

भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग
विकास आयुक्त का कार्यालय
नोएडा विशेष आर्थिक क्षेत्र
नोएडा दादरी रोड, फेस-II, नोएडा.201305, जिला - गौतमबुद्ध 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.12/01/2017 -प्रोज/

दिनांक: 08/08/2017

सेवा मे,

1. मुख्य कार्यपालक अधिकारी, न्यू ओखला औद्योगिक विकास प्राधिकरण, मुख्य प्रशासनिक भवन, सेक्टर - 6, नोएडा।
2. अतिरिक्त महानिदेशक विदेश व्यापार, वाणिज्य एवं उद्योग मंत्रालय, 'ए' विंग, इंद्रप्रस्थ भवन, आई पी एस्टेट, नई दिल्ली ।
3. आयुक्त, आयकर, ए 2 डी, आयकर भवन, सेक्टर 24, नोएडा ।
4. आयुक्त, सीमा शुल्क, नोएडा सीमा शुल्क आयुक्तालय, इनलैंड कंटेनर डिपो, तिलपता, दादरी, गौतम बुद्ध नगर, उत्तर प्रदेश - २०१३०६.
5. निदेशक, वाणिज्य विभाग, वाणिज्य एवं उद्योग मंत्रालय, भारत सरकार, उद्योग भवन, नई दिल्ली -110001।
6. उप सचिव (आई एफ-1), बैंकिंग प्रभाग, आर्थिक मामलों का विभाग, वित्त मंत्रालय, भारत सरकार, तृतीय तल, जीवन दीप बिल्डिंग संसद मार्ग, नई दिल्ली।
7. महाप्रबंधक, जिला उद्योग केंद्र, कलेक्ट्रेट के पास, सूरजपुर, ग्रेटर, नोएडा।

विषय: दिनांक 02/08/2017 को पूर्वाह्न 11:30 बजे आयोजित नोएडा विशेष आर्थिक क्षेत्र की यूनिट अनुमोदन समिति की बैठक का कार्यवृत्त - एतद संबंधी।

महोदय,

मुझे उपरोक्त विषय का सन्दर्भ लेने और डॉ. एल बी सिंघल, विकास आयुक्त, नोएडा विशेष आर्थिक क्षेत्र की अध्यक्षता मे दिनांक 02/08/2017 को पूर्वाह्न 11:30 बजे सम्मेलन हॉल, प्रशासनिक भवन, नोएडा विशेष आर्थिक क्षेत्र, नोएडा मे आयोजित नोएडा विशेष आर्थिक क्षेत्र की यूनिट अनुमोदन समिति की बैठक का कार्यवृत्त अग्रेषित करने का निर्देश हुआ है।

संलग्नक : उपरोक्त

भवदीय,



(माला रंगराजन)

उप विकास आयुक्त

प्रतिलिपि:

1. विशेष कार्याधिकारी - विकास आयुक्त के सूचनार्थ।
2. वैयक्तिक सहायक - संयुक्त विकास आयुक्त के सूचनार्थ।
3. निर्दिष्ट अधिकारी, नोएडा विशेष आर्थिक क्षेत्र - सूचनार्थ एवं आवश्यक कार्यवाही के लिए.
4. उप विकास आयुक्त, सम्पदा अनुभाग, नोएडा विशेष आर्थिक क्षेत्र, सूचनार्थ एवं आवश्यक कार्यवाही के लिए.

उप विकास आयुक्त

Minutes of the 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 02/08/2017 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 Gobinda Banerjee, FTDO, O/o Addl. DGFT, CLA, New Delhi.
- 3) Shri Rajesh Sharma, Asstt. Commissioner, Customs, Noida Commissionerate.
- 4) Shri Jagbir Singh, Sr. Assisstant, DIC, Noida (Rep. of Principal Secretary, Industry, Govt. of UP.).
- 5) Dr. B. B. Awasthi, Regional Officer, UPPCB, Noida.
- 6) Shri Mukesh Goyal, Associate Architect, (Rep. of Noida Authority).

2. Besides, during the meeting (i) Smt. Mala Ranagarajan, Dy. Development Commissioner, NSEZ, S/Shri (ii) Rajesh Kumar, Dy. Development Commissioner, NSEZ (iii) Md. Salik Parwaiz, Specified Officer, NSEZ, (iv) R.P. Verma, Asstt. Development Commissioner, NSEZ, (v) Rajendra Mohan Kashyap, PA to JDC, NSEZ, (vi) G.P. Singh, SDO, UPPCL, Noida, (vii) Kapil Muni, JE, UPPCL, Noida, (viii) Shri Devesh, CFO, Noida, and (ix) Shri J.P. Maurya, AEE, UPPCB, 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 06/06/2017:-

It was informed that in its meeting held on 05/07/2017, the Approval Committee decided to delete trading of Bicycles, Water Cooler, Skin Cares, Footweares, Pet Cares and Baby Accessories from existing authorized operations of M/s. Sunglass Palace Pvt. Ltd. It was

A. male

further informed that M/s. Sunglass Palace Pvt. Ltd. has submitted a representation stating that they wanted to retain one item Footwear, which was mistakenly deleted by the Approval Committee. The Approval Committee acceded to the request of unit and allowed inclusion of Footwears in its authorized operations.

No other reference against the decisions of the Approval Committee taken by it in its meeting held on 05/07/2017 was received. Minutes of the meeting held on 05/07/2017 were ratified.

(ii) Item wise decisions on proposals included in agenda:

1.	<p>Proposal of M/s. Megma RFID and Labels Pvt. Ltd. for setting up a new Unit in NSEZ.</p> <p>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 PVC Card/ Plastic Card, Silicone Wristband, Tags/Labels, RFID Wristband/ Tyvek Wristband, Printed Matter, Printed Inlay Card, Magnetic Card, Smart Card Proximity Card and Information Technology Software with projected exports of Rs. 11200 Lakhs and NFE earnings worth Rs. 5714.77 Lakhs over a period of five years.</p> <p>Shri J.P. Lawania, CEO and Shri Manikant Lawania, director of the company appeared before the Approval Committee. Shri J.P. Lawania informed that they have in-depth technical knowledge and marketing experience of 35 years in the field. The company has been established to produce RFID (Radio Frequency Identification Device), Dual interface, Payment cards at reasonable price. He further informed that they are already operating as an EOU in Greater Noida in the name of M/s. Megma Print-O-Pack Pvt. Ltd.</p> <p>He further informed that they also intend to develop Software related to above products providing end to end solution to customer. He also informed that RFID market is likely to grow at the rate of 25% per year and they have perspective customer in Dubai, Singapore, European Countries, USA etc.</p> <p>It was informed to them that if they intend to export Software separately then they will have to file softex forms as per RBI guidelines. Shri Lawania informed that these software are intended for their products only and composite value for manufacturing and services</p>
----	---

A. mala

will be taken into account. They will not export software separately.

The Approval Committee, after due deliberations, approved the proposal of M/s. Megma RFID and Labels Pvt. Ltd. for Manufacturing & export of PVC Card/ Plastic Card, Silicone Wristband, Tags/Labels, RFID Wristband/ Tyvek Wristband, Printed Matter, Printed Inlay Card, Magnetic Card, Smart Card Proximity Card and Information Technology Software.

2. Proposal of M/s. Cooper Pharma Limited for setting up a new Unit in NSEZ.

It was informed to the Approval Committee that the applicant has proposed to set up a new unit in NSEZ to undertake Manufacturing & export of *pharmaceuticals products like Tablets, Capsules, Syrup, Ointment, Liquid Injectables and Dry Injections* with projected exports of Rs. 3600 Lakhs and NFE earnings worth Rs. 2655 Lakhs over a period of five years.

Shri Rakesh Bhargawa, Director, appeared before the Approval Committee to explain the project. He informed that the company is a group company of Cooper Pharma which was founded in 1981. The instant company is more than 3 decade old company having a state of art factory in Dehradun spread over in around 8500 sq. yards with latest machineries for manufacturing and R&D Centre. About 250 persons are working and they have got GMP and WHO certification. Annual turnover is more than 30 crores out of which 50% is export.

He further informed that they already have Drug License for their Dehradun unit and they will apply for the requisite Drug License for NSEZ unit after having the possession of premises in NSEZ.

The representative of Noida Customs informed that there were two cases against the company under Customs Act or Central Excise Act. Once company was proceeded against for clandestine removal of goods and second time for non-realization of foreign remittance. Shri Bhargawa informed that there were few objection raised by Central Excise against them and a Show cause notice was also issued earlier. However, the same has been adjudicated in their favour. He further stated that there is no such serious offence against their unit and sometimes few objections arise due to various government procedure and regulations.

a. male

Noida Special Economic Zone

(Minutes of Meeting of Approval Committee of Noida SEZ held on 02/08/2017)

Page 4 of 22

	<p>The Approval Committee, after due deliberations, deferred the proposal for its next meeting and directed to verify the credentials of the company and status of show cause notices issued to them, if any, by the concerned authorities.</p>
3.	<p>Proposal of M/s. Mohit Jewellers for setting up a new Unit in NSEZ.</p> <p>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 Handcrafted/Machine-made Plain Gold Jewellery with projected exports of Rs. 36777.30 Lakhs and NFE earnings worth Rs. 1497.30 Lakhs over a period of five years.</p> <p>Shri Mohit Agrawal appeared before the Approval Committee to explain the project. Shri Agrawal informed that has started working as an artisan about 13 years back and is now a big contractor for manufacturing of gold jewellery and has a lot of manpower under him. He stated that he has been associated with M/s. Al Fiza Jewellers, Plot No. 171, NSEZ and during the said period he developed good contacts with many clients in Dubai to manufacture and export gold jewellery to them.</p> <p>He informed that the said firm is working since last 6.5 years and has work experience in manufacturing & trading in domestic market. He has a jewellery manufacturing unit in Bulandshahar of 10x20 ft. size. He also informed that the firm did business of approx. 30-35 kgs jewellery last year. He further informed that he has export orders from M/s. Allure Gold Trading LLC, Dubai.</p> <p>The Approval Committee observed that the applicant has projected export of Rs. 367.77 Crores against meagre investment of Rs. 5.71 lakhs only. Also it has projected employment of 15 persons only. After due deliberations, the Approval Committee deferred the proposal for its next meeting and directed the proprietor to submit copy of documentary evidence of his business of last 6.5 years of export and DTA sale, separate turnover of manufacturing and trading activities along with invoices etc. The Approval Committee also directed that the credentials of the applicant may also be got checked and cross verified from jurisdictional Central Excise.</p>

A. mala

4. Proposal in respect of M/s. HM Export Co. for setting up a new unit in NSEZ.

It was informed to the Approval Committee that the applicant has proposed to set up a new unit in NSEZ to undertake Manufacturing & export of Handcrafted/Machine-made Plain Gold Jewellery with projected exports of Rs. 47482.61 Lakhs and NFE earnings worth Rs. 1787.29 Lakhs over a period of five years.

It was informed that that the applicant "M/s. HM Export Co." had submitted application for setting up a new unit in NSEZ earlier also. At that time, there were only two partners namely, Shri Abdul Halim Mallick and Shri Kishan Kumar Mohata. The said proposal was considered by the Approval Committee in its meeting held on 08/07/2016. However, the Approval Committee had rejected the same in view of inexperience & financial background of the promoters. It was also informed that now, Mr. Purnandu Chowdhary has joined the firm w.e.f 03/11/2016 and a fresh application has been filed for setting up a new unit in NSEZ.

It was further informed that earlier Mr. Purnandu Chowdhary had also submitted an application for setting up a new unit in NSEZ in the name of M/s. Prince Exports. The Approval Committee in its meeting held on 07/05/2015 noted that Smt. Archana Chowdhary, wife of Mr. Purnandu Chowdhary (the applicant) is a partner in M/s. Bera Enterprises, an NSEZ unit and the said unit has not achieved prescribed value addition. Hence, the Approval Committee did not consider issuing another LOA for same business and had rejected the proposal.

Shri Shri Kishan Kumar Mohata and Shri Purnandu Chowdhary, partners of the firm appeared before the Approval Committee to explain the project. Shri Mohata stated that 1st time their application was rejected by the Approval Committee in view of their inexperience and financial background. Now, Shri Purnandu Chowdhary has joined the firm as a partner who has another firm in the name of M/s. Prasun Chain Jewellers in Karol Bagh, New Delhi and has export experience from the said DTA unit.

The Approval Committee observed that the applicant has projected export of Rs. 474.83 Crores by making an investment of Rs. 9.74 Lakhs and employing 38 persons. The Approval Committee further observed that it had considered the proposal of M/s. HM Export Co. earlier and rejected it. Further, the Approval Committee had also rejected the

a. male

proposal by Mr. Purnandu Chowdhary separately. Neither M/s. HM Export Co. nor Mr. Purnandu Chowdhary filed appeal against the decision of Approval Committee.

The Approval Committee, after due deliberations, rejected the proposal in terms of section 15(3) of SEZ Act, 2005 & Rule 18 of SEZ Rules, 2006 taking into account the fact that Approval Committee has already rejected the proposal of M/s. HM Export Co.

5. Proposal in respect of M/s. Onnsynex Ventures Pvt. Ltd. for setting up a Trading unit in NSEZ.

It was informed to the Approval Committee that the applicant has proposed to set up a trading unit in NSEZ with projected exports of Rs. 24079 Lakhs and NFE earnings worth Rs. 2189 Lakhs over a period of five years.

It was informed that M/s. Onnsynex Ventures Pvt. Ltd. had earlier submitted application for setting up a unit in NSEZ, which was considered by Approval Committee in its meeting held on 03.05.2017. The Approval Committee observed that the proposal was for setting up a warehousing unit. Hence, it can be set up only in a Free Trade Warehousing Zone (FTWZ) i.e. either in a standalone FTWZ or FTWZ setup in other SEZ, in terms of Rule 18(5) of SEZ Rules, 2006. Provisions given in Rule 18(5) & Rule 5(2)(c) of SEZ Rules, 2006 are quite explicit. It was further observed that there is no FTWZ setup in NSEZ. In view of above Rule position, the Approval Committee, after due deliberations, rejected the proposal of M/s. Onnsynex Ventures Pvt. Ltd. for setting up a unit for Warehousing, Trading and Value Added Services. The Approval Committee, however, observed that in case the promoters want to set up a unit for Trading and value added services, they may file a separate application for the same.

It was further informed that Applicant filed an appeal before the Board of Approval which was considered by the BOA in its meeting held on 03.07.2017. Board, after hearing the appellant allowed the appeal excluding warehousing of liquor and precious/semi-precious metals. The Board also directed that the entrepreneur shall set up separate units for trading and warehousing. Now, the applicant has filed separate application for Trading and Warehousing unit.

Shri Sivasankaran E. and Shri Harshpaul Singh Takkar, directors appeared before the

A. mala

Approval Committee to explain the project. Shri Takkar informed that they will import the products from Europe, China and export the same to Sri Lanka, Bangladesh, Nepal etc. He further informed that they will not sell the traded good into DTA.

The Approval Committee, in exercise of its power conferred under Section 15(3) of SEZ Act, 2005 & in compliance with the BOA's order, after due deliberations, approved the proposal of M/s. Onnsynex Ventures Pvt. Ltd. for setting up a Trading unit subject to condition that 100% physical export shall be undertaken and no DTA sale will be allowed. All transactions would be in free foreign exchange only. The Approval Committee further directed that no restricted or prohibited items shall be allowed for export and import. Other relevant laws would also apply.

6. Proposal in respect of M/s. Onnsynex Ventures Pvt. Ltd. for setting up a Warehousing unit in NSEZ.

It was informed to the Approval Committee that the applicant has proposed to set up a unit in NSEZ for warehousing and value added services such as packing, labeling, lashing, shrink wrapping, strapping, palletization, bottling, clubbing, consolidation, quality checking, testing, kitting, combination packing, assembling, handling, storage of empty containers, etc. with projected exports of Rs. 3859.66 Lakhs and NFE earnings worth Rs.3859.66 Lakhs over a period of five years.

It was informed that M/s. Onnsynex Ventures Pvt. Ltd. had earlier submitted application for setting up a unit in NSEZ, which was considered by Approval Committee in its meeting held on 03.05.2017. The Approval Committee observed that the proposal was for setting up a warehousing unit. Hence, it can be set up only in a Free Trade Warehousing Zone (FTWZ) i.e. either in a standalone FTWZ or FTWZ setup in other SEZ, in terms of Rule 18(5) of SEZ Rules, 2006. Provisions given in Rule 18(5) & Rule 5(2)(c) of SEZ Rules, 2006 are quite explicit. It was further observed that there is no FTWZ setup in NSEZ. In view of above Rule position, the Approval Committee, after due deliberations, rejected the proposal of M/s. Onnsynex Ventures Pvt. Ltd. for setting up a unit for Warehousing, Trading and Value Added Services. The Approval Committee, however, observed that in case the promoters want to set up a unit for Trading and value added services, they may

A. male

file a separate application for the same.

It was further informed that Applicant filed an appeal before the Board of Approval which was considered by the BOA in its meeting held on 03.07.2017. Board, after hearing the appellant allowed the appeal excluding warehousing of liquor and precious/semi-precious metals. The Board also directed that the entrepreneur shall set up separate units for trading and warehousing. Now, the applicant has filed separate application for Trading and Warehousing unit.

Shri Sivasankaran E. and Shri Harshpaul Singh Takkar, directors appeared before the Approval Committee to explain the project. The applicant has presented two case studies of (i) M/s. Resmed headquartered in Australia and (ii) M/s. Moehair USA. It was informed that M/s. Resmed is one of the major respiratory devices manufacturing company having factories in France & USA and they are committed to set up a base for warehouse their equipment and its spares including lithium batteries in India to cater Asian Market. The export volume will be about 20 to 25 shipments per months and the value addition will be more than 50%. Further M/s. Moehair USA is a company with premium range and they have expressed their strong interests to make a warehousing set up in India with them for their hair care products to cater Asian countries.

It was observed that the representatives of the company during the meeting of BOA informed that approx. 95% of their warehousing business shall cater to International clients. It was further observed that during BOA meeting, it was discussed that a warehousing unit can be set up in a multi-product SEZ without having any area demarcated for FTWZ.

The Approval Committee took note of two case studies mentioned above and also noted the submissions made by the promoters before the BOA that approx. 95% of business shall be for International clients. The Approval Committee, in exercise of its power conferred under Section 15(3) of SEZ Act, 2005 & in compliance with the BOA's order, after due deliberations, approved the proposal of M/s. Onnsynex Ventures Pvt. Ltd. for setting up a unit for warehousing service, excluding warehousing of liquor and precious/semi-precious metals, against free foreign exchange. The Approval Committee further decided that the activities of the warehouse would be only in accordance with

a. male.

Noida Special Economic Zone

(Minutes of Meeting of Approval Committee of Noida SEZ held on 02/08/2017)

Page 9 of 22

	<p>scope and extent of Rule 18(5) of SEZ Rules, 2006 and Instruction No. 49. The Approval Committee further directed that the applicant shall submit quarterly report and Approval Committee will observe the performance of the unit at the end of each quarter.</p>
7.	<p>Proposal in respect of M/s. Medico Electrodes International Ltd. (Unit-II) for inclusion of additional items in its authorized operations.</p> <p>It was informed to the Approval Committee that the unit has been issued LOA dated 15/09/2015 for Manufacturing & Trading activities. The unit has commenced its export production w.e.f. 26/04/2016 and LOA of the unit is valid till 25/04/2021.</p> <p>It was informed to the Approval Committee that the unit has submitted a proposal for inclusion of additional manufacturing & trading activities as authorized operations in their LOA.</p> <p>Shri Dinesh Kumar and Shri Vimal Jain, authorized representatives of the company appeared before the Approval Committee. Shri Jain informed that in order to supplement their manufacturing product and running their machine, they need to do trading of some items which are required by their buyer. They further mentioned that against trading activity they have done 100% physical export.</p> <p>The Approval Committee, after due deliberations, approved the proposal of unit for inclusion of additional manufacturing and trading activities. The Approval Committee further decided that Trading will be allowed only for physical export to any other country, for supply to other units and Developers in the same or other SEZ or EOUs, against freely convertible currency and no DTA sale shall be allowed. Also monitoring of NFE for manufacturing activity and trading activity would be done separately.</p>
8.	<p>Proposal in respect of M/s. Dr. Fresh Assets Ltd. (Unit-I) for inclusion of additional trading items in its authorized operations.</p> <p>It was informed to the Approval Committee that the unit has been issued LOA dated 19/12/1995 for Manufacturing & Trading activities. The unit had commenced its export production w.e.f. 15/06/1996 and LOA of the unit was valid till 05/10/2017.</p> <p>It was informed that the unit had been granted in-principle approval for exit on</p>

a. make

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 and decided to renew the LOA of the unit for a period of one year. Further, the Approval Committee had directed the unit to re-start its activities within the extended validity period.

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.

It was further informed that unit has submitted an application for inclusion of Trading of Turmeric Powder, Ginger Powder, Peppercorns Powder & Dry Extract, Cow Ghee, Honey, Dates and Nuts bars, Ashwagandha Powder, Triphala Tablets, Guduchi Powder, Amaranth Muesli, Oats Granola, Other related products into its authorized operations.

Shri Vijay Pathak, director appeared before the Approval Committee. He informed that they have made exports worth Rs. 29.60 Lakhs of Toothbrush and Dental floss, which are manufactured by them during June 2017. He further informed that they have a centre in Singapore namely 'Reverse Age PTEM' and they will export the proposed items to their centre in Singapore.

The Approval Committee, after due deliberations, approved the proposal of unit for inclusion of additional trading activities subject to condition that 100% physical export shall be carried out by the unit against freely convertible currency and no DTA sale shall be allowed in respect of trading activities. The Approval Committee also decided to extend the validity of LOA for one year. The Approval Committee further decided to remove trading of Sandalwood Oil from its authorized operations. Also Approval Committee directed the representative of the unit to see as to whether they would like to retain all the items included in LOA for trading and intimate the same to this office for further necessary action in the matter. Monitoring of NFE for manufacturing activity and trading activity would be done separately.

A. mala

9.	<p>Proposal of M/s. V.V. Impex for inclusion of additional authorized operations in LOA.</p> <p>It was informed to the Approval Committee that M/s. V.V. Impex was issued an LOA dated 01/08/2016 for Manufacturing & Export of Plain Handcrafted/ Machine made Gold Jewellery. The unit has not yet commenced its export production and LOA was valid till 26/09/2018.</p> <p>It was informed to the Approval Committee that the unit has submitted a proposal for inclusion of Manufacturing & Export of Handcrafted/ Machine made Silver Jewellery as authorized operations in their LOA.</p> <p>Shri Vikas Verma, proprietor appeared before the Approval Committee. He informed that they have received some orders for Silver Jewellery. It has been further stated that they do not need any new machinery for manufacture of Silver Jewellery as the machines and tools required for manufacturing of gold and silver jewellery are same. The unit has further stated that they hope to export approx. 180 Kgs of silver jewellery in the first year which may go up in subsequent years.</p> <p>He further informed that machines worth Rs. 10-20 Lakhs have been installed in the unit and further casting machine worth Rs. 30-40 lakhs are waiting for approval. He further submitted that they will commence production at the earliest. He further requested to extend the validity of their LOA.</p> <p>The Approval Committee, after due deliberations, agreed to the request of unit for inclusion of additional authorized operation in its LOA. The Approval Committee also extended the validity of LOA for one year and directed the unit to implement the project and commence operation within the extended validity period of LOA.</p>
10.	<p>Proposal in respect of M/s. Mectronics Marketing Services for Renewal of LOA and Monitoring of performance.</p> <p>It was informed to the Approval Committee that M/s. Mectronics marketing Services has been issued an LOA dated 25/10/2011 for Trading activities. The unit commenced its export production w.e.f. 21/04/2012 and LOA is valid till 20/08/2017.</p>

a. malh

The Approval Committee observed that unit has made exports worth Rs. 1749.81 Lakhs and earned positive NFE worth Rs. 571.04 Lakhs during previous block of five years i.e. between 2012-13 to 2016-17. The Approval Committee further observed that unit has been mainly doing trading in DTA and there has been very less physical export.

Shri Pankaj Saxena, Shri Manish Agarwal, authorized representatives of the company appeared before the Approval Committee. Shri Saxena informed that they have made DTA sales to EOUs/units in other SEZs/EHTPs under Rule 53(m) of SEZ Rules, 2006. He further informed that almost all the sales except 1-2% have been made against free foreign exchange.

The Approval Committee noted achievement of positive NFE by the unit during last block of five years. However, the Approval Committee observed that 1-2% sale in DTA against Rupee, is not as per Rules.

The Approval Committee, after due deliberations, decided to extend the validity of LOA of M/s. Mectronics Marketing Services for remaining period of five years i.e. upto 20/04/2022. The Approval Committee further directed that Trading will be allowed only for physical export to any other country, for supply to other units and Developers in the same or other SEZ or EOUs, against freely convertible currency. The Approval Committee also directed that unit would provide break up of International trading/supplies to SEZs/EOUs/DTA. Further, Specified Officer would check up at the time of clearance that payment to be received is in free foreign exchange.

11. Proposal in respect of M/s. H & S Industries for Renewal of LOA; review of authorized operations and Monitoring of performance.

It was informed to the Approval Committee that M/s. H & S Industries has been issued an LOA dated 28/09/2007 for Manufacturing & Trading activities. The unit commenced its export production w.e.f. 08/09/2015 and LOA is valid till 06/07/2017.

It was informed that the Approval Committee in its meeting held on 07/05/2015 had extended the validity of LOA for six months subject to condition that no request for transfer of building shall be entertained. The Approval Committee directed the unit to commence activities within the extended validity of LOA and decided that if authorized

a. malh

operations could not be commenced within six months, possession of the Plot No. 151 shall be taken over. The Approval Committee in its meeting held on 04/11/2015 had observed that unit has made one export of Rs. 12 Lakhs approx. on 09.09.2015 and allowed a further extension of six months to the unit.

The Approval Committee in its meeting held on 02/06/2016 had observed that the unit has made exports to the tune of Rs. 37,17,177/- during the extended validity period of LOA between 08/09/2015 to 06/05/2016 (*as per information received from NSEZ Customs*) and decided to renew the LOA of the unit for next one year i.e. upto 06/05/2017.

It was informed to the Approval Committee that unit has informed that now they are not doing trading activity and want to remove Trading activity from their LOA.

No one from the unit appeared for the meeting. The Approval Committee observed that unit has made exports worth Rs. 36.64 Lakhs and Rs. 90.46 Lakhs during 2015-16 & 2016-17 respectively.

The Approval Committee noted achievement of positive NFE by the unit during current block of five years till date.

The Approval Committee, after due deliberations, decided to extend the validity of LOA of M/s. H & S Industries for remaining period of five years i.e. upto 07/09/2020. The Approval Committee further approved removal of trading activities from authorized operation of the unit.

12. **Proposal in respect of M/s. Adhikaar Datapro Systems Pvt. Ltd. for change of name to "M/s. Smart Chip Pvt. Ltd." pursuant to approval of scheme of amalgamation By Hon'ble High Court.**

It was informed to the Approval Committee that M/s. Adhikaar Datapro Systems Pvt. Ltd. has been issued LOA dated 20/01/2011 for Manufacturing & Trading activities. Unit has commenced its export production w.e.f. 09/01/2012 and LOA is valid till 08/01/2022.

It was informed to the Approval Committee that the firm has submitted a proposal for change in name of the unit from M/s. Adhikaar Datapro Systems Pvt. Ltd. to "M/s. Smart

a. mala

Chip Pvt. Ltd.”.

Shri N.K. Prusty, authorized representative of the company appeared before the Approval Committee. He informed that they are 100% holding company of M/s. Smart Chip Pvt. Ltd. and after approval of scheme of Amalgamation by Hon'ble High Court of Mumbai, the company has been merged with its parent company. He further informed that there is no change in ownership or shareholding.

It was informed to the Approval Committee that unit needs to submit some documents/information related to proposed change.

It was informed to the Approval Committee that Board of Approvals in its 69th meeting held on 23.02.2016 has issued clarification / instruction regarding Rule 74A of SEZ Rules, 2006. The extract of minutes of said meeting is reproduced below here:-

“The Joint Secretary (GPM) explained to the Board that representations have been received on the applicability of Rule 74A of SEZ Rules, 2006 in cases where the operational SEZ units continue to operate as such, i.e. on a going concern basis as a result of 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.

With a view to promote the ease of doing business in India and that restructuring of entity/business is a fairly common occurrence, BOA decided that provisions of 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 unit continues to operate as a going concern in the situations mentioned above. The UACs concerned, may consider such requests under Rule 19 (2) of the SEZ Rules, 2006.

In so far as Business Transfer Agreement is concerned, it was explained that certain acquisitions happen globally as a result of Business Transfer

A. Malik

Agreement which result in transfer of the SEZ unit of the Indian company on a going concern basis to acquirer. The BOA decided that such cases resulting in change of ownership would be decided on merits by the Board of Approvals on a case to case basis.”

The Approval Committee, after due deliberations, approved the proposal of unit for change in name of the unit from M/s. Adhikaar Datapro Systems Pvt. Ltd. to “M/s. Smart Chip Pvt. Ltd.” as there is no change in shareholding, subject to submission of requisite documents/information.

13. Proposal of M/s. Royal Refinery Pvt. Ltd. for extension in the validity of LOA.

It was informed to the Approval Committee that M/s. Royal Refinery Pvt. Ltd. Pvt. Ltd. has been issued LOA dated 21/03/2016 for Manufacturing & Export of Plain Gold Jewellery. Unit has yet to commence its export production and LOA was valid till 20/03/2017.

It was further informed that a meeting to review the operations of SEZ units at NSEZ was held on 17.05.2017 wherein while reviewing the status of SEZ units shown as “under implementation”, it was observed that in few cases, validity of LOA has expired long back. In this regard, DC directed that validity status may be rechecked and in case unit has not applied for LOA extension, a written communication citing the fact that LOA has expired and no application for LOA extension has been received, may be issued to such units. In the said letter provision of Rule 11(5) of SEZ Rules, 2006 may also be incorporated and concerned units be given the opportunity of Personal Hearing before Approval Committee before a final decisions is taken. All these cases may be placed before Approval Committee.

It was further informed that pursuant to this office letter dated 07/07/2017, unit has submitted an application for extension in the validity of LOA.

Shri Jayesh Parmar, director appeared before the Approval Committee. He informed that due to some adverse circumstances as delay in completion of interior setup by interior designer in unit, installation of manufacturing machines, and effect of demonetization in the market and now implementation of GST etc., they couldn't start the manufacturing activities in the unit within specified period and also forgot to apply for extension in the

A. mala

validity of LOA.

He further informed that now the interior of the unit is completed; Jewellery manufacturing machines worth Rs. 8-10 Lakhs are installed along with electricity supply. They have firm plans to start their manufacturing at Noida SEZ unit in next about 20-25 days. He further stated that they will commence manufacturing activities shortly after getting extension of LOA.

The Approval Committee, after due deliberations, extended the validity of LOA for six months i.e. upto 01/02/2018 subject to verification of interiors done/machine installed by the unit. The Approval Committee directed the unit to implement the project and commence operation within the extended validity of LOA.

14. Proposal in respect of M/s Mohan Gems & Jewels Pvt. Ltd. for Monitoring of performance in view of exit request of unit.

It was informed to the Approval Committee that M/s. Mohan Gems & Jewels Pvt. Ltd. has been issued LOA dated 27/05/2013 for Manufacturing & export of Handcrafted/machine made gold/platinum/silver jewellery (plain/studded with precious/semi-precious/synthetic stones, pearls & diamonds. Unit has commenced its export activities w.e.f 13/01/2014 and LOA is valid till 12/01/2019.

It was informed that unit vide this office letter dated 26/08/2016 was advised to submit requisite documents for compliance with exit formalities. Unit has now submitted all the documents related to exit from SEZ scheme. Besides, NSEZ Customs has also issued NOC to the unit on 28/11/2016. It was further informed that in terms of Rule 54, it is for Approval Committee to arrive at conclusion that unit has achieved positive NFE and achieve prescribed value addition norms.

No one from the unit appeared for the meeting. The Approval Committee observed that unit could achieve value addition of only 1.42% and 1.08% during 2013-14 (w.e.f. July 2013) & 2014-15 respectively, which is less than prescribed value addition norms. The Approval Committee further observed that Value Addition has to be seen consignment wise. Then how has there been shortfall in value addition. Dy. Commissioner of Customs, NSEZ will look into the matter and will submit exact shortfall in Value Addition achieved

a. mala