and they would require another 3 months' time to commence operations. The Committee expressed its displeasure over the fact that the unit took considerably long time to complete the building and commence operations. However, the Committee directed the unit-representative to apply for extension as the same should have been done before the date of expiry of validity of LOA. The Committee **allowed** DC, NSEZ to consider the matter of extension subject to compliance of directions of NSEZ Administration regarding removing of Malba lying since long time.



13. M/s. Lakeland Gloves and Safety Apparel Pvt. Ltd.- Review of Performance.

The Committee was informed that since DCP in this case was 19.09.2008, and the Unit had negative NFE as per APRs submitted up to the year 2010-11. Further, APR for the year 2011-12 should have been submitted by the unit before 01.07.2012. Moreover, the Unit was lying non-functional since long and space of three allotted plots of the size of 5487.25 Sq. M. was lying unutilized. In view of the above, the Committee **decided** to issue Show Cause Notice to the Unit under the FT(D&R) and other relevant statutes and empowered the DC, NSEZ to issue the SCNs and take further necessary action in the matter as per applicable provisions.

14. M/s. RPS Clothing and Linen Pvt. Ltd. – Extension of LOA.

No representative appeared on behalf of the Unit. The Committee was informed that no serious efforts seemed to have been made in last two years by the unit and the Unit has shown absolute apathy towards making compliances in response to letters issued by the O/o. DC, NSEZ. The Unit has not appeared before the Committee despite e-mail and telephonic discussion with the Unit's representative. The Committee took serious note of non-implementation of the project in last two years, not applying for extension of LOA and non-payment of penalty imposed by DC, NSEZ. The Committee **decided** to issue Show Cause Notice under the FTDR Act/SEZ Act/Rules and other relevant statutes to seek explanation as to why LOA should not be deemed to have lapsed & hence cancelled and possession of space inside NSEZ should not be declared as unauthorized and empowered the DC, NSEZ to issue the SCNs and take further necessary action in the matter as per applicable provisions.

15. M/s. H & S Industries – Proposal for inclusion of additional items in LOA.

In view of the report from Customs Wing the Committee **decided** to take date of production ,i.e., 28.09.2010 on record and revalidate LOA for 5 years from that date. Further, the Committee discussed issue of repair etc. of their own re-imported goods, with the representative partner and conveyed him the same is permissible under existing guidelines. As regards inclusion of trading activities in the same items which it authorized to manufacture, the Committee after due deliberations, **decided** that the same be allowed subject value cap of 30% of the total export from manufacturing activity, i.e., trading would be permitted only of the value of 30% of the total export made of manufactured items. **Customs Wing would ensure the compliance of this condition.** Separate record in respect of trading and manufacturing should be maintained and separate records should be reflected in APR.



16. De Core Science & Technologies Ltd. - Monitoring of performance by the Approval Committee, NSEZ in terms of Rule 54 of SEZ Rules, 2006.

The Unit representative informed that they commenced operations w.e.f. 23.07.2010 from SDF and there was no work from the Plot due to flooding of the site. Resultantly, APR for the first year, i.e., 2010-11 reflect negative NFE. The Unit representative assured to submit APR for the year 2011-12 within a week and made NFE positive by December, 2012. The Committee decided to keep the unit in Watch List and the performance would be reviewed in January, 2013.

17. M/s. Glide Chem Pvt. Ltd. - Monitoring of performance.

The Unit representative informed that though as per APRs for the years from 2007-08 to 2010-11, the NFE earnings were negative, the unit had earned NFE during the year 2011-12 for which the unit would submit APR within a week. He further assured that NFE would be made positive in next two years. As the current block of 5 years would be upto 30.9.2012 and the current year was the fifth year of operation, the Committee **decided** to issue Show Cause Notice to the Unit under the FT(D&R) Act as per proviso under Rule 25 and 54 of the SEZ Rules. The Committee empowered DC, NSEZ for issue and adjudication of SCN.

18. Monitoring of performance by the Approval Committee, NSEZ in terms of Rule 54 of SEZ Rules, 2006:

- i. M/s. Novo Technologies Pvt. Ltd.
- ii. M/s. Market Movers Exports (India) Pvt. Ltd.
- iii. M/s. FCS Software Solutions Ltd.
- iv. M/s. Taurus Englobe Ltd.

In case of Novo Technologies Pvt. Ltd. performance was on lower side. Therefore, the Committee **directed** to advise the unit to improve performance. The Committee also decided to review the matter again after receipt of APR. In case of other three units, the Committee reviewed performance of the unit and compliance with the conditions of approval on the basis of the Annual Performance Report for the period up to 2010-11 (and 2011-12 in case of M/s. FCS Software Solutions Ltd.) and took note of achievement of positive NFE earnings.

19. Consideration of Requests of Units regarding removal of condition of migration of PAN to Noida Address.

Decision in this matter was **deferred** as Member from Income Tax Commissionerate was not available.



20. Approval of Building Plan:

- i. M/s. India Export, Plot No. 142C, 142D, 142A/5-8
- ii. M/s. Advance Informatics, Plot No. 142A/20A.
- iii. M/s. Maharishi Ayurveda Care, Plot No.32, NSEZ, Noida.

The Committee was informed that Building plans submitted by the above companies/firms had been recommended by the empanelled Architects for approval with a certificate that building plans are in accordance with NOIDA Byelaws. The Committee, including representative from NOIDA Authority, **approved** building plans of these three units. [Action: ADC(Estate)]

iv. M/s. Waman Silk Mills Ltd., Plot No. 142-J:

The Committee was informed that Building Plan of this Unit was approved by the Committee in its meeting dated 18.11.2008. Now Completion of Building has been verified by an empanelled Architect physically and recommended issuance of Completion Certificate. The Committee, including representative from NOIDA Authority, **approved** issuance of Completion Certificate. [Action: ADC(Estate)]

21. Additional item:**(i) Application of M/s. Maharishi Ayurveda Care for setting up a unit in Noida SEZ.**

The Application was considered by the Committee on specific request. The Committee was informed that the applicant Firm had not implemented its LOA dated 06.10.2008 within period of 3 years and the same had lapsed and the firm preferred to apply for fresh LOA. The Proprietor Shri Anand Prakash Srivastava informed that they had already started working on construction of the building at plot No. 32 admeasuring 1500 Sq. and they were serious about implementing the project within 3 months of issue of LOA initially on sharing basis at plot No. 17 and 18. Keeping in view huge employment potential, export prospects and experience of the promoters in the field, the Committee **approved** the proposal with a condition that the production should be commenced within one year of date of issue of LOA. This particular condition is to be inserted in the LOA.

The Meeting ended with vote of thanks to the Chair.


(Rakesh Kumar)
Deputy Development Commissioner


(C.P.S. Bakshi)
Development Commissioner