भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग
विकास आयुक्त का कार्यालय
नोएडा विशेष आर्थिक क्षेत्र
नोएडा यादवी रोड, फेस-II, नोएडा-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)

फा. सं. 12/01/2018-प्रोज़/  
दिनांक: 20/11/2018

सेवा में,

1. मुख्य कार्यालयक अधिकारी, नयू ओखला औपचारिक विकास प्राधिकरण, मुख्य प्रशासनिक भवन, सेक्टर - 6, नोएडा।
2. अतिरिक्त महानिदेशक वित्त व्यापार, वाणिज्य एवं उद्योग मंत्रालय, 'ए' विंग, इंद्रप्रस्थ भवन, आई बी एसटेट, नई दिल्ली।
3. आयुक्त, आयकर, ए 2 डी, आयकर भवन, सेक्टर 24, नोएडा।
4. आयुक्त, वैश्विक श्रृंखला, नोएडा विभाग, वाणिज्य एवं उद्योग मंत्रालय, इंलैंड कंटेनर डिपो, तिलपता, दादरी, गौतम बुद्ध नगर, उत्तर प्रदेश - 201306।
5. उप सचिव, वाणिज्य विभाग, वाणिज्य एवं उद्योग मंत्रालय, भारत सरकार, उधोग भवन, नई दिल्ली - 110001।
6. उप सचिव (आई एफ-1), बैंकिंग प्राधिकार, आर्थिक मामलों का विभाग, वित्त मंत्रालय, भारत सरकार, तृणमूल तल, जीवन दीप विडिंग संस्थान मार्ग, नई दिल्ली।
7. महाप्रशासक, जिला उधोग केंद्र, कलेक्टर के पास, सूरजपुर, गेटर नोएडा।

विषय: दिनांक 12/11/2018 को पूर्वांचल 11:30 बजे आयोजित नोएडा विशेष आर्थिक क्षेत्र की यूनिट अनुमोदन समिति की बैठक का कार्यवाह - प्रविष्टि

महोदय,

मुझे उपरोक्त विषय का सन्दर्भ लेने और डॉ. एल ही सिगल, विकास आयुक्त, नोएडा विशेष आर्थिक क्षेत्र की अध्यक्षता से दिनांक 12/11/2018 को पूर्वांचल 11:30 बजे सम्मेलन होल, प्रशासनिक भवन, नोएडा विशेष आर्थिक क्षेत्र, नोएडा में आयोजित नोएडा विशेष आर्थिक क्षेत्र की यूनिट अनुमोदन समिति की बैठक का कार्यवाह अग्रित करने का निर्देश हुआ है।

भारद्वाज,

संस्करक: उपरोक्त

प्रतिलिपि:

1. विशेष कार्यालयक - विकास आयुक्त के सूचनार्थ।
2. वैश्विक सहायक - संयुक्त विकास आयुक्त के सूचनार्थ।
3. निर्देश अधिकारी, नोएडा विशेष आर्थिक क्षेत्र - सूचनार्थ एवं आवश्यक कार्यवाही के लिए।
4. उप विकास आयुक्त (सम्पन्दा), नोएडा विशेष आर्थिक क्षेत्र - सूचनार्थ एवं आवश्यक कार्यवाही के लिए।

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 12/11/2018 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 Vineet K. Singh, Dy. Commissioner, Commercial Tax, Noida.
3) Shri Rajesh Sharma, Asstt. Commissioner, Customs, Noida Commissionerate.
4) Shri R.L. Meena, Asstt. DGFT, O/o Addl. DGFT, CLA, New Delhi.

2. Besides, during the meeting S/Shri (i) Nitin Gupta, Dy. Development Commissioner, NSEZ, (ii) Md. Salik Parwaiz, Specified Officer, NSEZ, (iv) Prakash Chand Upadhyay, OSD to DC, NSEZ, and (v) Rajendra Mohan Kashyap, PA to JDC, NSEZ 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 04/10/2018.

It was informed that no reference against the decisions of the Approval Committee held on 04/10/2018 was received and, therefore, Minutes of the meeting held on 04/10/2018 were ratified.

(ii) The Approval Committee, in view of the facts that amendments were notified only recently, directed that the cases of those units, whose LOAs were due for renewal within two months of SEZ Rule Amendment dated 19/09/2018 may be considered on file subject to furnishing their application in Form F1 in terms of the Rule 19(6A)(1) of SEZ Amendment Rules, 2018. But after one month all such proposal along with Form F1 would invariably be put up before Approval Committee for taking a view in case request for renewal has not been made two months in advance, as stipulated in amendment Rules.
Item wise decisions on proposals included in agenda:

1. **Proposal of M/s. Veena Technologies Pvt. Ltd. for setting up a 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 Almonds, Walnut, Cashew with projected exports of Rs. 9905 Lakhs and NFE earnings worth Rs. 5797 Lakhs over a period of five years.

1.2 Shri Rajesh Gupta, director of the company, appeared before the Approval Committee to explain the project. Shri Gupta informed that he belongs to a business family and he has vast experience in manufacturing industry related to power cables, machines, ferrous and non-ferrous metals.

1.3 Shri Gupta further informed that he is also promoter in other companies based in Manesar, Haryana, Himachal Pradesh and Delhi, which are engaged in the activities related to manufacturing as well as trading with turnover of more than Rs. 500 Crores.

1.4 The Approval Committee observed that M/s. Veena Technologies Pvt. Ltd. was initially registered for IT/ITES and Service Activities. It was further observed that the promoters do not have relevant experience in the business proposed to be carried out from NSEZ.

1.5 Shri Gupta informed that they have bought the company from previous owner recently and now wants to diversify the business in the field of dry fruit with the aim to become one of the most reputed organizations. He further stated that strong business networking has helped them in acquiring huge clientele base in the market. Initially he will require space of 500 Sq. mtrs which may increase in future.

1.6 He further stated that the raw materials will be procured from the domestic market as well as be imported from USA, Turkey, Australia and South Africa. Most of the finished products will be exported to UAE, Saudi Arabia, European Countries and some will be sold in domestic market. He stated that the DTA sale will not be more than 10% of total export.

1.7 The Approval Committee, after due deliberations, approved the proposal of M/s. Veena Technologies Pvt. Ltd. for setting up a unit in NSEZ for Manufacturing & Export of
(i) Almond, (ii) Walnut and (iii) Cashew subject to following condition:

(i) DTA sale will be allowed not more than 10% of total value of import.

(ii) No DTA sale will be allowed for initial 6 months.

(iii) Unit shall comply with other prescribed statutory norms including relating to Phytosanitary conditions and FSSI norms.

(iv) Customs shall carry out due diligence as & when required as the duty element is very high.

(v) The unit shall obtain all required approval from respective authorities.

The Approval Committee further directed the representative of the company to submit a write-up on the background & profile in respect of Mr. Rajesh Gupta, director of the company.

2. Proposal in respect of M/s. Smart Chip Pvt. Ltd. for inclusion of additional authorized operations.

It was informed to the Approval Committee that M/s. Smart Chip Pvt. Ltd. had been issued LOA dated 20/01/2011 for following activities:

Manufacturing & Trading of:
(i). Biometric Devices/Terminals
(iii). Magnetic and optical Readers and Scanners
(iv). Image Capture Device,
(v). Smart Card Reader.

2.2 The unit commenced its export production w.e.f. 09/01/2012 and LOA is valid till 08/01/2022.

2.3 It was informed to the Approval Committee that unit has submitted a proposal for inclusion of Software and IT Enabled services for Biometric Devices/Terminals (ITC-HS 85238020) in its authorized operations.

2.4 Shri N.K. Prusty, authorized representative of the company appeared before the Approval Committee. He informed that they have been carrying out these services for
their manufactured products. However, now they have got enquiries from other companies and expecting orders for the Software and IT Enabled services for biometric devices/terminals.

2.5 The Approval Committee observed that unit has been allowed manufacturing as well as trading items in its authorized operations and it has made DTA sales during previous block of five years. Further, unit vide this office letter dated 25/10/2018 has been asked to submit some documents/information which are still awaited. The Approval Committee also observed that forex worth Rs. 424.47 Lakhs has been shown pending as on 31/03/2018.

2.6 Shri Prusty informed that they have not done any trading activities during previous block of five years. He further informed that all the foreign exchange which were pending as on 31/03/2018 have been realized within the prescribed time limit. He also stated that they will submit reply of this office letter dated 25/10/2018 at the earliest. Regarding DTA sale of Rs. 36671.31 Lakhs, Shri Prusty informed that DTA sale has been done under Rule 53(A)(i) and these pertains to ITA/ITA-1 items.

2.7 The Approval Committee, after due deliberations, approved the proposal of M/s. Smart Chip Pvt. Ltd. for inclusion of Software and IT Enabled services for Biometric Devices/Terminals in its authorized operations subject to the following additional conditions for existing and instant approved authorized operation:-

(i). No DTA sale of trading goods shall be allowed.

(ii). 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 freely convertible currency in terms of Section 2(z) of SEZ Act, 2005.

(iii). Unit will maintain separate area earmarked for manufacturing and trading activities and maintain separate records/accounts of NFE for manufacturing and trading activities.

(iv). NFE status for manufacturing activity and trading activity will be seen separately.

(v). Unit shall file softex forms in respect of service activities as per RBI guidelines on
the subject.

(vi). Unit shall comply with the definition of services as given in Section 2(z)(iii) of SEZ Act, 2005.


It was informed to the Approval Committee that M/s. Balaji Export Co. had been issued an LOA dated 16/09/2003 for following activities:

1. Manufacturing of Plain Gold Jewellery and Studded jewellery (with precious/non-precious stones, beads and pearls).
2. Import of outdated/old jewellery and melting the same for manufacturing of fresh jewellery.
3. Manufacturing of rhodium plated gold jewellery.
4. Manufacturing of Plain & Studded Silver/Platinum/ Palladium Jewellery.
5. Manufacturing of Brass/Steel Jewellery/Plain & Studded imitation Jewellery item.

3.2 The unit commenced its export production w.e.f. 13/10/2003 and LOA is valid till 12/12/2018.

3.3 It was informed to the Approval Committee that the unit has made exports worth Rs. 4910.75 Lakhs and earned positive NFE earnings worth Rs. 156.21 Lakhs during previous block of five years between 2013-14 to 2017-18. It was further informed that unit has not made any export during 2016-17 & 2017-18.

3.4 Shri Rohit B. Kanabar and Shri Sujit Kumar Jha, authorized representative of the unit appeared before the Approval Committee. Shri Kanabar informed that they were concentrating on Silver jewellery business and accordingly factory was being renovated. Due to factory renovation, production adversely suffered during 2016-17 & 2017-18. However, now they have started production from current financial year and made exports to the tune of 38 kgs of Jewellery (approx.) (value Rs. 7 Crores approx.) during 2018-19.

3.5 It was informed to the Approval Committee that unit has been asked to submit completed application in Form F1 for renewal of LOA in terms of Rule 19(6A)(1) of SEZ
Rules, 2006 which is still awaited.

3.6 The Approval Committee observed that previous block of five years was valid till 12/10/2018.

3.7 The Approval Committee after due deliberations, decided to extend the validity of LOA for a period of two months. The Approval Committee directed the unit to submit a write-up on non-performance of unit during 2016-17 & 2017-18 along with Form F1 for renewal of LOA. The Approval Committee also deferred the matter of monitoring for its next meeting with a direction to place complete performance along with achievement of value addition upto 12/10/2018.

4. **Proposal in respect of M/s. Groupe iSOURCe for Monitoring of Performance and Renewal of LOA.**

It was informed to the Approval Committee that M/s. Groupe iSOURCe had been issued an LOA dated 21/02/2008 for Information Technology Enabled Services. The unit commenced its export activities w.e.f. 01/10/2008 and LOA is valid till 30/11/2018.

4.2 It was informed to the Approval Committee that the unit has made exports worth Rs. 573.70 Lakhs and earned positive NFE earnings worth Rs. 558.13 Lakhs during previous block of five years between 2013-14 to 2017-18.

4.3 No one from the unit appeared for the meeting.

4.4 It was informed to the Approval Committee that unit has been asked to submit completed Form F1 in terms of Rule 19(6A)(1) along with the self-declaration related to the criteria specified in Rule 19(6B). Reply of unit is awaited.

4.5 The Approval Committee after due deliberations, decided to extend the validity of LOA for a period of two months so that work of unit does not suffer. The Approval Committee further directed the unit to submit completed Form F1 in terms of Rule 19(6A)(1) along with the self-declaration related to the criteria specified in Rule 19(6B) and deferred the matter for its next meeting.

It was informed to the Approval Committee that M/s. Lakeland Gloves & Safety Apparel Pvt. Ltd. had been issued an LOA dated 18/01/2008 for Manufacture & Export of (1) Non-Woven fabric Safety Apparel for Dust Protection (Coverall, Coats, Pant, Jackets, Shoe Covers, Aprons, Hoods). (2) Non-Woven fabric Safety Apparel for Liquid Splash Protection (Coverall, Coats, Pant, Jackets, Shoe Covers, Aprons, Hoods). The unit commenced its export production w.e.f. 23/10/2018 and LOA was valid till 22/10/2018.

5.2 It was informed to the Approval Committee that the unit has made exports worth Rs. 1205.00 Lakhs and earned positive NFE earnings worth Rs. 394.13 Lakhs during previous block of five years between 2013-14 to 2017-18.

5.3 Shri Vishal Kumar and Shri Anil Thomas, directors of the unit appeared before the Approval Committee. Shri Thomas informed that they are into manufacturing of fabric safety apparel. They mainly export to USA. Shri Thomas further informed that they are planning to expand the business.

5.4 The Approval Committee monitored the performance of unit and noted achievement of positive NFE earnings by the unit.

5.5 The Approval Committee, after due deliberations, decided to extend the validity of LOA for five years i.e. upto 22/10/2023.

6. **Proposal in respect of M/s. Dr. Fresh Assets Ltd. (Unit-I) for Monitoring of Performance and Renewal of LOA.**

It was informed to the Approval Committee that M/s. Dr. Fresh Assets Ltd. (Unit-I) had been issued an LOA dated 19/12/1995 for following activities:

1. Manufacturing & Export of Tooth Brushes, Oral Hygiene products like Toothpick, Tongue Cleaner, Dental Floss and Travel Kit.

2. Trading of:
   i) Fashion Jewellery sets such as Necklace, Bracelet, Earring, Pendants, Bangles, Jhumki other than gold, silver & precious
metals.

ii) Clothing such as Ladies suits, Slips, Kurti, Skirts, Sleepwear, Night Gowns, Costumes and Men's Clothing.

iii) Handicraft items such as Table mats, Wooden Stool, Trays, Chowki, Statue, Bouquet and Painting.

iv) Essential Oils such as Lemon Gross, Lavender, Rosemary, Rose Geranium and Peppermint oil etc.


[Trading condition – No DTA sale and 100% physical export shall be carried out by the unit]

6.2 The unit commenced its export production w.e.f. 15/06/1996 and LOA is valid till 05/10/2018.

6.3 It was informed to the Approval Committee that unit was earlier granted in-principle approval for exit on 18.08.2009. The unit had requested for withdrawal of their request of exit, renewal of LOA and inclusion of trading items in their authorized operations, which was considered by the Approval Committee in its meeting held on 06/04/2016. The Approval Committee in the said meeting had approved the proposal of the unit for Withdrawal of exit request, inclusion of trading items in the LOA and decided to renew the LOA of the unit for a period of one year.

6.4 It was further informed that the Approval Committee in its meeting held on 03/05/2017 observed that unit has made export worth Rs. 3.30 Lakhs during 2016-17 and accordingly renewed the LOA for six months upto 05/10/2017. Later, the LOA was again renewed by the Approval Committee and currently the extended period of LOA was valid upto 05/10/2018.

6.5 Shri Vijay Pathak, director appeared before the Approval Committee. Shri Pathak informed that they have made exports worth Rs. 32.97 Lakhs during 2017-18 and no import was made during this period. He further stated that they have made export approx. Rs. 1-1.5 Lakhs during 2018-19.

6.6 It was informed that unit had made exports worth Rs. 3.30 Lakhs during 2016-17.
APR for the year 2017-18 is awaited. Further, as per APR for the period 2016-17, there are only 2 employees in the unit.

6.7 The Approval Committee observed that unit has been allotted Plot No. 155, 156 & 157, NSEZ admeasuring 1815 Sq. mtrs. cumulatively. However, despite several opportunities, employment generation and export performance of the unit in comparison to the space allotted is very low. The Approval Committee expressed its displeasure over the dismal performance.

6.8 The Approval Committee further observed that unit has submitted projections of exports worth Rs. 470 Lakhs over a period next five years which is also very low. The Approval Committee also observed that unit has also not submitted completed Form F1 in terms of Rule 19(6A)(1) along with the self-declaration related to the criteria specified in Rule 19(6B). Besides, other documents as asked vide this office letter dated 02/11/2018 are also awaited.

6.9 Shri Pathak informed that they are hopeful to increase the export activities in future as currently some orders are in process. He further stated that they have also been issued another LOA (Unit-II) which is also working in the zone. He requested to renew the LOA for next five years.

6.10 Keeping in view the dismal performance of the unit during previous block of five years, the Approval Committee did not agree with the request of the unit for renewal of LOA for a period of five years. The Approval Committee, after due deliberations, decided to renew the LOA for a period of two months. The Approval Committee further directed the unit to submit a complete status of Unit-I & II and concrete plan for working in NSEZ along with completed Form F1 and other documents as asked vide this office letter dated 02/11/2018.

6.11 The Approval Committee further directed that on receipt of all the documents from the unit, the facts pertaining to both units may again be placed before it for further consideration.
7. Proposal in respect of M/s. Bera Enterprise for Monitoring of Performance and Renewal of LOA.

It was informed to the Approval Committee that M/s. Bera Enterprise had been issued an LOA dated 21/12/2011 for Manufacturing & Export of Handmade Plain & Studded Gold Jewellery for all purity upto 22 Carat and Silver Jewellery. The unit commenced its export production w.e.f. 23/10/2013 and LOA was valid till 21/10/2018.

7.2 It was informed to the Approval Committee that the unit has made exports worth Rs. 20403.73 Lakhs and earned positive NFE earnings worth Rs. 293.96 Lakhs during previous block of five years between 2013-14 to 2017-18.

7.3 It was also informed that M/s. Bera Enterprises were served a show cause notice dated 02.06.2015 for non-achievement of prescribed value addition norms. As against prescribed value addition of 3%, the unit could achieve value addition of 1.005% in the year 2013-14. The SCN is yet to be adjudicated. It was further informed that the matter was considered by the Approval Committee in its meeting held on 07/10/2015 and 02/11/2016 wherein the Approval Committee deferred the matter and directed to prepare a report on consignment wise value addition achievement or shortfall in terms of para 4.67 of HBOP 2015-2020.

7.4 Shri Saikat Bera, partner in the firm appeared before the Approval Committee. He informed that although at starting they could not achieve value addition during 2013-14 & 2014-15 as per prescribed norms. However, now they are exporting as per prescribed value addition norms.

7.5 The Approval Committee, after due deliberations, decided to extend the validity of LOA for next block of five years i.e. upto 22/10/2023. The Approval Committee further deferred the matter for monitoring of performance and adjudication of SCN dated 02/06/2015 for its next meeting and directed project section to prepare a report in consultation with NSEZ Customs on the following:

(i) Details of value addition after issue of circular by DOC in 2013.

(ii) Details of yearwise prescribed value addition norm as per HBOP and value addition.
achieved by the unit.

(iii) Cumulative value addition achieved by the unit during previous block of five years.

The Approval Committee also directed the promoter of the unit to furnish yearwise as well as cumulative value addition achieved by the unit.

8. Proposal in respect of M/s. APK Identification for Monitoring of Performance and Renewal of LOA.

It was informed to the Approval Committee that M/s. APK Identification had been issued an LOA dated 18/08/2003 for Manufacturing of Radio Frequency Identification Devices, Smart Cards, Voice Coils, Plastic Moulded Parts, Plastic & Metallic Machined Components. The unit commenced its export production w.e.f. 01/12/2003 and LOA is valid till 30/11/2018.

8.2 It was informed to the Approval Committee that the unit has made exports worth Rs. 4594.63 Lakhs and earned positive NFE earnings worth Rs. 1798.44 Lakhs during previous block of five years between 2013-14 to 2017-18.

8.3 Shri Ramashankar Sharma, authorized representative of the unit appeared before the Approval Committee. Shri Sharma informed that they are regular exporter and have achieved positive NFE during previous block of five years.

8.4 The Approval Committee monitored the performance of unit and noted achievement of positive NFE earnings by the unit.

8.5 The Approval Committee, after due deliberations, decided to extend the validity of LOA for a period of five years i.e. upto 30/11/2023.


No one from the unit appeared before the Approval Committee. The Approval Committee deferred the matter and directed to place the same in its next meeting with full facts including correct NFE position.
10. **Proposal in respect of M/s. Varun International for review of LOA.**

It was informed to the Approval Committee that M/s. Varun International had been issued an LOA dated 25/03/2013 for Manufacturing of Textile & Textile articles and Handicrafts (made of silk cotton viscose, polyester, synthetic yarn. The unit did not commence its export production. LOA of the unit was valid till 24/03/2016.

10.2 It was informed to the Approval Committee that the unit has not applied for extension in the validity of LOA till date.

11.3 It was further informed that unit was allotted SDF No. D-16, NSEZ on 17/06/2013. Lease rent amounting to Rs. 7,53,024/- is outstanding against the unit. Possession of the said premise has already been taken over by NSEZ Authority on 21/11/2016.

11.4 The Approval Committee observed that LOA of the unit has already expired on 24/03/2016 and unit has not applied for its extension till date. The Approval Committee, after due deliberations, decided to treat the LOA cancelled as already lapsed. The Approval Committee further directed Estate Management Division, NSEZ to issue reminder in respect of Recovery certificate to the jurisdictional magistrate for recovery of outstanding lease rent against the unit & its promoters after verifying correct/new address of the promoters of the firm and pursue the matter vigorously.

11. **Proposal in respect of M/s. T.C. Import Export for review of LOA.**

It was informed to the Approval Committee that M/s. T.C. Import Export had been issued an LOA dated 28/12/2005 for Manufacturing of Heater Element, Resistance/Stainless Steel Wire & Electrical Appliance i.e. Electric Immersion Water Heater. The unit commenced its export production w.e.f. 12/09/2006 and its LOA was valid till 11/09/2011.

11.2 It was informed to the Approval Committee that this office vide letter dated 01.11.2011 and subsequent letter dated 12/10/2018 had informed the unit that their LOA has already lapsed on 11.09.2011 and advised them to complete exit formalities. However, no reply from the unit has received till date.

11.3 Dy. Commissioner, Commercial Tax Department vide its letter dated 27.06.2016.
had informed that the total amount of Rs.2076603/- is outstanding against M/s. T.C. Import Export. In this regard, unit was advised to clear all the dues of Commercial Tax Department and submit No Dues Certificate from them to this office. However, unit has not submitted No Dues Certificate from Commercial Tax Department, till date.

11.4 It was further informed that unit was allotted SDF No. G-9, NSEZ on 19/04/2006. Lease rent amounting to Rs. 12,62,008/- is outstanding against the unit. Possession of the said premise has already been taken over by NSEZ Authority on 10/12/2012.

11.5 The Approval Committee, after due deliberations, observed that LOA of the unit has already expired on 11/09/2011. The Approval Committee directed project section to write to the promoters of the unit to complete exit formalities. The Approval Committee further directed EM Division, NSEZ to issue reminder in respect of Recovery certificate to the jurisdictional magistrate for recovery of outstanding lease rent against the unit & its promoters after verifying correct/new address of the promoters of the firm and pursue the matter vigorously. Approval Committee also directed that letter may be written to the senior officers of the Commercial Tax Deptt. to recover their dues and also advised representative of Tax Deptt. present in the meeting to take further necessary action as appropriate.

12. Proposal in respect of M/s. SRHR Exports for monitoring of performance and review of LOA.

It was informed to the Approval Committee that M/s. SRHR Exports had been issued an LOA dated 19/12/2011 for Manufacturing of Handcrafted/machine made gold/platinum/silver jewellery (plain/studded with precious/semi-precious stones, pearls & diamonds). The unit commenced its export production w.e.f. 03/09/2012 and its LOA was valid till 02/09/2017.

12.2 It was informed to the Approval Committee that unit vide its letter dated Nil received on 08/02/2018 had requested to grant them permission for exit from SEZ Scheme. Accordingly, the unit vide this office letter dated 22/02/2018 and subsequent reminder dated 16/10/2018 was requested to comply with exit formalities. However, no reply from the unit has received till date.
12.3 It was further informed that the unit has made exports worth Rs. 2169.64 Lakhs and earned positive NFE earnings worth RS. 2020.19 Lakhs during previous block of five years i.e. from 2012-13 to 2016-17. The Approval Committee took note of positive NFE earned by the unit.

12.4 It was further informed that unit was allotted SDF No. I-16A, NSEZ on 04/01/2012. Lease rent amounting to Rs. 4,22,683/- is outstanding against the unit. Estate Management division, NSEZ has issued reminder to the unit for surrender for the said premise. No one from the unit appeared before the Approval Committee.

12.5 The Approval Committee observed that unit has already applied for exit from SEZ scheme. The Approval Committee directed to issue reminder to the unit for completing exit formalities. The Approval Committee further directed that if required, LOA of the unit may be extended for a period of two months exclusively to complete exit formalities subject to condition that no import/export shall be allowed.


It was informed to the Approval Committee that M/s. Ajit Exports had been issued an LOA dated 16/05/2011 for Manufacturing & Export of (i) Plain Gold Jewellery; (ii) import of old/idle/outdated gold jewellery for melting and remaking into finished product for export; (iii) Studded gold jewellery and plain & studded silver jewellery; (iv) Import of mountings, semi-finished/outdated jewellery for studding, assembling. Rhodium plating, refinishing, into finished product for export. The unit commenced its export production w.e.f. 01/01/2004 and its LOA was valid till 31/12/2013.

13.2 It was further informed that the unit had made exports worth Rs. 24943.00 Lakhs and earned positive NFE earnings worth RS. 1024.00 Lakhs during first block of five years i.e. from 2003-04 to 2007-08.

13.3 It was further informed that unit was issued SCN dated 30/04/2009 for non-fulfillment of Terms & Condition of LOA & contravening the provisions of FTP/SEZ Rules' 06. LOA of the unit has been suspended till adjudication of SCN vide this office letter dated
01/12/2009. The above SCN is yet to be adjudicated.

13.4 It was further informed that an SCN dated 02/02/2010 was issued by the DRI, New Delhi to the unit and others in case of mis-declaration of items of import/export and clandestine removal by M/s. Ajit Exports. The DRI vide their letter dated 28/05/2014 had intimated that a final SCN has been issued on 12/11/2013 demanding total duty to the tune of Rs. 94.75 Crore from M/s. Ajit Exports and M/s. Vee Ess Jewellers Pvt. Ltd.

13.5 It was also informed that the unit vide their letter dated 17/06/2014 had intimated that the said SCN dated 02/02/2010 is pending and yet not been adjudicated. The unit had further stated that neither the DRI nor the adjudicating authority had imposed any kind of restriction on them. The unit had requested to renew the LOA stating that the adjudication of the SCN dated 02/02/2010 might take a long time and they will suffer irreparable losses in case the LOA is not renewed.

13.6 Accordingly, proposal of the unit for renewal of LOA was placed before Approval Committee in its meeting held on 29/01/2015. The Approval Committee deliberated on the matter and perused the contents of the legal opinion obtained. The Committee decided not to renew the LOA of M/s. Ajit Exports till adjudication of the SCNs by the DRI and NSEZ. The same was conveyed to the unit vide this office letter dated 13/02/2015.

13.7 It was further informed that Customs, NSEZ has stated that the Assistant Commissioner (Adj.) has informed that the case of M/s. Ajit Exports is under adjudication process. As soon as the case is finalized, the same will be intimated to Customs, NSEZ.

13.8 The Approval Committee observed that lease rent amounting to Rs.4,36,197/- is also outstanding against the unit. Notice under Section 4 and R.C. have been issued against the unit. Further, action could not be taken as the case of M/s. Ajit Exports is pending in DRI.

13.9 No one from the unit appeared for the meeting.

13.10 The Approval Committee, after due deliberations, directed to issue reminder to ADG, DRI/ DRI HQ along with complete facts of the case and for seeking current status of SCN dated 02/02/2010.
Proposal in respect of M/s. Capgemini Technology Services India Ltd. (Unit-I) for Monitoring of performance of the unit.

It was informed to the Approval Committee that M/s. Capgemini Technology Services India Ltd. (Unit-I) had been granted an LOA dated 17/02/2006 for IT/ITES. The unit has commenced its export activities w.e.f. 19/06/2008 and LOA of the unit is valid up to 18/06/2023.

It was informed to the Approval Committee that unit has made exports worth Rs. 99918.34 Lakhs and achieved NFE earnings worth Rs. 95131.26 Lakhs during previous block of five years. It was further informed that unit has rendered services worth Rs. 34,80,765/- in DTA against payment in INR. As per Section 2(z)(iii) of SEZ Act 2005, "Services means such tradable services which earn foreign exchange". Hence, the above sales are not as per SEZ Act/Rules and value of Rs. 34,80,765/- had to be against free foreign exchange but the unit has received payments in INR.

It was also informed that the proposal in respect of unit for renewal of LOA along with monitoring of performance was considered by the Approval Committee in its meeting held on 04/10/2018 wherein the Approval Committee gave the option to unit representatives if they so desire to settle the matter as per section 11(4) of the FT(D&R) Act, 1992 for violation of SEZ Act and Rules by imposing penalty to regularize authorized operations. The representatives informed that they will bring the above aspect of the case in the notice of the promoters/appropriate authority of their company and requested for some time to take a decision in the matter.

Smt. Manisha Patil, authorized representative of the company appeared before the Approval Committee. It was informed to her that in terms of Section 2 (z) (iii) of the SEZ Act, 2005, services means such tradable services which earn foreign exchange. In case the unit has rendered services in DTA against INR, the same is violation of the said section of the SEZ Act. Smt. Patil gave consent on behalf of company to settle the case as per section 11(4) of the FT(D&R) Act, 1992.

In light of facts & circumstances of the case, DC, NSEZ in consultation with the members of the Approval Committee, imposed a penalty of 0.1% of the value of services
rendered in DTA against payment in INR subject to minimum Rs.10,000/- on the unit as per section 11(4) of the FT (D&R) Act, 1992.

14.6 The Approval Committee also monitored the performance of unit and noted achievement of positive NFE Earnings by the unit during previous block of five years.

15. **Proposal in respect of M/s. J & S Exports for Monitoring of performance of the unit.**

It was informed to the Approval Committee that M/s. J & S Exports had been issued an LOA dated 28/02/2007 for following activities:

1. **Manufacturing of all kinds of Ladies Garments (top, skirt, dress hand-embroidered)**
2. **Manufacturing of Scarves, pants, blouse, Capri, home-furnishing, embroidered fabric panels, garments accessories.**
3. **Relabeling/ Repackaging/ Trading Activities of:**
   i) All kinds of ladies/Men’s Garments
   ii) All kind of kids/Child Garments
   iii) All kind of Boys/Girls Garments.
   iv) All kind of artificial jewellery.

[Trading activities were permitted on 16/10/2015 subject to condition that No DTA sale of trading goods shall be allowed]

15.2 The unit commenced its export production w.e.f. 11/10/2007 and LOA was valid till 10/10/2017.

15.3 It was informed that unit has not made application for renewal of LOA on time. Unit applied for renewal of LOA after much delay on 15/03/2018 and subsequently vide this office letter dated 02/04/2018 unit was requested to submit some documents/information related to LOA Renewal. However, unit has not submitted the said details till date.

15.4 It was further informed that lease rent amounting to Rs. 10,10,283/- (upto 30/09/2018) is outstanding against the unit and recovery certificate under section 14 of P.P. Act 1971 was issued on 08/08/2018.
15.5 Shri Dhruv Jalan, partner in the unit appeared before the Approval Committee. He informed that they have been a good NFE earner. But, since last 2-3 years they struggled due to non-availability of adequate credit lines. However, recently they have repaid entire dues of the bankers from their own resources and they are in process of reviving the business operations of the unit.

15.6 Shri Jalan further informed that due to financial constraints they could not deposit lease rent on time. He further informed that they are depositing Rs. 3 Lakhs within this week and requested to grant them 3 months’ time to deposit the remaining amount to which the Approval Committee agreed. The Approval Committee directed him to deposit Rs. 3 Lakhs immediately, for which DD is ready and rest of the amount in 3 months.

15.7 Shri Jalan has further stated that now they have been receiving inquiries for supplies and they hope to make export of approx. Rs. 8 Crores in the first year. He also stated that they will be able to commence the operation by January 2019 and projected to employ approx. 250-300 persons.

15.8 The Approval Committee noted positive NFE achievement by the unit for the block period of 2007-08 to 2011-12 and directed representative of unit to furnish NFE position of current block 2012-13 to 2017-18.

15.9 The Approval Committee, after due deliberations, directed the unit to submit a detailed write-up on non-performance and future business plan and also to submit completed Form F1 for renewal of LOA. It was further directed that decision on renewal of LOA would be taken in the next meeting. Approval Committee further directed the representative of the unit that whatever he stated during the meeting, an email/letter may be sent to NSEZ Administration in this regard.


It was informed to the Approval Committee that M/s. Educomp Solutions Ltd. had been issued an LOA dated 29/03/2006 for Software Development & IT Enabled Services. The unit commenced its export activities w.e.f. 01/04/2007 and its LOA was valid till
31/03/2017.

16.2  It was further informed that the unit has not submitted APR for the period 2014-15 & 2016-17 till date.

16.3  The Approval Committee observed that LOA of the unit has already expired on 31/03/2017 and unit has not applied for its extension till date. The Approval Committee further observed that unit has not made any export since 2013-14.

16.4  It was further informed that unit was working on sharing basis at Plot No. 85 with M/s. Educomp Learning Pvt. Ltd.

16.5  No one from the unit appeared for the meeting.

16.6  The Approval Committee, after due deliberations, decided not to renew the LOA of the unit as Committee did not find any merit and LOA of M/s. Educomp Solutions Ltd. stands cancelled as already lapsed on 31/03/2017 on the following grounds:

(i).  LOA of the unit has already expired on 31/03/2017 and unit has not applied for its extension till date.

(ii). APR for the period 2014-15 & 2016-17 has not been submitted till date. NFE position will be placed for monitoring once APRs are received.

(iii). Unit has not made any export since 2013-14.

(iv). Unit was working on sharing basis. This arrangement has now been discontinued by the DOC.


It was informed that the Approval Committee that M/s. Panna Jewellery had been issued an LOA dated 25/09/2007 for Manufacturing & export of Plain and Studded Gold/Silver/Platinum Jewellery. The unit has commenced its export production w.e.f. 03/07/2009 and LOA of the unit was valid till 06/09/2017.

17.2  It was further informed that the Approval Committee in its meeting held on
07/09/2016 and 03/05/2017 has extended the validity of LOA initially upto 06/09/2017 and directed the unit to re-start its full-fledged operations during extended period. The permission was further subject to condition that no further extension may be allowed in case performance of the unit is not found to be satisfactory during the extended period.

17.3 It was also informed that decision of Approval Committee was conveyed to the unit vide this office letter dated 19/05/2017 for renewal of LOA upto 06/09/2017. However, unit has neither submitted acceptance of terms & conditions of this office letter dated 19/05/2017 and nor have they executed Bond-cum-LUT.

17.4 It was further informed that unit had not applied for renewal of LOA after expiry of its LOA on 06/09/2017. Further, unit has not made any export since 2013-14 and lying non-functional.

17.5 It was also informed that as per the provision of Rule 11(5) of SEZ Rules, 2006 which provides as under:

"The land or built up space in the processing area or Free Trade and Warehousing Zone shall be given on lease only to the entrepreneurs holding a valid Letter of Approval issued under rule 19 and the lease period shall not be less than five years but notwithstanding any other condition in the lease deed, the lease rights would cease to exist in case of the expiry or cancellation of the Letter of Approval."

17.6 It was also informed that the said matter was also considered by the Approval Committee in its meeting held on 04/10/2018. No one from the unit appeared for the meeting. The Approval Committee decided to grant last opportunity for hearing to the unit and deferred the matter for its next meeting. The Approval Committee directed that a communication may be sent to promoters through registered/speed post on their official/residential addresses so as to ensure their presence in the next meeting of Approval Committee failing which the case would be decided on merit on the basis of records available in this office. Accordingly, as per decision of Approval Committee, a letter dated 26/10/2018 was issued to the all available addresses of unit and its partners requesting them to ensure their presence in its next meeting to be held on 12/11/2018.

17.7 No one from the unit appeared for the meeting despite letters/email to ensure
17.8 DC(Custom), NSEZ pointed out that during the previous block i.e. 2009-10 to 2014-15, unit has done exports of Rs. 1561.72 Lakhs against Nil import, which does not seem legitimate. Approval Committee directed DC(Customs), NSEZ to verify this position.

17.9 The Approval Committee, after due deliberations and on above grounds, decided not to renew the LOA of the unit as Committee did not find any merit and LOA of M/s. Panna Jewellery stands cancelled as already lapsed on 06/09/2017. The Approval Committee further directed Estate Management Division, NSEZ to initiate action under the P.P. Act for eviction of unauthorized occupancy and recovery of dues.


It was informed that the Approval Committee that M/s. RNB International Pvt. Ltd. had been issued an LOA dated 25/09/2007 for (i) Trading of Acrylic Spun Yarn, cotton yarn, Texturised yarn (Raw & Dyed). (ii) Trading of Nylon Filament yarn and Viscose Embroidery yarn and (iii) Market Research & Public Opinion Polling Services. The unit has commenced its export production w.e.f. 19/09/2006 and LOA of the unit was valid till 18/09/2016.

18.2 It was further informed that LOA of the unit has already expired on 18/09/2016 and unit has not applied for its extension till date. Besides, APR for 2015-16 & 2016-17 not submitted by unit. NFE position will be placed for monitoring once APRs are received.

18.3 It was also informed that as per the provision of Rule 11(5) of SEZ Rules, 2006 which provides as under:

"The land or built up space in the processing area or Free Trade and Warehousing Zone shall be given on lease only to the entrepreneurs holding a valid Letter of Approval issued under rule 19 and the lease period shall not be less than five years but notwithstanding any other condition in the lease deed, the lease rights would cease to exist in case of the expiry or cancellation of the Letter of Approval."

18.4 Smt. Reema Arora, authorized representative of the unit appeared before the
Approval Committee. She informed that they want to close the unit as they do not have orders for export.

18.5 The Approval Committee, after due deliberations, decided not to renew the LOA of the unit and directed the unit to complete exit formalities as requested by representative of the unit. The Approval Committee also directed the unit’s representative to submit their written request for closure of the unit. The Approval Committee further directed that if required, LOA of the unit may be extended for a period of two months exclusively to complete exit formalities subject to condition that no import/export permission shall be allowed.


It was informed to the Approval Committee that M/s. Advance Informatics had been issued an LOA dated 20/09/2005 for CAD Service, CAD Software Operations. The unit commenced its export activities w.e.f. 25/09/2007 and LOA was valid till 24/09/2017.

19.2 It was further informed that the unit has made exports worth Rs. 2822.78 Lakhs and earned positive NFE earnings worth Rs. 2252.60 Lakhs during previous block of five years i.e. from 2012-13 to 2017-18.

19.3 It was further informed that the Approval Committee in its meeting held on 06/09/2017 had approved the proposal of M/s. Advance Informatics for exit from SEZ scheme and transfer of its assets & building at Plot No. 142A/20A, NSEZ to M/s. Advance Nanomedics under Rule 74A of SEZ Rules, 2006 subject to fulfillment of exit formalities by M/s. Advance Informatics; payment of applicable transfer charges and submission of an undertaking by incoming entrepreneur regarding taking over the assets & liabilities of existing unit.

19.4 It was further informed that accordingly unit vide this office letter dated 19/09/2017 and subsequent letters dated 06/08/2018 & 09/10/2018 was advised to submit requisite documents for compliance with exit formalities. Unit vide its letter dated 05/07/2018 received on 11/07/2018 & subsequent letter dated 20/08/2018 received on 12/10/2018 has submitted all the documents related to exit from SEZ scheme except
realization certificate duly authenticated by the banker of the unit regarding realization of foreign exchange till date against Export proceeds.

19.5 It was further informed that in terms of Rule 54 of SEZ Rules, 2006, it is for Approval Committee to arrive at conclusion that unit has achieved positive NFE.

19.6 Shri Sunil Agarwal, partner in the unit appeared before the Approval Committee. He informed that realization of last block i.e. 2013-14 to 2017-18 is with Bank for certification. He stated that there is no pending Foreign exchange remittance and ensured to submit realization certificate at the earliest.

19.7 The Approval Committee monitored the performance of the unit under Rule 54 of SEZ Rules, 2006 on the basis of APRs and noted the achievement of positive NFE by the unit. The Approval Committee directed to examine rest of the formalities related to issuance of final exit on file. It was also directed that if required, LOA of the unit may be extended for a period of two months to complete exit formalities subject to condition that no export/import permission shall be allowed.

<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>It was informed to the Approval Committee that M/s. Coster India Packaging Pvt. Ltd. had been issued an LOA dated 02/02/2005 for (1) Mechanical Spray Pumps (2) Trading of: Aerosol Valves &amp; Sprayers, Semi Assembled Aerosol Valve, Pumps &amp; Sprayers Components for above item, Aerosol Crimping Machine, Assembling Machine Dip Tube Fitting Machine (3) Manufacturing of: Aerosol Valve and Sprayers. Semi Assembled Mechanical Spray Pumps, Aerosol Valve and Sprayers. The unit commenced its export activities w.e.f. 25/09/2007 and LOA was valid till 24/09/2017.</td>
</tr>
<tr>
<td></td>
<td>20.2 It was further informed that the unit has made exports worth Rs. 327.92 Lakhs and earned positive NFE earnings worth Rs. 196.55 Lakhs during current block of five years block of five years i.e. from 2015-16 to 2018-19.</td>
</tr>
<tr>
<td></td>
<td>20.3 It was further informed that unit vide this office letter dated 07/04/2016 and subsequent letters dated 18/09/2018 was advised to submit requisite documents for</td>
</tr>
</tbody>
</table>
compliance with exit formalities. Unit vide its letter dated 18/09/2018 has submitted all the documents related to exit from SEZ scheme.

20.4 It was also informed that unit vide this office letter dated 06/11/2018 has been asked to submit an affidavit that the dues in respect of UPFC/ Bank/ Financial institutions, if any arise in future, will be paid by them to concerned authorities. Reply of the unit is awaited.

20.5 It was further informed that in terms of Rule 54 of SEZ Rules, 2006, it is for Approval Committee to arrive at conclusion that unit has achieved positive NFE.

20.6 Shri Suresh Sareen and Shri Shrawan Kumar, authorized representatives of the unit appeared before the Approval Committee. Shri Sareen informed that they have received NOC from NSEZ Custom on 09/08/2018 and possession of SDF No. I-5, NSEZ has also been handed over to NSEZ Authority.

20.7 The Approval Committee monitored the performance of the unit under Rule 54 of SEZ Rules, 2006 on the basis of APRs and noted the achievement of positive NFE by the unit. The Approval Committee further observed that no foreign exchange is pending for realization as on date.

20.8 The Approval Committee directed to examine rest of the formalities related to issuance of final exit on file. It was also directed that if required, LOA of the unit may be extended for a period of 2 months to complete exit formalities subject to condition that no import/export permission shall be allowed. The Approval Committee further directed to ascertain as to whether payments against trading activity in DTA have been received in INR. In case trading has been made in DTA against payment in INR, then the matter may be placed again before the Approval Committee alongwith recalculated NFE achieved by the unit.


It was informed to the Approval Committee that M/s. PowerQuick Technologies Pvt. Ltd. had been issued an LOA dated 27/04/2007 for Manufacturing of Powered Personal
Lifting Device. The unit commenced its export production w.e.f. 24/09/2007 and its LOA was valid till 23/09/2012.

21.2 It was informed to the Approval Committee that unit vide this office letter dated 31/05/2011 was granted in-principle exit permission with a request to submit necessary documents for exit. The unit had also been issued reminder dated 01/11/2018 for compliance with exit formalities. However, no reply from the unit has received till date.

21.3 It was further informed that the unit has made exports worth Rs. 297.96 Lakhs and earned positive NFE earnings worth Rs. 166.46 Lakhs during block of five years i.e. from 2007-08 to 2011-12. The Approval Committee noted positive NFE achievement by the unit.

22.4 It was further informed that unit was allotted SDF No. H-10, NSEZ possession of which has already been taken over by NSEZ Authority on 29/02/2012.

22.5 Dy. Commissioner, Commercial Tax Department vide its letter dated 27/06/2016 had informed that the total amount of Rs.4067605/- is outstanding against M/s. Powerquick Technologies Pvt. Ltd. In this regard, unit was advised to clear all the dues of Commercial Tax Department and submit No Dues Certificate from them to this office. However, unit has not submitted No Dues Certificate from Commercial Tax Department, till date.

22.6 The Approval Committee, after due deliberations, observed that unit has already applied for exit from SEZ scheme and accordingly decided that LOA of M/s. PowerQuick Technologies Pvt. Ltd. stands cancelled as already lapsed w.e.f. 23/09/2012. The Approval Committee directed to issue reminder to the unit for completing exit formalities. It was also directed that if required, LOA of the unit may be extended for a period of 2 months to complete exit formalities subject to condition that no import/export permission shall be allowed. Approval Committee also directed that letter may be written to the senior officers of the Commercial Tax Deptt. to recover their dues.
22. Proposal in respect of M/s. eShakti.com Pvt. Ltd. for inclusion of additional authorized operation in LOA; upward revision in export projections; change in directors and shareholding pattern of the company.

It was informed to the Approval Committee that M/s. eShakti.com Pvt. Ltd. had been issued LOA dated 18/06/2017 for Manufacturing of Cotton Woven Dress, Cotton Knits Dress, Polyester Woven Dress. The unit commenced its export production w.e.f. 22/06/2018 and LOA is valid till 21/06/2023.

22.2 It was informed to the Approval Committee that unit has submitted a proposal for inclusion of Manufacturing of: (i) Other Woven Dress (62044990); (ii) Other woven skirts (62045990); (iii) Polyester Knit Dress (61044300); (iv) Blended Woven Dress (62044990); (v) Blended Knit Dress (61044990); (vi) Other Woven Pants (62046990); (vii) Wool/Silk woven blend dress (62044220); (viii) Wool/Silk knit blend dress (61044100); (ix) Cotton Woven Jackets (62043200) in its authorized operations. It was also informed that unit has also requested for approval of upward revision in export projections from existing Rs. 70357 Lakhs to Rs. 245444 Lakhs over a period of five years.

22.3 It was further informed that unit has also informed about appointment of two new directors in the Board and also submitted details of shareholding pattern as under:

<table>
<thead>
<tr>
<th>Name of shareholders</th>
<th>% Shareholding prior to change</th>
<th>% Shareholding after change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Mr. B G Krishnan</td>
<td>16.76</td>
<td>12.60</td>
</tr>
<tr>
<td>2. MoodIndia.com Inc LLC</td>
<td>26.88</td>
<td>20.20</td>
</tr>
<tr>
<td>3. Parameswaran</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>4. S. Raman</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>5. IDG Ventures India LLC</td>
<td>26.90</td>
<td>20.22</td>
</tr>
<tr>
<td>6. IVYCap Ventures Trust – Fund1</td>
<td>14.72</td>
<td>11.07</td>
</tr>
<tr>
<td>7. Infina Finance Pvt. Ltd.</td>
<td>4.76</td>
<td>3.58</td>
</tr>
<tr>
<td>8. Polaris banyan Holding Pvt. Ltd.</td>
<td>1.19</td>
<td>0.89</td>
</tr>
<tr>
<td>9. Paragon Partners Growth Fund</td>
<td>--</td>
<td>24.83</td>
</tr>
<tr>
<td>10. ESOP Pool</td>
<td>8.78</td>
<td>6.60</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

22.4 Shri Ashish Pradhan, authorized representative of the company appeared before the Approval Committee. He informed that they manufacture & export customized made
to measure garments to USA, Canada, Australia. They have received huge orders regarding existing as well as these additional products which will also boost their export performance.

22.5 Shri Pradhan further informed that that there is induction of new investor namely Paragon Partners Growth Fund which has 24.83% shareholding stake in the company. He further informed that Paragon Partners Growth Fund has invested approx. Rs. 75 Crores in the company.

22.6 It was informed that the 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
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."
pattern of the company before and after change in directors.

23.3 Details of change in directors w.e.f. 15/10/2016 are as under:

<table>
<thead>
<tr>
<th>Directors before change</th>
<th>Directors after change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Mohd. Naseem Khan</td>
<td>1. Mr. Rajneesh Sharma</td>
</tr>
<tr>
<td></td>
<td>3. Mr. Asipi Uma Chandra Rao</td>
</tr>
</tbody>
</table>

23.4 Details of shareholding pattern of the company are given below:

(a) Shareholding pattern before transfer/change in directors i.e. prior to 15/10/2016:

<table>
<thead>
<tr>
<th>Name of shareholder</th>
<th>No. of shares held</th>
<th>% of shareholding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mohd. Naseem Khan</td>
<td>45000</td>
<td>90%</td>
</tr>
<tr>
<td>Mohd. Yasir Naseem</td>
<td>5000</td>
<td>10%</td>
</tr>
</tbody>
</table>

(b) Shareholding pattern after transfer/change in directors i.e. w.e.f. 15/10/2016:

<table>
<thead>
<tr>
<th>Name of shareholder</th>
<th>No. of shares held</th>
<th>% of shareholding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kkalpana Industries (India) Ltd.</td>
<td>45000</td>
<td>90%</td>
</tr>
<tr>
<td>Shyambaba Trexim Pvt. Ltd.</td>
<td>5000</td>
<td>10%</td>
</tr>
</tbody>
</table>

After change in directors, there is 100% change in shareholding.

23.5 Shri Rajneesh Sharma, newly appointed director appeared before the Approval Committee and informed that the change in directors and shareholding has already been effected and has been approved by the competent authority viz. Registrar of Companies (ROC). He further informed that after the approval of change by ROC, new promoters have made significant investment and they have also started export activities from the unit. He further informed that they are manufacturing Granules and exporting it to China.

23.6 It was informed that the said proposal was also considered by the Approval
Committee in its meeting held on 04/07/2018 wherein the Approval Committee had observed that there is 100% change in shareholding pattern of the company after change in directors. It was informed to the Approval Committee that earlier as per decision of BOA taken in its meeting 23/02/2016 in case there was change in shareholding more than 50%, matter was to be referred to the Department of Commerce for obtaining approval of Board of Approval. Relevant extract of the BOA decision dated 23/02/2016 is as under:

"Rule 74A shall not apply to SEZ Units that do not exit or opt out of the SEZ Scheme by transferring its assets and liabilities to another person and the SEZ units continues to operate as a going concern in the situations such as change of name, court approved mergers/ de-mergers, slump sale, change of constitution from proprietorship to partnership & vice-versa, change of constitution from public limited company to private/limited liability company & vice-versa, company to partnership & vice-versa, change in shareholding up to 50 per cent, etc. and per se are not opting out/exiting out of the SEZ Scheme. The UACs concerned, may consider such requests under Rule 19(2) of the SEZ Rules, 2006"

In the instant case, since there was 100% change in shareholding pattern the matter was referred to Department of Commerce vide this office letter dated 13/09/2017 for obtaining approval of Board of Approval.

23.7 Further, as there was 100% change in shareholding and also 100% new Directors have been appointed, this office felt that this tantamounts to setting up new unit in NSEZ for recycling of Plastic. It was also observed that under Rule 18 (4) of SEZ Rules, 2006 setting up of new unit for recycling of Plastic is not permitted.

23.8 It was further informed that the DOC vide Instruction No. 89 dated 17/05/2018 has issued revised 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, taxation 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), C B D T, 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 ownership 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 C B D T.

23.9 It was informed that Department of Commerce vide above instruction has delegated power to consider and approve cases of SEZ units involving more than 50% change also in shareholding pattern to Approval Committee. However, as this case was already referred to DOC much before the present instruction dated 17/05/2018, the DOC vide this office letter dated 22/06/2018 was requested to issue suitable instructions which will be complied with by this office. DOC vide its letter dated 28/06/2018 has
clarified that since powers for deciding cases relating to re-organisation of units are now vested with the Unit Approval Committee in terms of DOC’s Instruction No. 89, NSEZ is advised to have the matter appropriately decided by the UAC.

23.10 The Approval Committee in its meeting held on 04/07/2018 had observed that Instruction No. 89 dated 17/05/2018 has prescribed prior approval of Approval Committee for 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. However, in the instant case, the change in directors and shareholding pattern took place on 15/10/2016 i.e. much earlier than issuance of said instruction. The Approval Committee also observed that new promoters based on approval from ROC have already taken over the firm and have been implementing the project. Further, the Approval Committee observed that Rule 18 (4) of SEZ Rules, 2006 does not permit setting up of new unit for recycling of Plastic and as in this case there is 100% change in shareholding and also 100% new Directors have been appointed, this tantamount to setting up new unit in NSEZ for recycling of Plastic.

23.11 The Approval Committee decided to refer the matter to DOC for clarification as to whether Approval Committee can approve change of 100% in shareholding and 100% change in directors even in case of units given LOA for Recycling of Plastics also. Further, the Approval Committee recommended that DOC may ascertain practice being followed in other SEZs in respect of such units in such cases so that a suitable guideline for uniform application by all SEZs could be issued by DOC. Accordingly, a reference to DOC was sent vide this office letter dated 23/07/2018.

23.12 In reply to this office letter dated 23/07/2018, a letter dated 17/09/2018 was received from DOC informing that as decided in the meeting held in the chamber of the Additional Secretary (SEZ) on 10th August, 2018, reports were sought from KASEZ and FSEZ in this regard. A lone case of 100% change in shareholding pattern was taken on record by KASEZ in the year 2014 which was then approved by DC, Surat SEZ, however, no such case has been processed in FSEZ.

23.13 It was also informed that meanwhile DOC vide Instruction No. 90 dated 03/08/2018 has also clarified that the phrase “prior approval of Board of
Approval(BOA)/Unit Approval Committee(UAC) in para 5(i) & (ii) of Instruction No. 89 dated 17/05/2018 in respect of Developer/SEZ units means that 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 the 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 done in some cases came to the notice of this department”.

23.14 The Approval Committee observed that the change in directors and shareholding patterns has already been registered in ROC on 15/10/2016. The Approval Committee further observed that there has been 100% change in shareholding pattern of the company and in view of Instruction No. 90 (which has been issued on 03/08/2018 i.e. after last Approval Committee meeting held on 04/07/2018) mentioned above this change has merely to be taken note of in all records. Approval Committee also noted that as informed by DOC vide letter dated 17/09/2018, KASEZ has also taken on record a case of 100% change in shareholding.

23.15 The Approval Committee, after due deliberations, decided to take note of the change in directors and Shareholding pattern of M/s. Plastic Processors & Exporter Pvt. Ltd. subject to payment of applicable transfer charges. The Approval Committee also directed to inform the Deptt. of Commerce about the decision, as desired by them.

Meeting ended with a vote of thanks to the Chair.

(S. S. Shukla)
Jt. Development Commissioner

(Dr. L. B. Singhal)
Development Commissioner