

Minutes of the Meeting of the Approval Committee of Noida SEZ held on 30/05/2012 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 Mahesh Rustagi, Additional Commissioner (Customs), New Delhi;
2. Shri B.K. Dixit, Joint Commissioner(Income Tax), Noida;
3. Shri R.K. Joshi, Dy. Development Commissioner, NSEZ, Noida;
4. Shri N.K. Singh, Manager, D.I.C., Sector-20, Noida, Dist: G.B. Nagar (Representative of Principal Secretary, Industries, Govt. of U.P., Lucknow)
5. Shri Shiv Lal, O.S., Noida Authority(Industries Department), (representative of the CEO, NOIDA).

Besides, Shri R.K. Goyat, Appraiser(Customs), Shri Utsav Sharma, A.E.E., UPPCB, Noida and Shri M.N.Sukole, Astt. 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 02/05/2012.

Decisions on Proposals

1. **Application of M/s Radnik Active Gear for setting up a unit in NSEZ for manufacture and export of sports article: *Shoulder bags, Sleeping bags & tent.***

The representative of the applicant co. informed that their existing firm/unit in the name of M/s. Radnik Auto Export had 100% buyback arrangement for their product Autosock with the foreign collaborator: M/s. Auto Sock and that company had objected to the use of the same factory/unit/company for manufacturing of shoulder bags, sleeping bags and tents, which were included in the LOA recently. Therefore, they had to form a new partnership firm and apply for fresh LOA. It is on the record that M/s. Radnik Auto Export had purchased building at Plot No. 105-106, NSEZ in Auction conducted by the NSEZ Authority and the Unit wanted to use the premises for implementation of the proposed project.

The project was **approved** by the Committee subject to the condition that the project would be implemented at separate location from that of existing unit of the promoters and items approved in this project would be removed from the LOA of M/s. Radnik Auto Export. The proposed Unit would follow all relevant guidelines of the Ministry of Defence as applicable with regard to its products.

2. Application of M/s Aqua Pools & Spas for setting up a unit in NSEZ for Manufacturing of Pools, Baths & Spa made of acrylic, solid surface metal, etc.

Shri Vinay Gupta, partner, appeared for the applicant and explained his fitness product of swimmers' treadmill (pool), which was increasingly becoming popular overseas as well as in India, and other products. He stated that the project would be implemented by getting transfer of Plot No. 4 and 5 from M/s. TCS Ltd.

In view of successful running of the existing unit of the promoter group and expertise/experience of Shri Vinay Gupta in the field, the Committee decided **to approve** the project.

3. M/s Syscom Corporation Ltd. - Inclusion of additional item in LOA s.

The Unit representative informed that initially they might not be able to manufacture all varieties of plastic cards with magnetic stripe and they need to procure these varieties of plastic cards for meeting demands of their customers. The Committee **approved** the proposed inclusion of 'trading of plastic cards incorporating a magnetic stripe' in the LOA, with a condition that separate accounts would be kept for manufacturing and trading activities of the unit.

4. M/s KG Exports- Inclusion of activities – import of rejected/outdated jewellery for remaking and re-import of gold jewellery for repairing.

Shri Kewal Garg, Partner in the applicant firm, was informed by the Committee that if he had to re-import his own jewellery exported from his unit, he could re-import such rejected jewellery for remaking and repairing which was allowed under Rule 29(7). The Rule reads as below:

“A unit may import the goods exported by it which are either found to be defective or damaged by the overseas buyer or have been taken delivery of by the overseas buyer or when the payment is not forthcoming from the buyer as per agreed schedule after having taken delivery of goods or when buyers return goods due to change of fashion and other market factors by following the procedure under sub-rule(2) of rule 29 and subject to the following conditions, namely:-

- (i) The identity of the goods is established at the time of re-import; and
- (ii) The goods are re-imported within the warranty period or the validity of the maintenance contract or a period of one from the date of export whichever is latter.”

The Committee **decided** that there was no need to amend the LOA but a clarificatory letter would be issued to the unit.

5. M/s. J.P. Horology – approval to change of entrepreneur.

The Committee **approved** change of entrepreneur of the unit subject to usual terms and conditions. The Committee also advised the unit to be punctual in complying with terms & conditions of LOA/Bond-cum-LUT/SEZ Act/Rules.

6. Review of decision of the Approval Committee regarding change of entrepreneur of a unit in NSEZ under, Rule 19(2), from M/s. Designed Products Ltd. to M/s. Shahtootwale Industries Ltd..

The Committee was informed that as per the extant guidelines of transfer of /built up space/ land allotted to the unit and in view of the minutes of UAC dt. 11/07/2011, in case of change of entrepreneurship, transfer charges would not be levied in case LOA is same. In case of change of entrepreneurship from M/s. Designed Products Ltd. to M/s. Shahtootwale Industries Ltd., as the same LOA was continued and there was same set of directors in both the companies, no transfer charges could be applicable. In view of the above, the Approval Committee **retained its decision** in the matter.

7. M/s. Usha Global Corporation – Personal Hearing before adjudication of SCN.

The Committee was informed that as per UAC's decision in the meeting dated 10.06.2011, SCN had been served to the Unit to explain why LOA as well as allotment should not be cancelled for non-fulfillment of terms and conditions of the LOA and why penalty should not be imposed for non-fulfillment of terms and conditions of the LOA. The Unit representative described how there was slowdown globally and how they were trying to get export orders. The Committee expressed dissatisfaction over the fact that even after giving sufficient time of more than 5 and half years to re-commence activities, there had been no progress, especially when garments units in the Noida SEZ were doing well. The Committee, after due deliberations, **directed** the representative to make export within 6 months, else appropriate necessary action would be initiated. The matter would be reviewed after 6 months.

8. M/s. Evinix Industries Ltd. – Review of Performance.

The Committee was apprised of the performance during the period from 2006-07 to 2010-11 which was found satisfactory. As regards the fact that the unit being non-functional for more than last two years, the unit representative informed that their re-structuring proposal to revive the unit was almost finalized and in advance stage of bank's approval and they would restart the manufacturing activities as soon as approval of bank would be realized.

The Committee **directed** the unit to re-commence production activities within 6 months and decided that the progress of re-commencement shall be reviewed again after 6 months.

9. Monitoring of performance and request for renewal – M/s. Synapse Communications Pvt. Ltd. – Review of progress of implementation.

The Committee expressed dissatisfaction that the unit could not bring the space to utilization till date. Reasons of not getting electricity connection and delayed furnishing of the SDF block were found unacceptable. The Unit representative explained how they require power-load of more than 100 KVA and they had not been getting electricity-connection from the UPPCL with required power-load.

However, the Committee **extended the LOA** for six months w.e.f. 20.06.2012 and decided that a letter would be sent from O/o. DC, NSEZ to EE, UPPCL requesting to look into the matter urgently.

10. Monitoring of performance of M/s. Pitambra Hardware & Metal Exports Pvt. Ltd. and non-compliance of terms and conditions of LOA in case of two LOAs of M/s. Etrastar Hardware and Exports (P) Ltd.

Both the LOA of M/s. Etrastar Hardware and Exports (P) Ltd. (hereinafter referred as M/s. Etrastar) are not valid as on date. The Committee was informed by the Unit representative that the letter dated 05.06.2006 conveying change of entrepreneur of M/s. Etrastar to M/s. Pitambra Hardware & Metal Exports Pvt. Ltd. (hereinafter referred as M/s. Pitambra) was understood by them as of merger of the two units of M/s. Etrastar with M/s. Pitambra. Resultantly, no work could take place in both the LOAs of M/s. Etrastar. The Committee was of the view that merger of Units cannot be possible by a letter from the office of DC and misunderstanding cannot be an excuse. Moreover, conditions of the letter dated 05.06.2006 were not complied and hence the Units stand in the name of M/s. Etrastar, LOAs of which were no longer valid. In view of this, the Committee **decided** to issue Show Cause Notice to M/s. Etrastar and the unit representative was directed to submit ITRs of M/s. Etrastar. The Committee also reviewed performance of M/s. Pitambra and directed the unit to re-commence activities, as the unit was non-functional since quite some time.

11. M/s. La Moda Eleganza – Review of Performance.

The Committee **reviewed** the performance of the Unit based on APRs upto 2009-10. The representative informed that they had been doing well and APRs of 2011-12 would be submitted soon.

12. M/s. Moser Baer India Ltd. (Unit-1 and Unit-2) – Review of Performance.

The Committee **reviewed** performance of Unit-1 for the years 2007-08 and 2008-09 based on submitted APRs. The Committee expressed dissatisfaction that the Unit-1 had not complied with the conditions of exit even after lapse of more than 3 years, resulting in non-utilization of valuable space. Even unit-2 had not complied with the conditions of exit conveyed vide letter dated 05.10.2011. As per Rule 74(2)(iii), the unit would be continued to be treated a unit till the date of final exit. Therefore, the Committee decided to give 6 months' time to these units to exit from the NSEZ and either approach O/o. DC to transfer the plots to any valid LOA holder or surrender plots/built-up spaces to Zone Administration. The matter shall be reviewed after six months. Letter to be issued to the unit accordingly.

13. M/s. Ess Ess Traders – Review of Performance.

The Committee **reviewed** the performance of the unit based on APRs of the unit from the year 2008-09 to 2010-11. In response to dissatisfaction expressed by the Committee, the Proprietor informed that in 2011-12, he had achieved turnover of over Rs. 50 lacs. The Committee advised the proprietor to increase volume of business as he had been given wide basket of products in his LOA.

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

The Committee expressed dissatisfaction over the fact that three plots of total area of about 5500 Sq. M. had been lying unutilized. The promoters appeared in the meeting, assured that they would re-commence operations soon. The Committee **directed** to review the progress of re-commencement of activities after 3 months.

15. Transfer of building erected at plot no.10 by M/s Sensport International to M/s Cadence Design Systems (India) Pvt. Ltd and transfer of structure erected at plot no. 58C by M/s Cadence Design systems (India) Pvt. Ltd to M/s Indica Chemicals Industries Pvt. Ltd.

The Committee **deferred** the matter.

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

- (i) M/s. Sriram Compounds
- (ii) M/s. Attar Mohd. Saeed Dawood Co.
- (iii) M/s. Bridal Jewellery Mfg. Co.

APRs of the above-mentioned Units up to the year 2010-11 (up to 2009-10 in case of M/s. Sriram Compounds) were placed before the Approval Committee. The Committee **reviewed**

performance of the above-mentioned three units and compliance with the conditions of approval on the basis of the Annual Performance Reports and took note of achievement of positive NFE earnings by these units.

17. Approval of Services:

- i. M/s Bridal Jewellery Mfg. Co.
- ii. M/s SSP Pvt. Ltd. :

The Committee **approved** all the requested service(s)/lists submitted by the respective units.


18. Approval of Building Plan:

- (i) M/s. Advance Informatics, Plot No. 142A/20A, NSEZ, Noida.
- (ii) M/s. Maharishi Ayurveda Care, Plot No.32, NSEZ, Noida.

As officer representing Noida Authority was from Industries Department of the Authority, the Committee decided to **defer the matter**.

The Meeting ended with vote of thanks to the Chair.


(R.K. Joshi)
Deputy Development Commissioner


(C.P.S. Bakshi)
Development Commissioner
