भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग
विकास आयुक्त का कार्यालय
नौएदा विशेष आयुक्त क्षेत्र
नौएदा दादरी रोड, फेस-II, नौएदा-201305, जिला - नौएदा बुधुम 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. 12/01/2019-प्रोज/  
दिनांक: …/10/2019

सेवा में,

1. मुख्य कार्यालय अधिकारी, न्यू ओखला औपचारिक विकास प्राधिकरण, मुख्य प्रशासनिक भवन, सेक्टर - 6, 
नौएदा।

2. अतिरिक्त महानिदेशक विवेक व्यापार, वाणिज्य एवं उद्योग मंत्रालय, 'ए' विभा, इंटरनेशनल भवन, आईएस पी एसटेट, नई दिल्ली।

3. प्रधान आयुक्त आयुक्त, आयुक्त भवन, प्लाट सं.- ए-2डी, सेक्टर 24, नौएदा।

4. आयुक्त, सीमा शुल्क, नौएदा सीमा शुल्क आयुक्तालय, इन्डोइंडिया कंटेनर डिपो, तिलपता, दादरी, गौतम बुद्ध नगर, उत्तर प्रदेश - 201306।

5. उप सचिव, वाणिज्य विभाग, वाणिज्य एवं उद्योग मंत्रालय, भारत सरकार, उद्योग भवन, नई दिल्ली - 110001।

6. उप सचिव (आईएफ-1), रिजर्व भ्रमण, आयुक्त भवन, जोधपुर, जोधपुर, नई दिल्ली।

7. महासचिव, जिला उद्योग केंद्र, कालखंड के खाट, सूरजपूर, गेटर नौएदा।

विषय: दिनांक 09/09/2019 को पूर्वांग 11:30 बजे आयोजित नौएदा विशेष आयुक्त क्षेत्र की यूनिट अनुमोदन समिति की बैठक का कार्यवाह - एट एम्बरपल्ली।

महोदय,

मुख्य उपरोक्त विषय का संदर्भ लेने और डॉ. एल बी सियल, विकास आयुक्त, नौएदा विशेष आयुक्त क्षेत्र की आयुक्तता में दिनांक 09/09/2019 को पूर्वांग 11:30 बजे सम्मेलन होंगे, प्रशासनिक भवन, नौएदा विशेष आयुक्त क्षेत्र, नौएदा में आयोजित नौएदा विशेष आयुक्त क्षेत्र की यूनिट अनुमोदन समिति की बैठक का कार्यवाहः

संबांत: उपरोक्त

प्रतिष्ठितपत्रः

1. विशेष कार्यालयकी - विकास आयुक्त के सूचनायार।
2. वैश्विकता सहायता - संयुक्त विकास आयुक्त के सूचनायार।
3. मित्रित अधिकारी, नौएदा विशेष आयुक्त क्षेत्र - सूचनायार एवं आवश्यक कार्यवाही के लिए।
4. सांविधानिक, नौएदा विशेष आयुक्त क्षेत्र प्राधिकरण - सूचनायार एवं आवश्यक कार्यवाही के लिए।
5. सहायता विकास आयुक्त (ईडियन) - सूचनायार एवं कार्यवाह के जिम्मे अनुवाद के लिए।

उप विकास आयुक्त

City Office: State Trading Corporation of India Ltd. 4th Floor, Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001
Tel. Zone Office: [Code- from outside 0120 / from Delhi 95120] 2567270, 3021444/5, 6, Fax: 2562114, 2567276
City Office Telefax: 011-26455061: E-mail: <dc@nseoz.gov.in> : Website: <www.nseoz.gov.in>
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 09/10/2019 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.
3) Shri Aman Singh Lohan, Asstt. DGFT, O/o Addl. DGFT, CLA, New Delhi.

2. Besides, during the meeting S/Shri (i) Md. Salik Parwaiz, Specified Officer, NSEZ, (ii) Nitin Gupta, Dy. Development Commissioner, NSEZ, (iii) Pramod Kumar, Asstt. Development Commissioner, NSEZ, (iv) Arun Singh Parihar, Assistant, NSEZ, and (v) S.K. Bharti, JE, UPPCL, Noida were also present to assist the Approval Committee.

3. At the outset, DC, NSEZ welcomed the participants. After brief introduction, each items included in the agenda were taken up for deliberation one by one. After detailed deliberations as well as interaction with the applicants / representatives of the units, the following decisions were taken:-

(i) **Ratification of Minutes of last meeting of the Approval Committee held on 04/09/2019.**

It was informed that no reference against the decisions of the Approval Committee held on 04/09/2019 was received and, therefore, Minutes of the meeting held on 04/09/2019 were ratified.
Item wise decisions on proposals included in agenda:

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>लाइवसेल्समैन - नौएडा विशेष आर्थिक क्षेत्र में नई इकाई लगाने हेतु प्रस्ताव</td>
<td>No one from the applicant firm appeared for the meeting. It was informed to the Approval Committee that the applicant has informed through email that as the proprietor is traveling for business purposes, they will not be able to attend the meeting. Accordingly, Approval Committee deferred the proposal for its next meeting.</td>
</tr>
<tr>
<td>2.</td>
<td>प्रूपरिसिटिक एलईडी प्राइवेट लिमिटेड - नौएडा विशेष आर्थिक क्षेत्र में नई इकाई लगाने हेतु प्रस्ताव</td>
<td>It was informed to the Approval Committee that the M/s. Futuristic LED Pvt. Ltd. has proposed to set up a new unit in NSEZ for “Licensing Services for the Right to use Computer Software and Database, Information Technology Design and Development Services, Hosting and Information Technology (IT) Infrastructure Provisioning Services, Other IT Services” with projected exports of Rs. 3358 Lakhs and NFE earnings worth Rs.2235 Lakhs and proposed investment of Rs. 1123 Lakhs and Rs. 160 Lakhs in imported and indigenous plant &amp; machinery/capital goods respectively, over a period of five years. 2.2 Shri Anuj Bairathi, director of the company appeared before the Approval Committee and explained the project. He informed that they have one existing unit namely M/s. Cyfuture India Pvt. Ltd. in NSEZ. Besides, there are overall 15 units in India of their group. He further informed that their group turnover is approx. Rs.100 Crores and more than 2000 employees are working in their group companies. 2.3 Shri Bairathi further informed that the proposed unit will cover more and more real-world applications of software controlled LEDs for providing the exact lighting requirements across industries. He further stated that the export potential of LED-related software that governs control mechanisms for</td>
</tr>
</tbody>
</table>
home units, public spaces and specialized industrial applications is vast and the proposed unit is well poised to get a first mover advantage in this market.

2.4 It was informed to the Approval Committee that the proposed service activities do not figure in the Memorandum & Articles of Association of company. As per MOA, the main objects to be pursued by the company are related to manufacturing, repairing, assembling of all types of lighting products and all types of electronic semi-conductors, chips etc. Hence, applicant needs to include proposed service activities in the main objects of MOA.

2.5 Shri Bairathi assured that they will amend the MOA to include service activities and submit the same to this office, at the earliest.

2.6 The Approval Committee further observed that as per the balance sheet of the company, there has been negligible business and no income for last three years. Shri Bairathi informed that they have not done much business till now in this company. He further informed that now they are trying to generate revenue through proposed project of services related to LED products.

2.7 It was informed to the Approval Committee that there were some deficiencies observed in the application which were conveyed to the applicant for necessary rectification. Reply of the same has been received which is being examined.

2.8 The Approval Committee, after due deliberations, decided to defer the proposal for its next meeting and directed Shri Bairathi to submit amended Memorandum and Articles of Association after including the proposed service activities in its main objects. The Approval Committee also directed to examine the reply received from the applicant and inform them queries, if any, for rectification.

3. एप्पी पाई एलएलपी - नौएडा विशेष आर्थिक क्षेत्र में नई इकाई लगाने हेतु प्रस्ताव

It was informed to the Approval Committee that the M/s. Appy Pie LLP has
proposed to set up a new unit in NSEZ for “Information Technology (IT) design and development services, IT Services, Mobile App builder Software (App Maker)” with projected exports of Rs. 6800.00 Lakhs and NFE earnings worth Rs. 5294.00 Lakhs and proposed investment of Rs. 100 Lakhs and Rs. 60 Lakhs in imported and indigenous plant & machinery/capital goods respectively, over a period of five years.

3.2 Shri Abhinav Girdhar, partner in the firm appeared before the Approval Committee and explained the project. He informed that after completing his engineering, he worked for a company in England for a year. After that he returned to India and started his own business. Shri Girdhar further informed that currently he has two existing units in NSEZ namely Appy Pie LLP and M/s. ONS Interactive Solutions.

3.3 Shri Girdhar informed that current cumulative turnover of his both company is approx. Rs. 15 Crores and approx. 300 employees are currently working.

3.4 Shri Girdhar further informed that they already have participated in the bid of building erected at Plot No.55A, NSEZ through e-auction conducted by M/s MSTC and declared as a successful bidder and they have decided to implement the proposed project from the said premises.

3.5 The Approval Committee, after due deliberations, approved the proposal of M/s. Appy Pie LLP for setting up a new unit in NSEZ for Information Technology (IT) design and development services, IT Services, Mobile App builder Software (App Maker)”.

It was informed to the Approval Committee that the M/s. Oritex Exports LLP has proposed to set up a new unit in NSEZ for “Manufacturing & Export of Terry Fabric; Knitted Fabric; Men’s or Boy’s coats; Women’s or Girl’s coat; Men’s or Boy’s Jackets, Trousers or shorts; Women’s or Girl’s Jackets, dresses
or skirts; Men’s or Boy’s Shirts knitted; Women’s or Girl’s shirts or blouses knitted; Men’s or Boy’s inner-wear or night-wear knitted; Women’s inner-wear or night-wear knitted; T-shirts or Singlets knitted; Jerseys, Pullovers or Cardigans, Babies’ garments and accessories knitted, Swim-wears and track suits; Men’s or Boy’s Coats woven; Women’s or Girl’s Coats woven; Men’s or Boy’s Jackets, Trousers or shorts woven; Women’s or Girl’s Jackets, dresses or skirts woven; Men’s or Boy’s Shirts woven; Women’s or Girl’s shirts or blouses woven; Men’s or Boy’s Singlets Woven; Women’s or Girl’s Singlets Woven Jerseys; Babies’ garments and clothing accessories woven; Swimwear or activewear woven; Bras and Corsets; Handkerchiefs, Shawls or Scarves; Ties or Bow-ties, Clothing Accessories; Blankets and Travelling Rugs; Bed Linen Knitted; Curtains; Bedspreads; Sacks and Bags; Dusters and Square cloths, Woven Sets; Rugs (under ITC HS Chapter 60, 61, 62 & 63)” with projected exports of Rs. 2199.60 Lakhs and NFE earnings worth Rs.1740.63 Lakhs and proposed investment of Rs. 82.08 Lakhs and Rs.95.80 Lakhs in imported and indigenous plant & machinery/capital goods respectively, over a period of five years.

4.2 Shri Anil Mehriya and Smt. Sharmila Pilaniya, partners in the firm appeared before the Approval Committee to explain the project. Shri Mehriya informed that Oritex Exports LLP is a one stop shop for all organic and natural fiber based apparel design and production solution. He informed that organic products are part of worldwide organic agriculture movement, which stresses on farming and processing that neither involves use of synthetic or chemical pesticides nor genetically modified or radiated plants. This in turn ensures minimum damage to environment. To be termed as an authentic organic product, the goods must pass a series of tests, depending on the country. He further stated that the organic clothing is available in cotton, silk, kapok, hemp or wool and the natural fiber range includes bamboo, milk, soya, rose, lotus etc.

4.3 Smt. Pilaniya informed that she is an alumna of NIFT, Mumbai in Bachelor of Fashion Design. She started her career as a fashion designer
working with international and domestic businesses and gradually grew to become a Design head with Noi, a fashion brand sold exclusively through Shopper Stop. She started Oritex Exports in September 2016 with her partner where she looks after designing, sourcing, merchandising and production domain.

4.4 Shri Mehriya informed that he is an alumnus of FDDI, Noida with specialization in Fashion merchandising & retail management. He began his career as a Business Analyst with a sourcing firm and later managing branding and communication area, as a Brand director, for a diversified business conglomerate-Lohia Global. Currently, he looks after Finance, client servicing and communication domains at Oritex.

4.5 Shri Mehriya further informed that they are natural fashion experts with a motive of re-vitalizing organic culture. Their products are purely organic and support their vision of Green domain. He further stated that they are setting up this new unit with a vision to scale-up their output to a multifold growth and finally enabling them to realize their mission of a fully integrated and state-of-the-art manufacturing facility for organic and natural apparels, producing global standard products.

4.6 Smt. Pilaniya informed that the organic and natural apparels market has an order cycle of 180 days (6 months), which is the lead time to deliver the order. The major players in the market are playing on this lead-time only and works on a 15% advance payment received against the work-order. She further stated that they are trying to cut-off the lead-time to 150 days with a 30% advance payment against the work-order. This proposition of leaner lead-time even with higher advance payment makes a lot of sense to the customer, because a faster delivery means an elongated season sales window. This proposition helps them to cut the competition clutter with more liquidity to improve their efficiency and delivery the orders right on time.

4.7 Shri Mehriya also informed that the business development cycle for the market is about 3 months. That means a pitch meeting with the customer
generates a hot query with-in 15 days on an average and prototyping/sampling takes another 15-20 days. The next month gets consumed on feedback and negotiations followed by the corresponding month consumed on finalizing the order. Thus the business cycle for a new business is six months. They are proposing to set-up the new unit with 3-4 months of initial production orders, at the very beginning of starting-up. This would help us to smoothly transition into a scaled-up manufacturing unit. They are presenting their business plan for setting up a new unit based on their existing strategy of 150 days lead-time, which is tried and tested formula of their success.

4.8 He further stated that they are planning to build a dedicated new business development program from the beginning of their operations, which would include extensive international travel on monthly basis. The initial production window that would be provided by their in-hand orders at the beginning will help them to focus on a long-term effective business development strategy.

4.9 Shri Mehriya also informed that they already have participated in the bid of building erected at Plot No.129G/14, NSEZ through e-auction conducted by M/s MSTC and declared as a successful bidder and they have decided to implement the proposed project from the said premises.

4.10 Shri Mehriya further informed that the total cost of project, including plant & machinery cost and working capital, is INR 3,86,33,800/-. They are proposing to invest a personal amount of INR 62,00,000/- termed as contribution of partners’ capital. As per their new unit set-up plan, they would require a funding of INR 2,70,33,800/- as a term loan borrowing from the bank and a credit line of INR 54,00,000/-. He further stated that the partners are contributing INR 11,00,000/- each from their personal savings and an additional amount of INR 40,00,000/- will be transferred to his account by his father, raised through his agricultural land.

4.11 It was informed to the Approval Committee that few deficiencies were
found in the application which have been conveyed to the applicant for necessary rectification.

4.12 It was informed to the Approval Committee that the existing factory of applicant firm at C-157, First Floor, Hosiery Complex, Noida Phase-2, Gautam Budh Nagar, Uttar Pradesh – 201305 was got verified by the officers from O/o DC, NSEZ. Verification report submitted by the officers is reproduced as under:

"During the visit of the said premises of the unit, following facts have been observed and same is reported as under:

- At the main gate of the premises, there was no signboard placed for identification. The unit was located at first floor of the building.

- On arrival on the first floor of the building as addressed at C-157, First Floor, Hosiery Complex, Noida Phase-II, it was estimated that the area of the floor was 2000 sqft approx. having a single partition and a store room keeping therein the fabrics (raw material).

- There were about 7 persons working on the sewing machines installed in the premises at the time of inspection. Out of them one Shri Naveen Kumar introduced himself as in-charge of the unit informed that he has been looking after the manufacturing of garment unit since last one year. On being asked, he told that owner of the unit was not available in the unit. He also informed us that there are 15 workers/tailors employed in the factory at present and all of them are not present in the unit that day.

- Further, we also met a lady in the factory premises who introduced herself as Shubhangi Sharma, recruited as Merchant in the unit. She also informed that she has also been working in the unit since last three months and she has done her diploma in Fashion Designing and she deals with the designing of the garments in the unit.

- Further, Shri Naveen was asked to show the documents such as Electricity Bill, ownership document/Rent Agreement of premises, copies of shipping bills and invoices etc. He told that
premises have been taken on rent. He provided us copy of Electricity bill which is in the name of Gayatri Pathak w/o M.N. Pathak. He could not provide any other documents relating to Export/Import of the garments in respect of their unit. He was also requested to show any GST registration Certificate but he failed to do so, however he submitted a copy of blank challan of their unit having mentioned therein the GST registration No. 09AAEFO9956B1ZZ.

- Shri Naveen also explained about their manufacturing process and told that they are engaged in manufacturing of garments of kids wear and women wear for export and at present they have 1000kg of fabrics in their stock which appeared to be correct but could not produce any documents against their claim. He also showed some sample of finished products viz. kids wear and women wear. He also said that they have 17 sewing machines and one pressing machine installed in the premises and all appeared to be in working conditions.

- There were two computers and two chairs in the processing area. Besides, there was an office room attached with the processing area.

4.13 The Approval Committee, after due deliberations, approved the proposal of M/s. Oritex Exports LLP for setting up a new unit in NSEZ for Manufacturing & Export of Terry Fabric; Knitted Fabric; Men’s or Boy’s coats; Women’s or Girl’s coat; Men’s or Boy’s Jackets, Trousers or shorts; Women’s or Girl’s Jackets, dresses or skirts; Men’s or Boy’s Shirts knitted; Women’s or Girl’s shirts or blouses knitted; Men’s or Boy’s inner-wear or night-wear knitted; Women’s inner-wear or night-wear knitted; T-shirts or Singlets knitted; Jerseys, Pullovers or Cardigans, Babies’ garments and accessories knitted, Swim-wears and track suits; Men’s or Boy’s Coats woven; Women’s or Girl’s Coats woven; Men’s or Boy’s Jackets, Trousers or shorts woven; Women’s or Girl’s Jackets, dresses or skirts woven; Men’s or Boy’s Shirts woven; Women’s or Girl’s shirts or blouses woven; Men’s or Boy’s Singlets Woven; Women’s or Girl’s Singlets Woven Jerseys; Babies’ garments and clothing accessories woven; Swimwear or activewear woven; Bras and Corsets; Handkerchiefs, Shawls or Scarves; Ties or Bow-ties, Clothing Accessories,
Blankets and Travelling Rugs; Bed Linen Knitted; Curtains; Bedspreads; Sacks and Bags; Dusters and Square cloths, Woven Sets; Rugs (under ITC HS Chapter 60, 61, 62 & 63) subject to rectification of deficiencies observed in their application.

5. ट्रेड परफेक्शंस - LOA की वैधता के नवीनीकरण एवं इकाई के पूर्व प्रदर्शन की निगरानी हेतु प्रस्ताव |

It was informed to the Approval Committee that M/s. Trade Perfections has been issued an LOA dated 22/07/2003 for (1) Manufacturing of Wire and Rod of Copper, Aluminium and Tin; (2) Manufacturing of Stainless Steel Utensils; (3) Manufacturing of Pure Bricketed Brass CRGO Electrical Steel Lamination Core; (4) Trading of Stainless Steel Utensils; (5) Manufacturing of Electrical Transformer. The unit commenced its export activities w.e.f. 24/05/2004 and previous block of five years was valid till 23/05/2019. Validity of LOA of the unit has been extended upto 23/10/2019 so that their working does not suffer.

5.2 It was further informed that unit has requested for renewal of LOA for 4th block of five years as well as for removal of trading activities from their existing authorized operations.

5.3 It was further informed that during previous block of five years, performance of the unit was as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>Export* (under Rule 53A)</th>
<th>Forex Outgo</th>
<th>NFE Earning</th>
<th>DTA Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>3376.40</td>
<td>2846.73</td>
<td>529.67</td>
<td>1230.00</td>
</tr>
<tr>
<td>(24/05/2014-31/03/2015)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015-1</td>
<td>6417.08</td>
<td>5170.15</td>
<td>1246.93</td>
<td>1517.50</td>
</tr>
<tr>
<td>2016-17</td>
<td>4959.78</td>
<td>4865.49</td>
<td>94.29</td>
<td>1079.05</td>
</tr>
<tr>
<td>2017-18</td>
<td>3950.71</td>
<td>3810.98</td>
<td>139.73</td>
<td>173.86</td>
</tr>
<tr>
<td>2018-19</td>
<td>4773.48</td>
<td>4779.76</td>
<td>-6.28</td>
<td>987.34</td>
</tr>
<tr>
<td>2019-20</td>
<td>650.91</td>
<td>700.56</td>
<td>-49.65</td>
<td>72.67</td>
</tr>
<tr>
<td>(upto 23/05/2019)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>24128.36</strong></td>
<td><strong>22173.67</strong></td>
<td><strong>1954.69</strong></td>
<td><strong>5060.42</strong></td>
</tr>
</tbody>
</table>
5.4 It was informed that unit in its APRs have mentioned to have made sales in DTA under Rule 53A(c) of SEZ Rules, 2006. However, later it clarified that the sales were made under Rule 53A(e) of SEZ Rules, 2006. Unit has also submitted break-up of sales which are counted towards NFE calculations as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales counted towards NFE calculation</th>
<th>Total Export</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Physical</td>
<td>Rule 53A(e)</td>
</tr>
<tr>
<td>2014-15</td>
<td>0.00</td>
<td>3376.40</td>
</tr>
<tr>
<td>(24/05/2014-31/03/2015)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015-16</td>
<td>0.00</td>
<td>6417.08</td>
</tr>
<tr>
<td>2016-17</td>
<td>0.00</td>
<td>4959.78</td>
</tr>
<tr>
<td>2017-18</td>
<td>0.00</td>
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<tr>
<td>2019-20</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>(01/04/2019-23/05/2019)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>0.00</td>
<td>21887.59</td>
</tr>
</tbody>
</table>

5.5 Shri Rajesh Agarwal, partner of the firm, appeared before the Approval Committee. He informed that they have made sales in DTA from 2014 to 19/09/2018 in Rule 53A(e) of SEZ Rules, 2006. But from 19/09/2018, they have made their sales in Rule 53A(l) of SEZ Rules, 2006, as per the guidelines by their CA. Later on they realized that they should made their sales in DTA in Rule 53A(d) of SEZ Amendment Rules, 2018 dated 19/09/2018 and now they are making their sales in DTA in sub-rule 53A(d), as amended.

5.6 The Approval Committee observed that Rule 53A(e) of SEZ Rules, 2006 (prior to SEZ Amendment Rules, 2018 i.e. before 19/09/2018) is as under:

"53A(e): supply of goods to any project or purpose in respect of which the Ministry of Finance, by a notification, permits the import of such goods at zero customs duty".

After modification vide SEZ Amendment Rules 2018 dated 19/09/2018, Rule
53A(e) changes to 53A(d) and quotes as under:

“53A(d): supply of goods to any project or for any purpose in respect of which the Ministry of Finance notifies from time to time, permitting import of such goods at zero customs duty subject to conditions specified in the above said notification provided the supply is made under procedure of International Competitive Bidding”.

The said rule was again modified vide SEZ (2nd Amendment) Rules 2019 dated 07/03/2019 and quotes as under:

“53A(d): supply of goods to any project or for any purpose in respect of which the Ministry of Finance notifies from time to time, permitting import of such goods at zero customs duty”

5.7 The Approval Committee further observed that Rule 53A(l) of SEZ Rules, 2006 (which has been changed to Rule 53A(i) after SEZ Amendment Rules, 2018 dated 19/09/2018 and is reproduced as under:

“53A(l): supply of Information Technology Agreement items and notified zero duty telecom or electronic items, namely, Color Display Tubes for monitors and Deflection components for colour monitors or any other items as may be notified by the Central Government;”

5.8 The Approval Committee observed that during the period 19/09/2018 to 07/03/2019, there was a condition of International Competitive Bidding in the Rule 53A(d). The Approval Committee further noted that authorized operations of unit are not related to Information Technology Agreement items and notified zero duty telecom or electronic items and hence, the unit cannot count its sale towards NFE calculation under the said Rule 53A(l) or 53A(i).

5.9 Shri Agarwal informed that earlier condition for International Competitive Bidding was not there and hence they made their sales under the said rules i.e Rule 53A(e). He further stated that they have not made supplies under International Competitive Bidding as they did not qualify for the same.
5.10 The Approval Committee informed him that the sale made during 19/09/2018 to 07/03/2019 cannot be taken into consideration for calculation of NFE either under Rule 53A(d) or 53A(l)/i).

5.11 The Approval Committee directed Shri Agarwal to submit revised APRs for previous block of five years i.e. from 24/05/2014 to 23/05/2019 duly mentioning the sub-rule under which sales have been made. Shri Agarwal assured to submit the revised APRs at the earliest.

5.12 The Approval Committee, after due deliberations, decided to renew the validity of LOA of M/s. Trade Perfections for remaining period of current block of five years i.e. upto 23/05/2024 with revised production capacity after removal of trading activities as requested by the unit. The Approval Committee also deferred the matter for monitoring of performance and directed to place the same before it after receipt of revised and corrected APRs by the unit.

6. दिव्या क्रिएशंस (यूनिट-I) - LOA में अतिरिक्त अधिकृत परिचालनों को शामिल करने हेतु प्रस्ताव|

It was informed that M/s. Divya Creations (Unit-I) has been issued an LOA dated 12/03/2003 for Manufacturing & export of (i) Plain & Studded Gold Jewellery and Part & Components thereof namely push, post, ear-dash wire, leaf, lock etc.; (ii) Plain & Studded Silver Jewellery and Part & Components thereof namely push, post, ear-dash wire, leaf, lock etc. (iii) Plain & Studded Platinum Jewellery; (iv) Remaking of Outdated/ Old Jewellery; (v) Palladium Jewellery; (vi) Manufacturing of Base Metal Jewellery Clad with precious metal. The unit commenced its export production w.e.f. 06/06/2003 and its LOA is valid till 05/06/2003.

6.2 It was further informed that unit has submitted a proposal to include Manufacturing & export of Plain & Studded semi-finished gold, silver & platinum jewellery in its authorized operations.

6.3 Shri Sumit Gupta, partner in the firm appeared before the Approval
Committee. He informed that total turnover of the firm is approx. Rs. 45-50 Crores and approx. 160-170 employees are currently working in the unit.

6.4 Shri Gupta informed that one of their buyers has given them orders for gold jewellery chains, but in running length. These chains will be finished, but without end-lock. The buyer will cut in desired lengths and solder the locks and assemble it to his other jewellery products at his end.

6.5 Shri Gupta further informed that as per their understanding this chain in running length being part of jewellery is covered under “Plain & Studded Gold Jewellery and Part & Components thereof” but on checking with Customs Officials, they are interpreting these chains as “Semi-finished gold jewellery”.

6.6 It was informed to the Approval Committee that as per DOC’s letter dated 19.07.2013, the jewellery units are required to achieve value addition of 3% for plain jewellery and 5% for studded jewellery. In the FTP, 2015-20 the said value addition has been enhanced and now jewellery units are required to achieve value addition of 3.5% for plain jewellery. The value addition norms for studded jewellery have been revised as 6% if coloured gem stones are used and 7% if diamonds are used.

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

<table>
<thead>
<tr>
<th>Sl No</th>
<th>Items of export</th>
<th>Minimum Value Addition</th>
</tr>
</thead>
<tbody>
<tr>
<td>a)</td>
<td>Plain gold jewellery, Articles, and ornaments like Mangalsutra containing gold and black beads / imitation stones, except in studded form of jewellery.</td>
<td>3.5 %</td>
</tr>
<tr>
<td>b)</td>
<td>All types of Studded gold</td>
<td>6.0% (for those studded with coloured Gem stones) and 7.0% (for those studded with diamonds).</td>
</tr>
<tr>
<td>c)</td>
<td>Any jewellery / articles manufactured by fully mechanised process</td>
<td>2.0 %</td>
</tr>
<tr>
<td>d)</td>
<td>Gold medallions &amp; coins (excluding coins of nature of legal tender)</td>
<td>1.5 %</td>
</tr>
</tbody>
</table>
In response to the aforesaid reference, DOC vide letter dated 11.08.2015 has clarified that in view of the instructions issued vide letters dated 25.04.2013 and 19.07.2013, the request of M/s. M.D. Overseas Ltd. allowing them the export of Gold medallions & coins and value addition norms to be 2.0% for any jewellery/articles manufactured by fully mechanised process may not be accepted.

Thus as per DOC letter dated 11.08.2015 read with their earlier letters dated 25.04.2013 & 19.07.2013 only two activities in the jewellery sector indicated at (a) and (b) above i.e. Plain Gold Jewellery and Studded Gold Jewellery are permitted in SEZ.

6.8 The Approval Committee, after due deliberations, directed the unit to submit a detailed write-up on the proposed authorized operations giving therein complete list of items proposed to be manufactured, ITC(HS) Code, manufacturing process flow chart, proposed value addition, export market etc.

6.9 The Approval Committee deferred the matter and directed to make a detailed reference to the Department of Commerce, Ministry of Commerce & Industry to seek clarification whether “manufacturing & export of Gold jewellery machine made Chain in running length (Semi-finished gold, silver & platinum jewellery machine-made)” are allowed from SEZ, once detailed write-up is received from the unit. The Approval Committee noted that DGFT has issued a P.N. No. 35 dated 26/09/2019 wherein “Any jewellery/article manufactured by fully mechanised process” has been disallowed under Advance Authorization. Approval Committee decided that this may also be specifically brought to the notice of SEZ division of Deptt. of Commerce and clarification may be sought on the present request of permitting “Machine made Gold chain in running length”.
It was informed that M/s. DIN Engineering Services LLP has been issued an LOA dated 20/06/2016 for IT/IT Enabled services for solar energy, telecom services, architectural & GIS services. The unit has commenced its export activities w.e.f. 14/10/2016 and its LOA is valid till 13/10/2021.

7.2 It was further informed that the unit has submitted a proposal for revision in its projections for current block of five years as under:

<table>
<thead>
<tr>
<th></th>
<th>Existing</th>
<th>Revised</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOB Value of Export</td>
<td>3748.00</td>
<td>18023.00</td>
</tr>
<tr>
<td>Forex Outgo</td>
<td>32.00</td>
<td>537.00</td>
</tr>
<tr>
<td>NFE Earnings</td>
<td>3716.00</td>
<td>17486.00</td>
</tr>
<tr>
<td>Imported Capital goods</td>
<td>16.00</td>
<td>16.00</td>
</tr>
<tr>
<td>Indigenous Capital goods</td>
<td>24.00</td>
<td>500.00</td>
</tr>
<tr>
<td>Imported raw material/ consumables</td>
<td>-</td>
<td>5.00</td>
</tr>
<tr>
<td>Indigenous raw material/ consumables</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

7.3 Shri Anuj Gupta, partner in the unit, appeared for the meeting. Shri Gupta informed that they are mainly into the field of engineering support services i.e. Engineering design and CAD drawing services with solar energy generation, preparing solar efficient under floor heating & cooling radiant design, designing of electronic vehicles, planning and designing ultra-high speed fibre optics networks.

7.4 Shri Gupta further informed that their export turnover has increased and they already have made exports worth Rs. 33.63 Crores in first two years as against total five years projections of Rs. 37.48 Crores. He further stated that they have already been allotted SDF No. A-1(B) & A-6, NSEZ and they are also searching additional space for business.

7.5 The Approval Committee, after due deliberations, approved the proposal of M/s. DIN Engineering Services LLP for revision in projections for current block of five years.
It was informed to the Approval Committee that M/s. PC Jeweller Ltd. has been issued three LOAs in NSEZ for manufacturing and export of Plain and Studded Gold/Silver/Platinum/Diamond jewellery.

8.2 Shri Rajaram Sugla, authorized representative of the company appeared for the meeting. He informed that due to sad demise of Shri Padam Chand Gupta on 28/01/2019, there is a change in board of directors and shareholding pattern of the company. He further stated that as on date following are current directors in the company:

1. Shri Balram Garg
2. Shri Ramesh Kumar Sharma
3. Shri Krishan Kumar Khurana
4. Shri Manohar Lal Singla
5. Shri Miyar Ramanath Nayak
6. Shri S.K. Jain
7. Smt. Sannovanda Macchaiah Swathi

8.3 Shri Sugla further informed that there has also been change in promoters’ shareholding of 22.92% of shares which were earlier held by Late Shri Padam Chand Gupta are now transferred to Shri Sachin Gupta. Current shareholding pattern of the company is as under:

<table>
<thead>
<tr>
<th>Promoters and Promoters Group</th>
<th>No. of Shares(as on 31.03.2019)</th>
<th>% shareholding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri Balram Garg</td>
<td>133952100</td>
<td>33.94</td>
</tr>
<tr>
<td>Shri Sachin Gupta</td>
<td>90443600</td>
<td>22.92</td>
</tr>
<tr>
<td>Padam Chand Gupta HUF</td>
<td>2170200</td>
<td>0.55</td>
</tr>
<tr>
<td>Smt. Pooja Garg</td>
<td>620400</td>
<td>0.16</td>
</tr>
<tr>
<td>Balram Garg HUF</td>
<td>84000</td>
<td>0.02</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>227270300</strong></td>
<td><strong>57.59</strong></td>
</tr>
<tr>
<td><strong>Public Shareholding</strong></td>
<td></td>
<td><strong>42.41</strong></td>
</tr>
</tbody>
</table>

8.4 The Approval Committee, after due deliberations, took note of the
<table>
<thead>
<tr>
<th>No.</th>
<th>Section</th>
<th>Text</th>
</tr>
</thead>
</table>
| 9.  |        | intimation of M/s. PC Jeweller Ltd. for change in directors and shareholding pattern of the company in light of DOC's Instruction No.89 dated 17/05/2018 and Instruction No. 90 dated 03/08/2018.  

9. पी.पी. ज्वेलर्स प्राइवेट लिमिटेड - प्रदर्शन की निगरानी एवं LOA की समीक्षा हेतु प्रस्ताव|  

No one from the unit appeared for the meeting. It was informed to the Approval Committee that as per email received from unit it has been informed that the firm which has been hired to re-construct their data is unable to represent them on 09/10/2019 as they have a registry to attend to. It has further been informed that they will come to this office and meet personally to further reconstruction of data and finally file the performance review. The Approval Committee observed that many opportunities have been provided to the unit for personal hearing. The Approval Committee, after due deliberations, decided to give a final opportunity unit and directed to send a self-contained letter to the unit giving therein chronological details of opportunities provided and asking them to submit their future business plan, within 30 days, failing which Approval Committee shall be constrained to take further decision on the basis of available records. |

10. पी.पी. ज्वेलर्स (दिल्ली) - प्रदर्शन की निगरानी एवं LOA की समीक्षा हेतु प्रस्ताव|  

No one from the unit appeared for the meeting. It was informed to the Approval Committee that as per email received from unit it has been informed that the firm which has been hired to re-construct their data is unable to represent them on 09/10/2019 as they have a registry to attend to. It has further been informed that they will come to this office and meet personally to further reconstruction of data and finally file the performance review. The Approval Committee observed that many opportunities have been provided to the unit for personal hearing. The Approval Committee, after due deliberations, decided to give a final opportunity unit and directed to send a self-contained letter to the unit giving therein chronological details of opportunities provided and asking them to submit their future business plan, within 30 days, failing which Approval Committee shall be constrained to take further decision on the basis of available records.
It was informed to the Approval Committee that the M/s. Usha Fabs Private Limited has proposed to set up a new unit in NSEZ for “Manufacturing & Export of Cotton Knit Dress, Cotton Woven Dress and Polyester Woven Dress” with projected exports of Rs. 1525 Lakhs and NFE earnings worth Rs.1495 Lakhs and proposed investment of Rs.150 Lakhs in indigenous plant & machinery/capital goods, over a period of five years.

11.2 Shri Tarun Matreja, authorized representative of the company appeared before the Approval Committee to explain the project. Shri Matreja informed that they offer manufacturing of Customized garments of multiple styling, different size, shape and design which will be supplied to vendors for e-commerce in western countries through online stores.

11.3 Shri Matreja informed that currently they have a DTA unit in Gurgaon for manufacturing of wearing apparel from which they have made exports as well as sale in domestic markets.

11.4 Shri Matreja further informed that one of the unit in NSEZ i.e. M/s. eShakti.com Pvt. Ltd. is market leader in US and Canada for customized made to measure ladies garments. The said unit sub-contracts stitching & embroidery as a part of their manufacturing process. Shri Matreja further informed that M/s. e-Shakti.com is ready to supply them with about 200 orders of garments per day for stitching & embroidery job-work and also ensured them to double the orders in next 6 months. He further informed that M/s. eShakti.com will be providing them with all the necessary material, patterns and technical support for stitching & embroidery of garments for their export orders.

11.5 Shri Matreja informed that initially they will set-up a 70 machine unit with a daily capacity of 250 customized garments and will require approx. 500 sq.mtrs area to start with.
11.6 It was informed to the Approval Committee that there are few deficiencies observed in the application of M/s. Usha Fabs Pvt. Ltd. Shri Matreja assured to rectify all the deficiencies, at the earliest.

11.7 The Approval Committee, after due deliberations, approved the proposal of M/s. Usha Fabs Pvt. Ltd. for Manufacturing & Export of Cotton Knit Dress, Cotton Woven Dress and Polyester Woven Dress subject to rectification of deficiencies observed in their application.

12.एस.आई. ओवरसीज ज्वेलर्स - इकाई के साझेदारी एवं शेयर होल्डिंग में बदलाव की सुचना।

It was informed to the Approval Committee that M/s. S.I. Overseas Jewellers has been issued an LOA dated 31/03/2015 for Manufacturing & export of (i) Handmade/machine made Studded Gold Jewellery of 14 Carats and 22 Carats and (ii) Silver jewellery. The unit has commenced its export production w.e.f. 28/03/2018 and its LOA is valid till 27/03/2023.

12.2 It was further informed that unit has informed about appointment of two new partners and change in shareholding pattern of the firm.

12.3 Shri Shamsuddin Molla, existing partner and Shri Rahul Kishore Shastri, incoming partner appeared before the Approval Committee. Shri Molla informed that other existing partner and his son Shri Ahmed Nabeel Mohsin is going to USA for higher education after completing his MBA from Amity University. He further stated that in order to have strong financial strength and to look after the work of unit efficiently, with more partners, they are proposing to induct two new partners i.e. Shri Rahul Kishore Shastri and Shri Rajan Khattar.

12.4 Shri Shastri informed that he has an existing business in UAE namely Jasmin Jewellery LLC which is a multi-national trading firm in precious stones and jewellery having customer base in far east, Hong Kong, China, USA etc with turnover of more than 15 million USD. He would be procuring orders to be manufactured in NSEZ and arrange financial backing for smooth
functioning of the unit.

12.5 Shri Molla informed that earlier they had decided that Shri Ahmed Nabeel Mohsin who is proceeding to USA for higher studies will retire from the firm. However, they were advised by the Registrar of Firms to file separate appointment and retirement partnership deed. Hence, they have filed revised partnership deed only for appointment of new partners. After receipt of registration from Registrar of Firms, Shri Ahmed Nabeel Mohsin will retire from the firm and they will inform about the same in due course.

12.6 Shri Shamsuddin Molla further informed that the shareholding pattern of the firm after appointment of new partners will be as under:

<table>
<thead>
<tr>
<th>Name of partner</th>
<th>Shareholding pattern</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Mr. Shamsuddin Molla</td>
<td>50%</td>
</tr>
<tr>
<td>2. Mr. Ahmed Nabeel Mohsin</td>
<td>1%</td>
</tr>
<tr>
<td>3. Mr. Rahul Kishore Shastri</td>
<td>48%</td>
</tr>
<tr>
<td>4. Mr. Rajan Khattar</td>
<td>1%</td>
</tr>
</tbody>
</table>

12.7 It was informed to the Approval Committee that DOC vide Instruction No. 89 dated 17/05/2018 has issued guidelines regarding change in shareholding pattern, name change of SEZ Developer and SEZ Units which inter alia states as under:

“5(ii) Re-organisation including Change of name, change in shareholding pattern, business transfer arrangements, court approved mergers and demergers, change in constitution of Units located in SEZs may be undertaken with the prior approval of Approval Committee in respect of Units subject to the condition that the unit shall not opt out or exit out of the Special Economic Zone and continues to operate as a going concern. All liabilities of the unit will remain unchanged on such reorganization.

6. Such reorganization shall be subject to the following safeguards:
   i) Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered entity;
   ii) Fulfilment of all eligibility criteria applicable, including security clearances etc., by the altered entity and its constituents;
iii) Applicability of and compliance with all Revenue / Company Affairs / SEBI etc. Acts/Rules which regulate issues like capital gains, equity change, transfer, taxability etc.

iv) Full financial details relating to change in equity/merger, demerger, amalgamation or transfer in ownership etc. shall be furnished immediately to Member (IT), CBDT, Department of Revenue and to the jurisdictional Authority.

v) The Assessing Officer shall have the right to assess the taxability of the gain/loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and ownerships etc. as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.

vi) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.

vii) The unit shall furnish details of PAN and jurisdictional assessing officer of the unit to CBDT.”

12.8 It was further informed that DOC vide Instruction No. 90 dated 03/08/2018 has also clarified that “Prior approval of BOA/UAC means approval of BOA/UAC, as the case may be, taken before the SEZ entity/unit is recognized by the new name or such arrangement in all records. It may not be interpreted that prior approval of BOA/UAC is to be taken before approaching the Registrar of Companies or the National Company Law Tribunal as is being some in some cases came to the notice of this department”.

12.9 The Approval Committee, after due deliberations, took note of changes in partnership deed and shareholding pattern of the firm in terms of Instruction No.89 and Instruction No. 90 subject to submission of partnership deed duly registered with Registrar of Firms.

13. निटप्रो इंटरनेशनल (यूनिट-1) - में अधिकृत परिचालनों में संशोधन हेतु प्रस्ताव|

It was informed to the Approval Committee that M/s. Knitpro International (Unit-1) has been issued an LOA dated 22/05/2013 for (i) Manufacturing of Hand Knitting Tools & Accessories, Beauty Tools, Hobby Related Products (like sewing, embroidery, quilting, stitching); (ii) Trading of items at s.no.(i); and (iii)
Manufacturing of Cable Components and Hand Knitted Products.

13.2 It was further informed that unit has submitted a proposal to replace its existing authorized operations with Manufacturing & export of (i) Hand Dyes & Other Knitting Yarn (ITC HS 55095200), (ii) Crochet Yarn (ITC HS 61149090), (iii) Hand Knitted & Hand Crocheted items (61149090).

13.3 Shri R.C. Jain and Shri Shirish Jain, partners in the firm, appeared before the Approval Committee. Shri Jain informed that they have received interest from their European buyers to supply them with knitting yarn and other related products. This would enable them to have a larger presence in the category of hand knitting products where they are already a major player through sales of knitting needles, crochet hooks and other accessories.

13.4 Shri Jain further informed that they will not be manufacturing yarn but they will procure the different types of Yarn which will be processed for squeezing and dyeing and then will export the same to their customers along with other hand knitted & hand crocheted items.

13.5 The Approval Committee, after due deliberations, decided to approve revised authorized operations to the unit subject to clearance from Pollution Control Board as under:

“(i) Hand Dyeing of Knitted Yarn (ITC HS 55095200), (ii) Hand dyeing of Crochet Yarn (ITC HS 61149090), (iii) Hand Knitted & Hand Crocheted items (61149090)”

Meeting ended with a vote of thanks to the Chair.

(S. S. Shukla)
Jt. Development Commissioner

(Dr. L. B. Singhal)
Development Commissioner