भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग
विकास आयुक्त का कार्यालय
नौएडा विशेष आर्थिक क्षेत्र
नौएडा दादरी रोड, फेस-II, नौएडा-201305, जिला - गौतमबुध 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)

फ. सं. 12/01/2017 - प्रोज़ /

दिनांक: 15/02/2018

सेवा मे,

1. मुख्य कार्यालय कार्याधीकारी, न्यू ओखला ओपरेशन कार्यालय प्रशासिक भवन, सेक्टर - 6, नौएडा।
2. अतिरिक्त महानिदेशक विदेश व्यापार, वाणिज्य एवं उद्योग मंत्रालय, ए किलिंग, इंदिरापुर्ण भवन, आई पी एसटेट, नई दिल्ली।
3. आयुक्त, आयकर, 2, डी, आयकर भवन, सेक्टर 24, नौएडा।
4. आयुक्त, सीमा शुल्क, नौएडा सीमा शुल्क आयुक्तालय, इलाहाबाद केन्द्रल फार्म, तिलंगपाट, दादरी, गौतम बुधपाल नगर, उत्तर प्रदेश - 201306.
5. निदेशक, वाणिज्य शिक्षा, वाणिज्य एवं उद्योग मंत्रालय, भारत सरकार, उद्योग भवन, नई दिल्ली -110001।
6. उप सचिव (आईएस-1), बैंकिंग प्रक्रिया, विशेष आयुक्त का विभाग, वित्त मंत्रालय, भारत सरकार, तृणीय तल, जीवन दीप, बिलिंग संस्थान, नई दिल्ली।
7. महाप्रबंधक, जिला उद्योग केंद्र, कल्तेकटी के पास, सुरजपुर, जोधपुर, नौएडा।

विषय: दिनांक 07/02/2018 को पूर्वांन 11:30 बजे आयोजित नौएडा विशेष आर्थिक क्षेत्र की यूनिट अनुमोदन समिति की बैठक का कार्यवाच - एल्टू संबंधी।

महदय,

 मुझे उपरोक्त विषय का सन्दर्भ से और डॉ. एल एस बी सिंधु, विकास आयुक्त, नौएडा विशेष आर्थिक क्षेत्र की अध्यक्षता मे दिनांक 07/02/2018 को पूर्वांन 11:30 बजे सम्मेलन होल, प्रशासनिक भवन, नौएडा विशेष आर्थिक क्षेत्र, नौएडा मे आयोजित नौएडा विशेष आर्थिक क्षेत्र की यूनिट अनुमोदन समिति की बैठक का कार्यवाच अन्योजित करने का निदेश हुआ है।

संस्करण: उपरोक्त

प्रतिलिपि:
1. विशेष क्रियाशीकरण - विकास आयुक्त के सूचनार्थ।
2. वैयक्तिक सहयोग - संयुक्त विकास आयुक्त के सूचनार्थ।
3. निदेशक अधिकारी, नौएडा विशेष आर्थिक क्षेत्र - सूचनार्थ एवं आवश्यक कार्यवाही के लिए।
4. उप विकास आयुक्त, सम्पन्न अनुमोदन, नौएडा विशेष आर्थिक क्षेत्र, सूचनार्थ एवं आवश्यक कार्यवाही के लिए।

(अर के. श्रीवास्तव)
उप विकास आयुक्त
Minutes of meeting of the Approval Committee of Noida SEZ held under the Chairmanship of Dr. L.B. Singhal, Development Commissioner (DC), Noida SEZ at 11:30 AM on 07/02/2018 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 Rajesh Sharma, Asstt. Commissioner, Customs, Noida Commissionerate.
4) Shri Gobinda Banerjee, FTDO, O/o Addl. DGFT, CLA, New Delhi.
5) Shri Amit Kumar, DIC, Noida (Rep. of Principal Secretary, Industry, Govt. of UP.).


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 03/01/2018.**

It was informed that no reference against the decisions of the Approval Committee held on 03/01/2018 was received and therefore, Minutes of the meeting held on 03/01/2018 were ratified.
Item wise decisions on proposals included in agenda:

1. Proposal of M/s. Ramashankar Lakshminarayan Exports Pvt. Ltd. for setting up a manufacturing unit in NSEZ.

It was informed to the Approval Committee that the applicant has proposed to set up a manufacturing unit in NSEZ to undertake Manufacturing of Flavoured Chewing Tobacco, under ITC HS Code 24039910 with projected exports of Rs. 18000 Lakhs and NFE earnings worth Rs. 17932.57 Lakhs over a period of five years.

It was informed that the proposal of the applicant was placed before Approval Committee meeting held on 01/11/2017, wherein the Approval Committee observed that the applicant has projected export of Rs. 180 Crores over a period of five years. However, cumulative annual income of both directors are Rs. 18 Lakhs only and the project has been proposed to established by promoter’s own finance. The Approval Committee was not sure if the project is viable keeping in view very high export projections and relatively very small income of the promoters. Shri Behari Lal, director present during the meeting held on 01/11/2017 informed that the project shall be financed through their other firm ‘Rama Shankar Laxmi Narayan & Brothers’ in which other partners are family members. He further informed that they have already been making export in the brand name ‘Parija’ from the said DTA unit through third party exporters.

The Approval Committee in its meeting held on 01/11/2017 had directed the applicant to submit complete details of directors of existing company, source of finance of the proposed project in NSEZ, NOC from other partners of existing firm to use brand name with a copy of board resolution of the company, details of shareholders of M/s. Rama Shankar Laxmi Narayan & Brothers and details of third party exporters through which they have made export from DTA unit.

Shri Vineet Aggarwal, authorized representative, appeared before the Approval Committee. He informed that they will export mostly to Middle East, Thailand and Singapore. He also informed that all the plant & machinery and Raw materials shall be procured indigenously and complete manufacturing activity shall be done in-house. They do not need any job work/sub-contracting done in DTA. He also informed that all the partners in the DTA firm i.e. M/s. Rama Shankar Laxmi Narayan & Brothers, Varanasi are
shareholders in the company proposing setting up a unit in NSEZ.

The Approval Committee observed that the shareholding pattern of the company is as under:

<table>
<thead>
<tr>
<th>Name of shareholder</th>
<th>No. of shares</th>
<th>% Shareholding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. M/s. Gauri Shankar Yadav HUF</td>
<td>18,000</td>
<td>20%</td>
</tr>
<tr>
<td>2. Sh. Gauri Yadav</td>
<td>10,000</td>
<td>11.11%</td>
</tr>
<tr>
<td>3. Sh. Bihari Lal</td>
<td>4,000</td>
<td>4.44%</td>
</tr>
<tr>
<td>4. Smt. Mainu Devi</td>
<td>19,000</td>
<td>21.11%</td>
</tr>
<tr>
<td>5. Sh. Gopal Prasad</td>
<td>9,000</td>
<td>10%</td>
</tr>
<tr>
<td>6. Sh. Madan Mohan</td>
<td>8,000</td>
<td>8.89%</td>
</tr>
<tr>
<td>7. Sh. Vijay Kumar</td>
<td>8,000</td>
<td>8.89%</td>
</tr>
<tr>
<td>8. Sh. Rajendra Kumar</td>
<td>1,000</td>
<td>1.11%</td>
</tr>
<tr>
<td>9. Sh. Shailendra Yadav</td>
<td>6,000</td>
<td>6.67%</td>
</tr>
<tr>
<td>10. Sh. Jitendra Yadav</td>
<td>7,000</td>
<td>7.78%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>90,000</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The Approval Committee observed that both directors i.e. Sh. Bihari Lal and Sh. Rajendra Kumar only have 4.44% and 1.11% shareholding respectively. Shri Vineet Aggarwal informed that although they have very less shareholding but they are Managing partners in the DTA firm. He informed that they have also submitted NOC from partners of their DTA firm i.e. M/s. Rama Shankar Laxmi Narayan & Brothers, Varanasi for use of brand name “Parijat Queen” and investment of funds in proposed SEZ unit. It was specifically asked as to how the project having export projection of Rs. 180 Crores in five years will be financed when net profit of DTA firm has been around Rs.2 Crore only in 2015-16 and ITRs of Directors also don’t show adequate individual income to meet the cost of project. Shri Aggarwal informed that DTA firm has Rs.5-6 Crore surplus with annual profit of Rs. 2 Crore approx. He also mentioned that monthly export will be Rs. 3 Crore and for generating this much export they have sufficient fund. Total Raw material will not be required in one go. Within 2-3 months export proceeds will be realized and consequently sourcing of Raw material subsequently wouldn’t be a problem.

The Approval Committee observed that through a Rs.100/- stamp paper signed by all the partners, all the partners of the DTA firm have conveyed No Objection for use of brand name “Parijat Queen” and investment of funds in proposed SEZ unit which inter-alia states as under:

“We the partners of M/s. Rama Shankar Laxmi Narayan & Brothers,
Varanasi hereby confirm that we have no objection to the using of our brand name “Parijat Queen” by Ramashankar Lakshminarayan Exports Pvt. Ltd., as it is our sister concern and we all partners are shareholders in the company in the same ratio as we are in the firm Rama Shankar Laxmi Narayan & Brothers. We are also investing funds in the company to set up the manufacturing unit in Noida Special Economic Zone, Noida out of the funds of our partnership firm.

It was further informed that Jurisdictional Central Excise & CGST, Varanasi in its verification report has stated as under:

(i) That there are ten partners in the DTA firm M/s. Rama Shankar Laxmi Narayan & Brothers at Varanasi. All these partners are also shareholders in the proposed company i.e. “M/s. Ramashankar Lakshminarayan Exports Pvt. Ltd.”. The financial condition of all shareholders are sound as is evident from the ITR of last five years of the firm M/s. Rama Shankar Laxmi Narayan & Brothers as the party shows substantial amount of profit in it.

(ii) Party has also produced NOC issued by all these ten partners regarding use of their brand name “Parijat Queen” by the proposed company.

(iii) On the basis of records available in this office, it appears that there is no SCN and Govt. dues pending for adjudication and recovery respectively, against the unit at Varanasi.

(iv) All partners have submitted self-declaration that no Police/Criminal case is pending against them or against their company. However, this office is unable to verify this self-declaration of the party.

The Approval Committee, after due deliberations and keeping in view the undertaking signed by all partners of DTA firm, approved the proposal of M/s. Ramashankar Lakshminarayan Exports Pvt. Ltd. for setting up a unit in NSEZ for Manufacturing of Flavoured Chewing Tobacco, under ITC HS Code 24039910 subject to the condition that neither any job work/sub-contracting nor DTA sale shall be allowed.

2. **Proposal of M/s. R.K. Retail Trade Pvt. Ltd. for setting up a trading unit in NSEZ.**

It was informed to the Approval Committee that the applicant has proposed to set up a
unit in NSEZ to undertake Trading of Flavoured Chewing Tobacco, under ITC HS Code 24039910 with projected exports of Rs. 19800 Lakhs and NFE earnings worth Rs. 7818.86 Lakhs over a period of five years.

Shri Manoj Khandelwal, authorized representative of the company, appeared before the Approval Committee. He informed that they will procure finished goods from M/s. Ramashankar Lakshminarayan Exports Pvt. Ltd., a proposed manufacturing SEZ unit, and will export the same mostly to Middle East, Thailand and Singapore.

Shri Khandelwal further informed that they already have a DTA unit which is engaged in exports of various items including flavoured chewing tobacco to various markets of US, Europe and South East Asia through Kolkata. At present, existing DTA unit is 100% exporting goods manufactured by M/s. Rama Shankar Laxmi Narayan & Brothers, Varanasi through Kolkata. He further informed that in NSEZ also they will exclusively export the product manufactured by M/s. Ramashankar Lakshminarayan Exports Pvt. Ltd.

It was informed that Jurisdictional Central Excise & CGST, Kolkata, in its verification report has stated as under:

"In this regard it is intimated that M/s. R.K. Retail Trade Pvt. Ltd. has GSTIN-19AACFR5579R1Z8 in West Bengal, but as per GST REG-06, the principal place of business is at 80, Girish Park, Ground Floor, Room No.-2, Kolkata-700006 under the jurisdiction of Range-I, Burrabazar Division, Kolkata North Committee. The Managing/whole time Directors are 1) Ramesh Chandra Khandelwal and 2) Anil Kumar Khandelwal. The same address is mentioned in the Certificate of Importer-Exporter Code(IEC) No. 0212019414 issued 06.11.2012, the copy of which was submitted by M/s. R.K. Retail Trade Pvt. Ltd. at the time of their application for acceptance of LUT on 11/08/2017.

Further, as per available records and the report received from the concerned Range Officer, it is found that there is no any arrears of Govt. revenue pending for realization and no any enquiry/investigation has been initiated or pending against M/s. R.K. Retail Trade Pvt. Ltd."

\( ^{\text{Handwritten Signature}} \)
The Approval Committee informed the representative that trading can be allowed only for physical export to any other country, for supply to other units and Developers in the same or other SEZ or EOU, against freely convertible currency.

The Approval Committee, after due deliberations, approved the proposal of M/s. R.K. Retail Trade Pvt. Ltd. for setting up a unit in NSEZ for Trading of Flavoured Chewing Tobacco, under ITC HS Code 24039910 manufactured by M/s. Ramashankar Lakshminarayan Exports Pvt. Ltd., subject to the condition that 100% physical exports against freely convertible currency shall be undertaken and no DTA sale/import of raw material shall be allowed.

3. Proposal of M/s. Jurassic Refiners & Jewels 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 & export of Plain Gold Jewellery with projected exports of Rs. 303750.00 Lakhs and NFE earnings worth Rs.19765 Lakhs over a period of five years.

It was further informed that the proposal of M/s. Jurassic Refiners & Jewels Pvt. Ltd. for setting up a new unit in NSEZ was placed before the Approval Committee in its meeting held on 04/10/2017. The Approval Committee observed that the applicant has proposed to manufacture and export Gold Coins also which is not allowed in SEZ. Shri Umesh Garg, director present during the meeting, informed that they have been awarded various awards and the company has also established itself as Two Star Export House. It was informed that copy of such awards or Export house certificate has not been given by the applicant.

The Approval Committee in its meeting held on 04/10/2017 further observed that the Profit declared by the Company is unusually low as for the F.Y. 2015-2016, the applicant has declared a turnover of Rs. 11,48,17,77,304/- However, after payment of tax profit during the year is only Rs. 89,12,166/- which is merely 0.077%. The Approval Committee also observed that the applicant had given projections of value addition in respect of plain gold jewellery for five years showing value addition of 17.65% which was unusually extremely high for Plain gold jewellery.
It was informed to the Approval Committee that now the applicant has submitted revised project showing projections of value addition in respect of plain gold jewellery for five years as 6.96%. It has been observed that there is no revision in the export projections even after removal of “Gold Coins” from their proposed authorized operations. However, the applicant has increased the import projections to Rs. 283985 Lakhs, which was earlier Rs. 258187.50 Lakhs.

Shri Ashish Gupta, director and Shri Suresh Banga & Shri Nitin Goyal, authorized representatives appeared before the Approval Committee. Shri Gupta informed that they have a manufacturing unit in DTA at Lawrence Road, Delhi which is engaged into manufacturing of Handmade/machine-made jewellery and which is doing export to the countries like Dubai, Hong-Kong, Singapore etc. He stated that the projections have not been revised as they have planned to do business of more gold jewellery with same projections as earlier.

The Approval Committee observed from balance sheet of the company for the Financial Year 2015-16 (Assessment Year 2016-17) that the unit has shown sales of Gold Ornaments worth Rs. 11,41,96,96,372/- and export sales of Gold jewellery worth Rs.2,89,21,626/-. However, on being asked Shri Gupta informed that there were no sales of gold ornaments during 2015-16 and the said amount i.e. Rs.11,41,96,96,372/- was against trading of Gold Bullions. They admitted that this is a mistake on their part. Copy of the said part of balance sheet is attached at Annexure-I.

The Approval Committee further observed that a team from NSEZ had visited the DTA premises of M/s. Jurassic Refiners & Jewels Pvt. Ltd. on 30/10/2017. The team in its report has stated as under:

"The said premise i.e. B-71/1, 1st Floor, Lawrence Road Industrial Area, New Delhi – 110035 was found to be a hall of around 900 sq.ft. at the first floor.

No manufacturing activity was found to be going on at the time of our visit. Four machines, i.e. one rolling machine, one cutting machine, one stamping machine and one melting machine were found lying at the said premises."
Apart from the unit representative, four other persons were found. On being asked, it was informed that they are their workers. On being asked by the workers as to why no manufacturing activity is going on, they informed that since presently there is no order, they are sitting idle.

On being requested to run/start the above mentioned four machines, they failed to start even a single machine. They gave the explanation that it appears that there is some snag in electrical connection that’s why the machines could not be started. However, the tube lights installed at the premises were found to be working properly.”

The Approval Committee discussed the matter in detail and observed that there have been many contradictions/inconsistencies in the submissions of unit made from time to time with a view to mislead Approval Committee for getting decision in their favour as would be evident from the following table:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Representation/Statement of Applicant</th>
<th>Observation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1).</td>
<td>Applicant has stated that they have a manufacturing facility in DTA. They get orders for job work from other companies for manufacturing of jewellery. Around 35 persons are employed in the said DTA Unit.</td>
<td>The Approval Committee observed that a team from NSEZ had visited the DTA premises of the company at Lawrence Road, Delhi. From its report, the Approval Committee has observed that the ground reality is something else as the machines installed there were lying idle and on being asked to start the machines, they failed to start even a single machine and gave the explanation that it appears that there is some snag in electrical connection that’s why the machines could not be started. However, the tube lights installed at the premises were found to be working properly.</td>
</tr>
</tbody>
</table>
The electricity bill of premises for the month of July, 2017 is only for 72 units (for the whole month). The representative of company informed that at the time of visit of NSEZ team, they had no orders for manufacturing. He further stated that they mainly got orders for manufacturing of Gold Coins and Gold coins of this quantity can be manufactured in 24 hours. Hence, there were no manufacturing activity was going on.

<table>
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<th>(2).</th>
</tr>
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</table>

So far as turnover is concerned, as per balance sheet of the company for the Financial Year 2015-16 (Assessment Year 2016-17), the applicant has shown sales of Gold Ornaments worth Rs. 11,41,96,96,372/- and export sales of Gold jewellery worth Rs.2,89,21,626/- from its DTA unit.

In this regard, the Approval Committee in its meeting held on 04/10/2017 had specifically mentioned to the representatives of the company that export of Gold Coin/Medallion is not allowed from the SEZ. The unit submitted revised proposal only for manufacture & export of plain Gold Jewellery. The Approval Committee after going through the balance sheet for 2015-16 categorically asked the representatives of company to explain the difference between Gold Ornaments and Gold Jewellery. Shri Ashish Gupta, director informed that there were no sales of gold ornaments during 2015-16. It was informed to him that an amount of Rs. 11,41,96,96,372/- has been reflected in the balance sheet.
apparently as sales of Gold Ornaments.

He stated that the figure pertains to trading of Gold Bullions and perhaps the same has been mistakenly reflected by the CA in the balance sheet. He apologized for the mistake and mentioned that they will file a revised balance sheet.

The Approval Committee observed that the claim of the unit about mistake is not a normal mistake. It has been deliberately done to mislead the Approval Committee as if the same were properly reflected as gold bullion/medallion, the export of Gold jewellery worth Rs. 2.89 crore only, in no way would have justified their projections of export of Gold Jewellery to the tune of Rs. 3037.50 Crores.

Therefore, the members were of the view that this mis-representation of figures in the balance sheets is deliberate attempt by the unit to misguide the authorities, which is very serious.

(3). The applicant in its original application had given projections of value addition in respect of plain gold jewellery for five years showing value

The representatives of the unit who appeared before the Approval Committee in its earlier meeting held on 04/10/2017 were asked to clarify as
addition of 17.65%. Since, the projected value addition was unusually extremely high for Plain gold jewellery, the applicant were asked in the Approval Committee held on 04/10/2017 to explain as to how the company will achieve the said value addition.

Now, in place of submitting justification for the proposed value addition of 17.65%, the applicant has revised projections of value addition in respect of plain gold jewellery for five years as 6.96% after removal of “Gold Coins” from their proposed activities. Thus value addition of 17.65% was unrealistic and claim of the representative before the Approval Committee on 04/10/2017 was with a view to mislead the Committee.

The Approval Committee observed that there is no revision in the export projections even after removal of “Gold Coins” from their proposed authorized operations. Further, the applicant has increased the import projections to Rs. 20,50,005 Lakhs, which was earlier Rs. 25,81,87,50 Lakhs.

(4). M/s. Jurassic Refiners & Jewels Pvt. Ltd. has shown requirement of manufacturing space of approx. 300 Sq. Mtrs.; proposed investment of Rs.70 Lakhs and employment

The Approval Committee observed that considering the space requirement of only 300 Sq. Mtrs., proposed investment of Rs.70 lakhs only and meagre employment of 30 persons, the
(5). The company has obtained Advance License from DGFT for import of 500 Kgs of Gold and export of (i) Plain Jewellery and articles and ornaments like mangalsutra containing gold and black beads/imitation stones, (ii) Studded Jewellery, (iii) Mountings and Findings manufactured by non-mechanized process, (iv) Any Jewellery/ articles manufactured by fully mechanized process, (v) Mountings whether imported or indigenously procured/manufactured used in studded jewellery (vi) Gold/ Silver/ Platinum Medallions and coins (excluding the coins of the nature of legal tender), (vii) Findings & mounting manufactured by Mechanized process.

On being asked about export of jewellery, it was informed by the representative that although they are required to export (i) Plain Jewellery and articles and ornaments like mangalsutra containing gold and black beads/imitation stones, (ii) Studded Jewellery, (iii) Mountings and Findings manufactured by non-mechanized process, (iv) Any Jewellery/ articles manufactured by fully mechanized process, (v) Mountings whether imported or indigenously procured/manufactured used in studded jewellery (vi) Gold/ Silver/ Platinum Medallions and coins (excluding the coins of the nature of legal tender), (vii) Findings & mounting manufactured by Mechanized process, but, they have exported three consignments of Gold Coins weighing 76.60 Kgs, 72.40 Kgs & 26.40 Kgs only, as they are basically in the business of bullion trading. Advance Authorization is subject to actual user condition and on being asked as to which is place of manufacturing, representative informed that its same Lawrence Road Industrial area, as
shown in this application. Committee observed that inspection committee of this office has found this place practically nonfunctional as detailed above. Hence advised representative of 0/o Addl. DGFT, CLA present in the meeting to bring it to the notice of Addl. DGFT for action as considered appropriate.

It was further informed to the Approval Committee that the electricity bill of premises for the month of July, 2017 is only for 72 units (for the whole month). Shri Banga informed that at the time of visit of NSEZ team, they had no orders for manufacturing. Hence, the machines were lying idle and the electricity bill was so less. He further stated that they mainly got orders for manufacturing of Gold Coins and Gold coins of this quantity can be manufactured in 24 hours.

The Approval Committee observed that all along the company has resorted to mis-representation of facts with a view to mislead it to clinch its decision in their favour. Mis-declaration in balance sheet is highly misleading on the part of company. Since the matter pertains to the FY 2015-16 and assessment of the returns might have been completed by the appropriate authorities. Approval Committee took a serious view about this mis-declaration.

The Approval Committee further observed that the applicant has shown requirement of manufacturing space of approx. 300 Sq. Mtrs. and proposed investment of only Rs.70 Lakhs and employment proposed is only 30. Considering these, the projection of export i.e. Rs.303750.00Lakhs appears to be on higher side and disproportionate. The Approval Committee also observed that the projections do not seem matching with the ground reality.

The Approval Committee, after due deliberations, rejected the proposal of M/s. Jurassic Refiners & Jewels Pvt. Ltd. for setting up a unit in NSEZ for manufacturing & export of Plain Gold Jewellery in terms of section 15(3) of SEZ Act, 2005 & Rule 18(1) of SEZ Rules,
2006 in view of repeated mis-declaration, mis-statement & mis-representation of facts, disproportionately very low investment/projected meagre manpower by them, very high export projections presented in a manner to mislead the Approval Committee as the same do not match with the ground reality as is also evident from the report of NSEZ Team.

4. Proposal of M/s. French Arabian Aroma 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 & Export of Fragrance Compounds and Perfume Oils with projected exports of Rs. 55191.45 Lakhs and NFE earnings worth Rs.1221.77 Lakhs over a period of five years.

Shri Subir Bedi, Proprietor of the firm appeared before the Approval Committee. Shri Bedi informed that he is an Associate Member of Institution of Engineers. He has been working since 2004 in the perfume industry under his father Mr. Bimal Bedi’s guidance in his already established factory namely M/s. Etosha PAN (a proprietorship firm of Mr. Bimal Bedi) at Kundli, Haryana with intensive experience in the Indian, Nepal and Gulf Markets. Shri Bedi further informed that his father has expired in October’ 2017

The Approval Committee observed that the applicant has projected export of Rs. 551.91 Crores during next five years. However, the total income of proprietor is only Rs. 6.70 Lakhs in last year. Also, manpower proposed to be engaged is merely 17 and investment in machine Rs. 28.06 Lakhs. The Approval Committee also observed that M/s. Etosha Pan, which belongs to his father and where he (proprietor) is employee, has done export to the tune of Rs. 5.52 Crore and Rs. 7.21 Crore only for the years 2015-16 and 2016-17 respectively.

Shri Bedi informed that his father has expired in October 2017. He further stated that the initial investment for the proposed unit in NSEZ will be financed through his own income; funding by his Mother and from advance payments from their customers. However, he failed to submit any documentary proof/agreement for the proposed finance. The Approval Committee observed that the applicant has not submitted financial details along with documentary proof so as to justify his export projections of Rs. 551.91 Crores in next five years.
The Approval Committee, after due deliberations, decided to defer the proposal with a direction to the promoter to submit a detailed write-up indicating financial arrangement along with documentary proof, sources of finance for investment, sourcing of raw materials for the proposed SEZ unit along with documentary proof about financial strength of his mother and documentary proof for her support to finance the project.

5. Proposal in respect of M/s. India Exports for Inclusion of additional authorized operations in LOA.

It was informed to the Approval Committee that M/s. India Exports has been issued an LOA dated 06/10/2004 for Manufacturing of Artistic Furniture in Wood and Metal, Misc. Interior Product & Accessories & Trading Activities. The unit has commenced its export production w.e.f. 06/10/2005 and LOA is valid till 05/10/2020.

It was informed to the Approval Committee that the unit has submitted a proposal for inclusion of Manufacturing of Semi-finished Furniture (94036000) & Components thereof (94039000) in its authorized operations.

Shri Jayant Juneja, partner appeared before the Approval Committee. He informed that sometimes they need to export the products, which are very large, in semi-furnished/unassembled form which is then assembled at customer’s end as per their requirement. He further informed that in order to meet export orders & to avoid any confusion, they have requested to include Semi-furnished furniture & components in their authorized operations.

The Approval Committee observed that the unit has been allowed Misc. Interior Products & Accessories in the authorized operations. However, details of such products and accessories are not available. Shri Juneja informed that they want to include Misc. Interior products & accessories covered under HSN Code Heading 4409, 4418, 4419, 4420, 4421 & 9405.

The Approval Committee further observed that the unit has been allowed Trading activities in its authorized operations, which is currently not being carried out by them. Shri Juneja informed that although they are currently not carrying out trading activities, sometimes they require doing trading of some turnkey items which are not manufactured
by them. Hence, they would like to retain the Trading activities. Approval Committee decided to allow trading of items up to 15% of FOB Value of export during preceding year. Shri Juneja also gave his consent for inclusion of suitable condition in LOA with regard to Trading activities.

The Approval Committee, after due deliberations, 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 Artistic Furniture in Wood and Metal (under HSN Code 9403)

(ii) Manufacturing of Semi-finished Furniture & Components thereof (under HSN Code 9403)


(iv) Trading of all kinds of flooring, carpets, upholstered fabric, leather & synthetic leather, wall covering, mirror/glass, architrave & skirting of wood, SS, Iron, Aluminum strip in different shapes, wooden sections for interior.

(v) Trading of All kinds of furniture and parts thereof.

The Approval Committee also decided to allow trading of items listed at S.No. (iv) & (v) above subject to the condition that 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 foreign exchange and DTA sale shall be allowed only up to 15% of FOB Value of export during preceding year as representative of the unit explained that along with furniture manufactured by them some bought out items also have to be supplied as part of turn key project.

6. **Proposal in respect of M/s. C & B Aromas LLP for Inclusion of additional authorized operations in LOA.**

No one from the unit appeared for the meeting. The Approval Committee deferred the matter for its next meeting.
7. **Proposal in respect of M/s. Naimex for Inclusion of additional authorized operations in LOA.**

No one from the unit appeared for the meeting. The Approval Committee deferred the matter for its next meeting.

8. **Ratification of one time permission granted to M/s. PS Autotech International LLP for export of “Brakelinings with rivets”.**

It was informed to the Approval Committee that M/s. PS Autotech International LLP has been issued an LOA dated 02/02/2012 for **Manufacturing of Automatic Slack Adjuster, Manual Slack Adjuster, Axle & Suspension component** and **Trading of Axle and Suspension components**. The unit commenced its export production w.e.f. 11/05/2012 and LOA is valid till 10/05/2022.

It was further informed that M/s. PS Autotech International LLP vide its letter dated 19/01/2018 had requested to grant them one time permission for addition of items under HS Code 87083000 in their LOA so that their shipment can be exported.

It was observed that unit has been allowed **Trading of “Axle and Suspension components”** only. “Brakeling with rivets” has already been procured by the unit from DTA for physical exports, which can be undertaken only if the same is included in LOA. DC(Customs), NSEZ had informed that the unit has sought permission for trading export of “Brakeling with rivets” vide SB No. 4000848 dated 16/01/2018, which has been procured by the unit without payment of duty under LUT Bond from M/s. Ansa Brakes Pvt. Ltd., Unit-II, C-20, Phase-II, Noida.

In view of the urgency shown by the unit’s representative, the unit vide this office letter dated 19/01/2018 was granted one time permission for export trading of Brakeling with rivets (HS Code 87083000) subject to ratification by Approval Committee. It was also decided that since the unit has already procured the finished product for physical trading without inclusion in authorized activities of LOA, duty part will be decided by NSEZ Customs.

The Deputy Commissioner (Customs), NSEZ informed that the goods received by the unit
for physical trading without inclusion in authorized activities of LOA, attracts IGST amounting to Rs.12,54,761/-, which is recoverable from the supplying unit.

Shri Sachit Kalra and Shri Manoj Gupta, authorized representatives of the firm appeared before the Approval Committee. Shri Gupta submitted a representation for relaxation from the Custom Duty on the basis that ‘Brakelinings with Rivets’ is a part of “Axle & Suspension Components” which is already a part of trading activities allowed to them in LOA.

It was further informed that lease rent amounting to approx. Rs. 19 Lakhs is outstanding against the unit. Shri Gupta requested to allow them to pay the rent in installments over a period of six months. Approval Committee accepted the request and agreed for the same.

The Approval Committee, after due deliberations, ratified the one time permission granted to unit for export trading of Brakelinings with rivets (HS Code 87083000) irrespective of the item either covered or not covered in the existing authorized operations. The Approval Committee decided that NSEZ Customs will examine the representation separately on merit and pass a speaking order in the matter. The Approval Committee also directed the unit to clear the outstanding lease rents in six months along with the lease rent which is liable to be paid on quarterly basis.


No one from the unit appeared for the meeting. The Approval Committee deferred the matter for its next meeting.


No one from the unit appeared for the meeting. The Approval Committee deferred the matter for its next meeting.

11. Proposal in respect of M/s. Lingo Impex for review of authorized operations and clarification regarding import of “Li-ion cell” for manufacturing of smart batteries for Laptop.
It was informed to the Approval Committee that M/s. Lingo Impex has been issued LOA dated 10/03/2000 for following activities:

1. Manufacturing of Mother Board and other Add on Cards, Personal Computer and its peripherals e.g. CD, DVD Duplicator, Server, Key Board, Cabinets, HDD, FDD, ODD, Digital cameras.

2. Reconditioning/Repair/Reengineering and up-gradation of technology of Computer Peripherals. (Subject to condition that exports shall have one-to-one correlation with imports and all the reconditioned or repaired or reengineered products and scrap or remnants or waste shall be exported and none of these goods shall be allowed to be sold in DTA or destroyed).

3. Trading Activities of Main Devices, parts and accessories of Electronic & Computer items, Electric, ITA-1 & Mobile items, Consumer and Consumable items, Photographic & Information Technologies items, Automotive items, Audio-Video & LED items and Networking items. (Subject to condition that 100% physical export shall be undertaken and no DTA sale shall be allowed).

4. Manufacturing of Add on Cards, Controller Cards, SMPS and other LED Devices of Electronic & Electric segment.

5. Trading activities for Shredding and recycling of Computer peripherals/Components only for 100% physical exports. (This has been allowed by BOA on appeal made by unit against UAC).

The unit has commenced its export production w.e.f. 28/03/2000 and LOA of the unit is valid till 31/03/2020.

It was further informed that Deputy Commissioner (Customs), NSEZ vide his letter dated 26/12/2017 has stated that “During the course of scrutiny of Bill of Entry for import of goods namely Li-Ion cells, the party was requested to clarify the description and use thereof. The party vide letter dated 08.11.2017 informed that Li-ion cells are used for manufacture of smart batteries for laptops. Prima facie, the goods manufactured i.e. Smart Batteries for Laptop did not appear to be covered under LOA for the purpose authorized-operation. But party has submitted a copy of letter dt.22.06.2015, addressed to the Development Commissioner, NSEZ, under which party have submitted item-wise ITC(HS) code in respect of goods to be manufactured as well as traded. The ITC(HS) code of Smart Batteries for Laptop is 85076000 which is covered for authorized operation”. DC(Customs), NSEZ has requested to confirm whether cognizance of unit’s letter dated 22.06.2017 have been taken for the
purpose of authorized operation so that unit’s request for removal of Laptop Batteries in DTA may be processed.

It was informed that during the time of renewal of LOA in the year 2015, as directed by the Approval Committee in its meeting held on 07/05/2015, unit vide this office letter dated 16/06/2015 was requested to submit description of items along with ITC (HS) Code of each items. The unit vide its letter dated 22/06/2015 has submitted the required information. On perusal of records, it appears that the cognizance of letter dated 22/06/2015 was taken as it was incorporated in the Agenda placed before the Approval Committee meeting held on 22/07/2015. However, in the minutes, complete details of the case were not mentioned.

It was also informed that as per decision taken by the Approval Committee in its meeting held on 22/07/2015, LOA of the unit was renewed upto 31/03/2020 and revised authorized operations were taken on records vide this office letter dated 06/08/2015.

No one from the unit appeared for the meeting.

The Approval Committee discussed the matter and observed that although in the minutes of meeting held on 22/07/2015, complete details of the case were not mentioned, the cognizance of letter dated 22/06/2015 appears to have been taken as it was incorporated in the Agenda placed before the Approval Committee meeting held on 22/07/2015. Thus, Approval Committee observed that the unit is authorized to do following operations in NSEZ:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Authorized Operations</th>
<th>ITC(HS) Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1).</td>
<td>Manufacturing of Mother Board and other Add on Cards, Personal Computer and its peripherals e.g. CD, DVD Duplicator, Server, Key Board, Cabinets, HDD, FDD, ODD, Digital cameras</td>
<td>84011000 to 84879000, 85011000 to 85489000, 90011000 to 90330000, 92011000 to 92099900, 91011100 to 91149092</td>
</tr>
<tr>
<td>(2).</td>
<td>Reconditioning/Repair/Reengineering and upgradation of technology of Computer Peripherals. (Subject to condition that exports shall have one-to-one correlation with imports and all the reconditioned or repaired or reengineered products</td>
<td>84011000 to 84879000, 85011000 to 85489000, 90011000 to 90330000</td>
</tr>
</tbody>
</table>
and scrap or remnants or waste shall be exported and none of these goods shall be allowed to be sold in DTA or destroyed).

| (3). Manufacturing of Add on Cards, Controller Cards, SMPS and other LED Devices of Electronic & Electric segment. | 84011000 to 84879000, 85011000 to 85489000, 90011000 to 90330000 |
| (4). Trading Activities of Main Devices, parts and accessories of Electronic & Computer items, Electric, ITA-1 & Mobile items, Consumer and Consumable items, Photographic & Information Technologies items, Automotive items, Audio-Video & LED items and Networking items. (Subject to condition that 100% physical export shall be undertaken and no DTA sale shall be allowed) | 37011000 to 37079090, 39011000 to 39269099, 42010000 to 42060090, 61010000 to 61179000, 62010000 to 62179090, 63010000 to 63109090, 64011000 to 64069090, 71010000 to 71189000, 82011000 to 82159900, 84011000 to 84879000, 85011000 to 85489000, 90011000 to 90330000, 92011000 to 92099900, 91011100 to 91149092 |
| (5). Trading activities for Shredding and recycling of Computer peripherals/Components only for 100% physical exports. | 84011000 to 84879000, 85011000 to 85489000, 90011000 to 90330000, 92011000 to 92099900, 91011100 to 91149092 |


It was informed to the Approval Committee that M/s. Raj Jewellers has been issued an LOA dated 13/05/2016 for Manufacturing & export of Plain Handcrafted/Machine made Gold Jewellery. Unit has been allotted SDF No. D-07(B), NSEZ for carrying out its export activities. The unit commenced its export production w.e.f. 16/03/2017 and accordingly LOA is valid upto 15/03/2022.
2. It was also informed that the Approval Committee in its earlier meeting held on 06/12/2017 had examined the case of M/s. Raj Jewellers in the wake of report of DRI about seizure of diverted gold jewellery meant for export manufactured at M/s. Raj Jewellers, SEZ, Noida and contravention of provisions of SEZ Act, 2005, SEZ Rules 2006, Conditions of LOA and conditions of Bond-cum-LUT. The Approval Committee observed that M/s. Raj Jewellers has been issued an LOA No. 07/03/2016-Proj/4502 dated 13/05/2016 for Manufacturing & export of Plain Handcrafted/Machine made Gold Jewellery, inter-alia, subject to the following conditions:-

"(i) Condition No. (ii) of Letter of Approval dated 13/05/2016 "You shall export the goods manufactured as per Provisions of the Special Economic Zones Act, 2005 and Rules made there-under for a period of five years from the date of commencement of production. For this purpose, you shall execute the Bond-cum-Legal Undertaking as prescribed under the Special Economic Zone Rules, 2006".

(ii) Condition No. (x) of Letter of Approval dated 13/05/2016 "You shall abide by the provisions of Special Economic Zones Act, 2005 and the Rules and orders/Instructions made there-under."

(iii) Condition No. (xv) of Letter of Approval dated 13/05/2016 "If you fail to comply with the conditions stipulated above, this Letter of Approval shall be cancelled as per the provisions of the Special Economic Zones Act, 2005 and the rules and orders made there-under".

3. The unit had executed Bond-cum-LUT on 24/10/2016, which was jointly accepted by the Specified Officer and the Development Commissioner, NSEZ and acceptance of the same was conveyed to the unit vide this office letter dated 24/11/2016.
boarding the flight, Shri Ashok Kumar Verma would be handing over/diverting one SEZ export consignment of gold jewellery meant and declared for export to Dubai, to another domestic passenger, one Shri Ajit Singh, who would be departing to Mumbai by Air India flight No. AI-102 at 1700 hrs. on the same day. This would be done with a malafide intention to divert the said SEZ export consignment of gold jewellery illegally into the domestic market.

ii) On the basis of the said information, the officers of DRI (HQ), New Delhi intercepted Shri Ajit Singh in the departure area of IGI International Airport, New Delhi on 30.05.2017. Search of the baggage of Shri Ajit Singh resulted into the recovery of the said SEZ export consignment of gold jewellery totally weighing approx. 13.324 kg, which was otherwise meant for export to Dubai and Shri Ashok Kumar Verma , Prop. of M/s. Raj Jewellers, SEZ, Noida was supposed to hand carry the said consignment of gold jewellery to Dubai under the statutory provisions. Shri Ashok Kumar Verma was also intercepted by the officers of DRI while he was about to board the said flight to Dubai. Personal search of Shri Ashok Kumar Verma resulted into recovery of the Shipping Bill for export to Dubai of gold jewellery bearing SB No.0008872 dated 28.05.2017 with respect to M/s. Raj Jewellers, SDF Block D, 7B, NSEZ, Noida, with an endorsement receipt dated 30.05.2017 by Shri Ashok Kumar Verma declaring that he had received one sealed box containing gold jewellery covered under Invoice No. RJ/05/2017-18 dated 28.05.2017 from Customs Departure, IGI Airport, New Delhi. However, during examination of his baggage, no such export consignment of the said gold jewellery was recovered. This has been handed over by him to Sh. Ajit Singh. The recovered export consignment of gold jewellery totally weighing 13.324 kgs. valued at Rs.3.56 Crore was seized under the provisions of the Customs Act, 1962.

iii) Search was also conducted by the DRI officers at the factory premises of M/s. Raj Jewellers situated at SDF Block D, 7B, NSEZ, Noida and 3 Kg gold bullion & gold jewellery and gold in various forms totally weighing 9.32 Kgs.
alongwith some incriminating documents/files were resumed for further investigation under panchnama dated 30/31.05.2017, under the provisions of the Customs Act, 1962. Further, search was also conducted at the premises of M/s. Shokeen Jewellers Pvt. Ltd. situated at 2127-28/58, 3rd & 4th Floor, Naivala, Gurudwara Road, Karol Bagh, New Delhi and jewellery in various forms totally weighing 2.519 Kg. were resumed under panchnama dated 31.05.2017, under the provisions of the Customs Act, 1962.

iv) Sh. Ashok Kumar Verma, Director of M/s. Raj Jewellers was examined under Section 108 of the Customs Act, 1962 wherein he, inter alia admitted that he opened the firm on the direction of Sh. Ajit Singh; that Sh. Naresh Kumar Rana, brother-in-law of Sh. Ajit Singh has been appointed as the manager of the said firm by Shri Ajit Singh; that Sh. Ajit Singh and his son, Sh. Nishant have full control all the daily affairs of working of his said firm; that all the imports and exports from the said firm were done and handled by Sh. Naresh Kumar Rana on the directions of Sh. Ajit Singh and Sh. Nishant; that he has no knowledge about the daily affairs of the said firm; that he had diverted the gold jewellry meant for export to Dubai, at IGI Airport, New Delhi on 30.03.2017 by exchanging his baggage with similar make, model & size of the baggage of Sh. Ajit Singh, on the directions of Sh. Ajit Singh; that he had also diverted gold jewellery manufactured in his factory at NSEZ on 06 earlier occasions as per direction of Shri Ajit Singh.

v) Sh. Ajit Singh was examined under Section 108 of the Customs Act 1962, however, he deliberately mis-stated and falsifying facts in his statement dated 31.05.2017. He has denied the facts and statements tendered by other concerned persons and not cooperated with investigation. He was non-cooperative during tendering his statement.

vi) Sh. Tufan Chandra Pradhan, the contractor cum main jewellery maker of M/s. Raj Jewellers, SEZ, Noida was examined on 31.05.2017 under Section 108 of the Customs Act 1962, who inter alia admitted that Shri Ajit Singh referred him to Shri Ashok Verma for job in M/s. Raj Jewellers; that he used to manufacture gold jewellery as per design, weight etc. as per direction of
Shri Ajit Singh.

vii) Sh. Naresh Kumar Rana, Manager of M/s. Raj Jewellers was also examined on 31.05.2017 under Section 108 of the Customs Act 1962, wherein he inter alia admitted that he is working in the firm as a Manager and worked as per direction of Shri Ajit Singh and his son Shri Nishant; that his monthly salary was paid in cash by Shri Ajit Singh; that though the proprietor of the firm, M/s. Raj Jewellers is Shri Ashok Verma, but the daily activities including export and import are being controlled by Shri Ajit Singh and his son Shri Nishant.

viii) Further, gold and gold jewellery in various forms resumed from the premises of M/s. Raj Jewellers, SEZ, Noida vide panchnana dated 30/31.05.2017 and from the premises of M/s. Shokeen Jewellers Pvt. Ltd., Karol Bagh, New Delhi vide panchnana dated 31.05.2017, was examined and appraised by the Jewellery Appraiser on 12.06.2017. The Jewellery Appraiser in its appraisement report dated 12.06.2017 opined that the gold jewellery recovered from the premises of M/s. Shokeen Jewellers Pvt. Ltd., Karol Bagh, New Delhi was found identical in respect of design, style marking, weight and fineness etc. to the gold jewellery of export consignment of M/s. Raj Jewellers, which was seized at IGI Airport, New Delhi. On a reasonable belief that the gold and gold articles resumed from the above premises collectively weighing 15.288 Kgs. valued at Rs. 4.20 crores, were diverted or kept for further diversion in the local market, the same was seized under Seizure Memo dated 12.06.2017 under the provisions of the Customs Act, 1962. Also, 3 Kg. gold bar reasonable belief under the provisions of the Customs Act.

ix) Scrutiny of the various documents indicate that Shri Ashok Kumar Verma and Shri Ajit Singh travelled to Dubai and Mumbai respectively in previous 05 occasions on the same date and at almost same time from IGI Airport. It appears that in all five occasions, gold jewellery manufactured in the SEZ unit were illegally diverted to all the domestic market following the same modus operandi of exchanging their respective baggage at the IGI Airport
itself after clearing from the Customs. It further appears that gold jewellery
totally weighing 64.7678 Kgs. valued at Rs. 12.81 crore manufactured in
M/s. Raj Jewellers, SEZ, Noida unit were diverted into domestic market
illegally without exporting the same to Dubai by Shri Ajit Singh and in
connivance and active assistance of Shri Ashok Kumar Verma.

x) M/s. Raj Jewellers, NSEZ, Noida was authorized to carry out the operations
of ‘Plain Handicrafted/ Machine made Gold Jewellery’, as per the
authorization given by the office of Development Commissioner, SEZ under
the provisions of sub-section 9 of Section 15 of SEZ Act, 2005. As provided
under Section 26 of the SEZ Act, 2005 an entrepreneur is entitled to
exemption from, inter alia, duty of Customs under the Customs Act, 1962 or
the Customs Tariff Act, 175 or any other law for the time being in force, on
the goods imported into an SEZ Unit to carry out the “Authorized
Operations.” The Central Government may prescribe the manner in which
and the terms & conditions subject to which the exemption is granted. Rule
35 of the SEZ Rules, 2006 mandates that unit shall “account for” the entire
quantity of the goods imported or procured duty free, by way of export,
sales, or supplies in DTA or........

xi) The provisions relating to Section 16(1) of the SEZ Act, 2005 prescribed that
the Approval Committee may, at any time, if it has any reason or cause to
believe that the entrepreneur has persistently contravened any of the terms
and conditions or its obligations subject to which the letter of approval was
granted to the entrepreneur, cancel the letter of approval.

xii) From the above discussed facts, it appears that M/s. Raj Jewellers, SEZ,
Noida has misused and persistently contravened the terms and conditions or
its obligations as prescribed under the provisions of SEZ Act/ Rules, Customs
Act, 1962 and other exemptions granted to the SEZ unit. In view of the above
facts and under the purview of Section 16(1) of the SEZ Act, 2005, this office
proposes that the Letter of Approval/Letter of Permission-License granted
to M/s. Raj Jewellers, SDF Block D, 7B, NSEZ, Noida, U.P. is liable to be
cancellation, under the relevant provisions of the SEZ Act/Rules.
5. It was also informed that the Approval Committee in its meeting held on 06/12/2017 had observed that DRI has requested this office to initiate process of cancellation of letter of approval granted to M/s Raj Jewellers and other necessary action as deemed appropriate under the provisions of the SEZ Act/Rules.

6. It was informed that the Approval Committee in its meeting held on 06/12/2017 had observed that as per DRI they have seized gold jewellery on two different occasions and the unit seems to have committed violation on previous 05 occasions as under:-

   (i) Gold jewellery weighing 13.324 Kgs. valued at Rs. 3.56 Crore meant for export manufactured at M/s. Raj Jewellers, SEZ, Noida was seized at IGI Airport, New Delhi on 30.05.2017.

   (ii) Gold jewellery weighing 9.32 Kgs were resumed for further investigation under punchnama dated 30/31.05.2017 from M/s. Raj Jewellers, SEZ, Noida.

   (iii) Further DRI has mentioned that Scrutiny of the documents during the course of investigation indicate that Shri Ashok Kumar Verma and Sh. Ajit Singh traveled to Dubai and Mumbai respectively on previous 05 occasions on the same date and at almost same time from IGI Airport, with an intention to use the similar modus operandi of exchanging their respective baggage at the IGI Airport itself after clearing from the Customs. It further appears that the gold/gold jewellery recovered and seized from the premises of M/s Raj Jewellers was being manufactured for the purpose of diverting the same into the domestic market and as such, massive evasion of Government Revenue is involved.

Therefore the Approval Committee observed that there seems to be persistent violation (more than one occasion) by the unit.

7. It was further informed that a Show Cause Notice dated 28/11/2017 issued by DRI in the above matter has also been received wherein they have specifically mentioned the details of journeys performed by Shri Ashok Kumar Verma from New Delhi to Dubai and Shri Ajit Singh from New Delhi to Mumbai which is as under:

<table>
<thead>
<tr>
<th>Ashok Kumar Verma Journey Details from IGI Airport, N. Delhi to Dubai(UAE)</th>
<th>Ajit Singh Journey Details from IGI Airport, N. Delhi to Mumbai</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of Airline Schedule</td>
<td>Date of Airline Schedule</td>
</tr>
</tbody>
</table>

[Signature]
DRI has mentioned that Sh. Ashok Kumar Verma on the above mentioned dates travelled to Dubai and carried export consignments of his firm M/s Raj Jewellers, as hand baggage. Further, on scrutiny of the documents and export declared details of M/s Raj Jewellers, it is apparent that the export consignments were cleared by the SEZ and customs authorities for export of the same to Dubai. From the evidence appended above, it is apparent that both the persons (Shri Ashok Kumar Verma and Shri Ajit Singh) had planned their journey schedule very meticulously so that they could clandestinely exchange their respective baggage at the Airport in order to divert the gold jewellery meant for exports into the domestic market. On all the above mentioned dates, Shri Ashok Kumar Verma had hand carried the export consignment of gold jewellery to Dubai and on the same dates, Shri Ajit Singh also travelled to Mumbai at almost the same time. On 30.05.2017, Shri Ashok Kumar Verma collected the export consignment of gold jewellery of M/s Raj Jewellers from the CWC warehouse situated at the IGI Airport, got the gold jewellery consignment cleared from the customs and then handed over the same to his accomplice, Shri Ajit Singh (who was departing from IGI Airport Delhi to Mumbai) and from whose possession the DRI officers recovered and seized the said gold jewellery, which was otherwise declared and meant for export to Dubai and was supposed to be in the possession of Shri Ashok Kumar Verma, for carrying the same as hand baggage to Dubai. Thus, jewellery declared for export to SEZ and Customs authorities was fraudulently attempted to be diverted back into the domestic market. From the details of journeys performed by Shri Ashok Kumar Verma from New Delhi to Dubai and Shri Ajit Singh from New Delhi to Mumbai given above, it appears that similar modus operandi was adopted on six (6) earlier occasions by Shri Ajit Singh and Sh Ashok Kumar Verma.

8. It was informed to the Approval Committee that Section 16(1) of the SEZ Act, 2005 provides that Approval Committee may, at any time, if it has any reason or cause to
believe that the entrepreneur has persistently contravened any of the terms & conditions subject to which LOA was granted to the entrepreneur, cancel the LOA but such cancellation will not be done unless the entrepreneur has been afforded a reasonable opportunity of being heard.

9. It was informed that in the light of above observations, the Approval Committee in its meeting held on 06/12/2017 had decided as under:

i) In view of the gravity of violations mentioned above, a notice under Section 16(1) of the SEZ Act, 2005 may be issued calling upon the unit to explain within 21 days of issuance of notice as to why LOA issued to them should not be cancelled for persistently contravening the provisions of SEZ Act/SEZ Rules and terms & conditions of LOA/ Bond-cum-LUT.

ii) The above actions would be without prejudice to any other action under any law.

10. Approval Committee further directed that the case may be placed in the next meeting of Approval Committee and unit may be provided an opportunity of personal hearing in the meeting of Approval Committee, if they desire to be heard in person.

11. Accordingly, an SCN dated 28/12/2017 was issued to M/s. Raj Jewellers to show cause within 21 days from the date of issue of the notice as to why LOA issued to it should not be cancelled under the provisions of Section 16 of SEZ Act, 2005 and Rules made thereunder for persistently contravening the provisions of SEZ Act, 2005 & Rules made thereunder and terms & conditions of LOA/ Bond-cum-LUT. It was also requested that promoter/representative of the unit should appear for Personal Hearing before the Approval Committee in its meeting scheduled to be held at 11:30 AM on 07th February 2018 at Conference Hall, NSEZ Service Centre, Office of Development Commissioner, Noida SEZ and if 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 merits, on the basis of information and evidence on records available in this office without making any further reference to them.

12. It was informed to the Approval Committee that no reply from M/s. Raj Jewellers or its promoter/representatives against the SCN dated 28/12/2017 has been received till date. Besides, no one from the unit has appeared for the personal hearing before the Approval Committee.
13. The Approval committee on the basis of the above facts came to the following conclusion:

(i) In respect of issues being examined by the DRI and the investigations being carried out by DRI, view will be taken by DRI, as considered appropriate. The decision of the Approval Committee under Section 16(1) of SEZ Act will not come in the way of DRI proceedings in any manner.

(ii) This action of the Approval committee under Section 16 (1) of SEZ Act shall be independent of any action which may be taken by any other authority under any Act, Rules, Regulations etc.

(iii) The Approval Committee also observed that as per DRI they have seized gold jewellery on two different occasions and the unit has also committed violation on previous 05 occasions as under:


b) Seizure of Gold jewellery weighing 9.32 Kgs from M/s. Raj Jewellers, SEZ, Noida on 30/05/2017.

c) Further as per show cause notice issued by DRI the details of journeys performed by Shri Ashok Kumar Verma from New Delhi to Dubai and Shri Ajit Singh from New Delhi to Mumbai which is as under:

<table>
<thead>
<tr>
<th>Ashok Kumar Verma Journey Details from IGI Airport, N. Delhi to Dubai(UAE)</th>
<th>Ajit Singh Journey Details from IGI Airport, N. Delhi to Mumbai</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of Departure</td>
<td>Date of Departure</td>
</tr>
<tr>
<td>17.3.17</td>
<td>17.3.17</td>
</tr>
<tr>
<td>1.4.17</td>
<td>1.4.17</td>
</tr>
<tr>
<td>13.4.17</td>
<td>13.4.17</td>
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<tr>
<td>25.4.17</td>
<td>25.4.17</td>
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<tr>
<td>6.5.17</td>
<td>6.5.17</td>
</tr>
<tr>
<td>20.5.17</td>
<td>20.5.17</td>
</tr>
<tr>
<td>30.5.17</td>
<td>30.5.17</td>
</tr>
</tbody>
</table>
DRI has mentioned that Sh. Ashok Kumar Verma on the above mentioned dates travelled to Dubai and carried export consignments of his firm M/s Raj Jewellers, as hand baggage. Further, on scrutiny of the documents and export declared details of M/s Raj Jewellers, it is apparent that the export consignments were cleared by the SEZ and customs authorities for export of the same to Dubai. From the evidence appended above, it is apparent that both the persons (Shri Ashok Kumar Verma and Shri Ajit Singh) had planned their journey schedule very meticulously so that they could clandestinely exchange their respective baggage at the Airport in order to divert the gold jewellery meant for exports into the domestic market. On all the above mentioned dates, Shri Ashok Kumar Verma had hand carried the export consignment of gold jewellery to Dubai and on the same dates, Shri Ajit Singh also travelled to Mumbai at almost the same time. On 30.05.2017, Shri Ashok Kumar Verma collected the export consignment of gold jewellery of M/s Raj Jewellers from the CWC warehouse situated at the IGI Airport, got the gold jewellery consignment cleared from the customs and then handed over the same to his accomplice, Shri Ajit Singh (who was departing from IGI Airport Delhi to Mumbai) and from whose possession the DRI officers recovered and seized the said gold jewellery, which was otherwise declared and meant for export to Dubai and was supposed to be in the possession of Shri Ashok Kumar Verma, for carrying the same as hand baggage to Dubai. Thus, jewellery declared for export to SEZ and Customs authorities was fraudulently attempted to be diverted back into the domestic market. From the details of journeys performed by Shri Ashok Kumar Verma from New Delhi to Dubai and Shri Ajit Singh from New Delhi to Mumbai given above, it is clear that similar modus operandi was adopted on six (6) earlier occasions by Shri Ajit Singh and Sh Ashok Kumar Verma.

Therefore the Approval Committee observed that there is persistent violation (more than one occasion) by the unit.

14. In the light of above observations/conclusions, the Approval Committee decided as under:

i) To cancel the LOA dated 13/05/2016 issued to M/s Raj Jewellers, forthwith, under
Section 16 (1) of SEZ Act 2005 and in terms of condition No. (xv) of LOA dated 13/05/2016. Condition No. (xv) of LOA dated 13/05/2016 is as under:

“If you fail to comply with the conditions stipulated above, this letter of Approval shall be cancelled as per the provisions of the Special Economic Zones Act, 2005 and the rules and order made there under.”

ii) No further import & export will be allowed to the unit.

iii) NFE achievement and value addition will be calculated as per SEZ Rules/FTP and in case unit has failed to achieve positive NFE/prescribed value addition, suitable action in terms of Rule 54 of SEZ Rules, 2006 and Foreign Trade (Development & Regulation) Act, 1992 may be taken.

iv) The unit shall complete exit formalities under Rule 74 of SEZ Rules, 2006.

v) In respect of issues being examined by the DRI and the investigations being carried out by DRI, view will be taken by DRI, as considered appropriate, and the decision of the Approval Committee under Section 16(1) of SEZ Act 2005 will not come in the way of DRI proceedings, in any manner.

vi) This action of the Approval committee under Section 16 (1) of SEZ Act shall be independent of any action which may be taken by any authority under any Act, Rules, Regulations etc.

If aggrieved by this order of Approval Committee, the unit may prefer an appeal, against the decision of the Approval Committee, under Rule 55 read with Rule 56 of the SEZ Rules, 2006, to the Appropriate Appellate Authority i.e. Board of Approval, Ministry of Commerce & Industry, Department of Commerce, Udyog Bhawan, New Delhi, in accordance with the procedures given in Chapter VII of the SEZ Rules, 2006.

13. **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:-**

i) **M/s. Indus Valley Partners (India) Pvt. Ltd. (Unit-II)** - The Approval Committee monitored the performance of the unit on the basis of APRs up to 2016-17 and
noted achievement of positive NFE by the unit.

ii) **M/s. C & S Electric Ltd.** – The Approval Committee monitored the performance of the unit on the basis of APRs up to 2016-17 and noted achievement of positive NFE by the unit.

14. **Proposal in respect of M/s. Amiga Informatics 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 unit in NSEZ to undertake IT Enabled Services and BPO with projected exports of Rs. 4000 Lakhs and NFE earnings worth Rs. 3675 Lakhs over a period of five years.

Shri Dhananjay Pratap Singh, Director of the company, appeared before the Approval Committee. He informed that Amiga Informatics Pvt. Ltd. was founded in 2011 as a global IT Staffing, Solution and Support company with enormous workforce serving clients across the globe. He also stated that the company has three offices in USA, Canada and Hong Kong as a marketing set up and is already in the business of providing recruitment and staffing solutions to some of the big multinational companies like AT&T, Persistent, Harman in USA, Canada and Hong Kong and having customers such as HCL, TCS etc. in domestic as well as international locations.

The Approval Committee observed that the applicant vide this office letter dated 02/02/2018 has been asked to submit some documents/information related to their application which are still awaited. Shri Singh ensured to comply with the letter dated 02/02/2018 and submit the required documents.

The Approval Committee, after due deliberations, approved the proposal of M/s. Amiga Informatics Pvt. Ltd. for setting up a unit in NSEZ for IT Enabled Services and BPO. However, LOA shall be issued only after receipt of documents/information called for vide this office letter 02/02/2018.

15. **Proposal in respect of M/s. Victora Auto 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 unit in NSEZ to undertake Manufacturing & Export of (i) Silencers (mufflers) and Exhaust
pipes; parts threeroft (Silence and Exhaust Pipes) and (ii) Others Parts and Accessories of Vehicle of Heading 8701-8705 with projected exports of Rs.66241 Lakhs and NFE earnings worth Rs. 63241 Lakhs over a period of five years.

Shri Neeraj Bajaj, Director of the company, appeared before the Approval Committee. He informed that the company was established in 1991 and they are having 5 DTA units (3 in Haryana and 2 in Haridwar, Uttarakhand). He further informed that current export turnover of the company is approx. Rs. 50Crores/month.

Shri Bajaj informed that they have entered into Memorandum of Understanding with M/s. Goldwyn Ltd. for the transfer of building structures situated at Plot No. 15 & 16, NSEZ as per Rule 74(A) of the SEZ Rules, 2006. He further stated that they hope to start as soon as April 2018, if they get the permission from NSEZ. He further informed that their major export markets are USA, Europe, China, Japan etc.

The Approval Committee observed that the applicant vide this office letter dated 02/02/2018 has been asked to submit some documents/information related to their application which are still awaited. Shri Bajaj ensured to comply with the letter dated 02/02/2018 and submit the required documents shortly.

The Approval Committee, after due deliberations, approved the proposal of M/s. Victorica Auto Pvt. Ltd. for setting up a unit in NSEZ for Manufacturing & Export of (i) Silencers (mufflers) and Exhaust pipes; parts threeroft (Silence and Exhaust Pipes) and (ii) Others Parts and Accessories of Vehicle of Heading 8701-8705. The Applicant shall submit list of items and accessories of vehicles of heading 8701-8705 for further examination by Customs. The LOA shall be issued after receipt of documents/information called for vide this office letter 02/02/2018.

16. **Proposal in respect of M/s. Glide Chem Pvt. Ltd. for Inclusion of additional authorized operations in LOA.**

It was informed to the Approval Committee that M/s. Glide Chem Pvt. Ltd. has been issued an LOA dated 22/05/2005 for (i) Manufacturing of Povidone Iodine; (ii) Trading of Chlorhexidine Salts, Polyvinyl Pyrrolidone (PVP) and Peg (Polyethylene Glycols) and (iii) Manufacturing of Chlorhexidine Salts. The unit commenced its export production w.e.f.
01/10/2002 and LOA is valid till 30/09/2022.

It was informed to the Approval Committee that the unit has submitted a proposal for inclusion of Trading of (i) All types of Flvours (under Chapter 3302); and (ii) Lactose (under Chapter 1702).

Shri Gaganpreet Singh, director of the company appeared before the Approval Committee. He informed that they get good export orders for above items and due to these their export turnover will increase by approx. 10-15 percent. He further stated that they will import above items from Canada, USA and Singapore and the same will be exported to Middle East, Europe and Brazil.

It was informed that Approval Committee in its meeting held on 01/11/2017 had monitored the performance of unit wherein Shri Gaganpreet Singh, director of the company appeared and informed that they have not done any trading activity during last five years. Shri Singh also informed that although they are currently not carrying out any trading activities, they may require trading activities at a later stage.

The Approval Committee in its meeting held on 01/11/2017 had decided to renew the LOA for remaining period of five years i.e. upto 30/09/2022. Approval Committee further decided that 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 EOU, against foreign exchange and no DTA sale of trading items shall be allowed.

The Approval Committee, after due deliberations, approved request of the unit for inclusion of trading of (i) All types of Flvours (under Chapter 3302); and (ii) Lactose (under Chapter 1702) in the authorized operations subject to the condition that this will be only for physical export.

Meeting ended with a vote of thanks to the Chair.

(S. S. Shukla)
Jt. Development Commissioner

(Dr. L. B. Singhal)
Development Commissioner
# JURASSIC REFINERS & JEWELS PRIVATE LIMITED

1157/1124, 3rd Floor, Kucha Mahalani, Chandni Chowk, Delhi-110006

(All amounts in Indian rupees)


<table>
<thead>
<tr>
<th>PARTICULARS</th>
<th>Figures as on 31.03.2016</th>
<th>Figures as on 31.03.2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NOTE 14: REVENUE FROM OPERATION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Income from operation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Sales - Bullion</td>
<td>11,410,092.32</td>
<td>10,618,336.00</td>
</tr>
<tr>
<td>(b) Sales - Gold Ornaments</td>
<td>28,021,408</td>
<td>10,761,921.00</td>
</tr>
<tr>
<td>(c) Sales - Gold Jewellery (Export)</td>
<td>23,359.106</td>
<td>6,054,709.00</td>
</tr>
<tr>
<td>(d) Job Work</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>11,481,777.306</strong></td>
<td><strong>5,630,507.311</strong></td>
</tr>
</tbody>
</table>

| **NOTE 15: OTHER INCOME** | | |
| 1. Interest Income | 3,191.00 | 7,894,100.00 |
| 2. Interest received on FDR'S | 2,590,255 | 8,317,700.00 |
| 3. Commission on consignment sale | 3,720,960 | 3,836.00 |
| 4. Interest Received from Bank | | |
| 5. Gold Jewellery quality difference | 86,105 | 7,589,904.97 |
| 6. Royalty on trade name | 104,548 | 7,767,639 |
| 7. Currency Fluctuation Reserve | 1,297,841 | 15,487,840.97 |
| **TOTAL** | **7,767,639** | **15,487,840.97** |

| **NOTE 16: PURCHASE OF STOCK IN TRADE** | | |
| 1. Purchase - Alloy | | 502,283.00 |
| 2. Purchase - Bullion for Manufacturing | | 995,144,099.00 |
| 4. Purchase of Shares | | |
| **TOTAL** | **11,473,174.551** | **5,637,289,939.47** |

| **NOTE 17: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE** | | |
| 1. Opening Stock | 28,042,000 | 104,983,10 |
| 2. Closing Stock | 65,772,845 | 78,042,005.85 |
| **TOTAL** | **(37,571,839)** | **(27,973,022.69)** |

| **NOTE 18: EMPLOYEE BENEFITS EXPENSE** | | |
| 1. Salaries & Wages | 8,554,124 | 4,565,800.00 |
| 2. Staff Welfare Expenses | 223,975 | 67,820.00 |
| **TOTAL** | **8,778,099** | **5,637,620.00** |

| **NOTE 19: FINANCE COST** | | |
| 1. Interest (Bank O/d) | 339,727 | 5,815,224.02 |
| 2. Interest Paid (Statutory duties)/a/c | 3,794 | 4,095.83 |
| 3. Interest Paid on (Unsecured Loan) | 56,659,629 | 2,934,999.00 |
| 4. Bank Charges | 194,071 | 110,040.26 |
| **TOTAL** | **6,197,223** | **8,862,224.09** |

[Signature]

[Signature]