

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.10/13/2006 -प्रोज/

दिनांक: 08/11/2016

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।

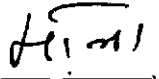
विषय: दिनांक 02/11/2016 को पूर्वाह्न 11:30 बजे आयोजित नोएडा विशेष आर्थिक क्षेत्र की यूनिट अनुमोदन समिति की बैठक का कार्यवृत्त - एतद संबंधी ।

महोदय,

मुझे उपरोक्त विषय का सन्दर्भ लेने और डॉ. एल बी सिंघल, विकास आयुक्त, नोएडा विशेष आर्थिक क्षेत्र की अध्यक्षता मे दिनांक 02/11/2016 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 ।

भवदीय,


संलग्नक : उपरोक्त


(माला रंगराजन)

उप विकास आयुक्त

प्रतिलिपि:

1. अवर सचिव (एस.ई.जेड.), वाणिज्य विभाग, वाणिज्य एवं उद्योग मंत्रालय, भारत सरकार, उद्योग भवन, नई दिल्ली - सूचनार्थ।
2. विशेष कार्याधिकारी - विकास आयुक्त के सूचनार्थ।
3. वैयक्तिक सहायक - संयुक्त विकास आयुक्त के सूचनार्थ।
4. निर्दिष्ट अधिकारी, नोएडा विशेष आर्थिक क्षेत्र - सूचनार्थ एवं आवश्यक कार्यवाही के लिए.
5. सहायक 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 02/11/2016 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 Sukhbir Singh Badhal, Asstt. DGFT, CLA, New Delhi.
- 3) Ms. Sandhya Maurya, Income Tax Officer, Income Tax Deptt., Noida.
- 4) Shri H.D. Kandpal, Supdt., Customs, Noida Commissionerate.

2. Besides, during the meeting (i) Smt. Mala Ranagarajan, Dy. Development Commissioner, NSEZ, S/Shri (ii) Satish C. Gangar, Specified Officer, NSEZ, (iii) R.P. Verma, Asstt. Development Commissioner, NSEZ, (iv) Rajendra Mohan Kashyap, PA to JDC, NSEZ, (v) Bhuvan Yadav, AEE, UPPCB, Noida, and (vi) G.P. Singh, SDO, UPPCL, Noida were also present to assist the Approval Committee.

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

(i) Ratification of Minutes of last meeting of the Approval Committee held on 05/10/2016:-

It was informed that no reference against the decisions of the Approval Committee held on 05/10/2016 was received and therefore, Minutes of the meeting held on 05/10/2016 were ratified.

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Item wise decisions on proposals included in agenda:

1. Proposal of M/s. Samsung Overseas Ltd. for setting up 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 the manufacturing & export of Handicraft of Brass, Handicraft of Copper, Handicraft of Aluminium, Handicraft of Wood, Handicraft of Steel, Handicraft of Iron, Hand Knotted Carpet, Rugs & Druggets, Fashion Accessories and Handicraft of Leather with projected exports of Rs. 2950 Lakhs and NFE earnings worth Rs. 2360 Lakhs over a period of five years.

Smt. Rekha Gill, Director appeared before the Approval Committee to explain the project. Smt. Gill informed that the group has already been running another unit in the name of M/s. Samsung Overseas Ltd. for IT/IT Enabled Service from Plot No. 114 in Noida SEZ. She stated that the Samsung group has been working since 1996 and now is one of the leading groups dealing in ferrous & non-ferrous metal business across the globe. She further stated that they have different units in Nigeria, India, UAE etc. and has collective turnover of 185 Million USD through its various projects & office based globally.

Smt. Gill informed that the proposed unit is for manufacturing & export of handicraft items and the said project will be implemented at Plot No. 114, NSEZ on sharing basis with existing unit. She further informed that initially they will procure semi-finished products and after finishing, the products will be exported.

The Approval Committee observed that the applicant vide this office letter dated 20/10/2016 has been asked to submit some documents/information related to their application which are still awaited. Smt. Gill ensured to comply with the letter dated 20/10/2016 and submit the required documents.

The Approval Committee further observed that the applicant has been issued one other LOA on 04/08/2009 for manufacturing of Armored & Unarmored cables etc. which was not implemented. However, the final exit is yet to be issued as the unit has not submitted NOC from NSEZ Customs. The said matter was also explained to the applicant. Smt. Gill informed that she is not aware of this issue as she has taken over the charge of director

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about 3 years back. She ensured to check the issue and comply with the exit formalities related to LOA dated 04/08/2009 at the earliest.

The representative of UP Pollution Control Board, Noida informed that unit needs to comply with the pollution control norms if there is any activity of plating & polishing involved in the manufacturing process.

The Approval Committee, after due deliberations, approved the proposal of M/s. Samsung Overseas Ltd. for manufacturing & export of Handicraft of Brass, Handicraft of Copper, Handicraft of Aluminium, Handicraft of Wood, Handicraft of Steel, Handicraft of Iron, Hand Knotted Carpet, Rugs & Druggets, Fashion Accessories and Handicraft of Leather subject to condition that unit shall obtain necessary clearance from Pollution Control Board, wherever required. However, LOA shall be issued only after receipt of documents/information called for vide this office letter 20/10/2016.

2. Proposal of M/s. Om Shree Ganpati Impex Pvt. Ltd. for setting up a new Unit in NSEZ.

It was informed to the Approval Committee that the applicant has proposed to set up a new unit in NSEZ to undertake Manufacturing of Readymade Garments with projected exports of Rs. 3345.97 Lakhs and NFE earnings worth Rs. 2007.59 Lakhs over a period of five years.

Shri Atul Mittal and Shri Ranjan Kumar, representatives of the company appeared before the Approval Committee to explain the project. Shri Mittal informed that the company was established in 2007 and is doing business of Rice & Paddy. However, now they are diversifying their business into other sectors and also getting orders for the same. He further informed that the instant proposal is for garment manufacturing unit (which it is authorized to undertake as per Memorandum & Article of Association) in NSEZ with production capacity of 600-800 garments per day and investment of approx. Rs. 1 Crore.

The Approval Committee observed from the manufacturing process flow chart submitted by applicant that there will not be any substantial manufacturing activity in the proposed SEZ unit. The proposed unit shall be a packaging unit for packing & export of garments produced in DTA out of the fabric/trims provided by the SEZ unit to DTA unit. Such

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activity prima-facie does not come under the definition of manufacturing.

The above observations were explained to the applicant. Shri Mittal informed that the proposed unit shall be a complete manufacturing unit. He also informed that they will procure fabric from DTA, Korea and China and the manufacturing process i.e. cutting & stitching shall be done in-house. He further informed that they will start the production in the proposed unit within 45 days. He also stated that job work or sub-contracting will be done only if they get orders more than their production capacity.

It was also informed that some shortcomings were observed in the application which was conveyed to the applicant on 26/10/2016. However, reply is still awaited. Shri Mittal assured to rectify the deficiencies observed in their application and also submit separate manufacturing process flow chart at the earliest.

The Approval Committee, after due deliberations, approved the proposal of M/s. Om Shree Ganpati Impex Pvt. Ltd. for manufacturing & export of Readymade Garments subject to condition that no job work/sub-contracting permission shall be allowed for first six months. Further request for job work/Sub-contracting would be considered/allowed as per rules. Approval Committee further decided that LOA shall be issued only after rectification of deficiencies in the application and submission of manufacturing process flow chart.

The representatives of company agreed with the decision of the Approval Committee and assured to comply with the same.

3. Proposal of M/s. Mungerilal Jewellers Pvt. Ltd. for setting up a new Unit in NSEZ.

It was informed to the Approval Committee that the applicant has proposed to set up a new jewellery unit in NSEZ with projected exports of Rs. 61.40 Lakhs and equal amount of NFE i.e. Rs. 61.40 Lakhs over a period of five years. It was further informed that proposed items of manufacture are not clear as the applicant has mentioned different items in Form F and its project report.

It was informed to the Approval Committee that the applicant vide letter dated 20/09/2016 followed by reminder dated 19/10/2016 & 26/10/2016 has been requested to rectify the shortcomings observed in their application, reply of which are

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still awaited. It was also informed that the said proposal was also considered by the Approval Committee in its earlier meeting held on 05/10/2016 which was deferred as no one from the company appeared for the meeting.

No one from the company appeared for the meeting. The Approval Committee observed that the applicant has failed to rectify the shortcomings observed in their application despite several reminders. Further, applicant has also again failed to appear before the Approval Committee.

The Approval Committee also observed that the applicant in its project report has shown export projections worth Rs. 61.40 Lakhs over a period of five year with requirement of raw materials worth Rs. 2.50 Lakhs only. The employment projection has also been envisaged as 4 employees only. With these projections, the proposal was observed to be unviable.

The Approval Committee examined the proposal in detail and noted that the promoter does not have any experience in the field of manufacturing & export of gold jewellery. The Approval Committee also did not find the export projections of Rs. 61.40 Lakhs against the raw materials worth Rs. 2.50 Lakhs for five years feasible. Also the promoters have inexperience in the field of manufacturing & export of gold jewellery in their current background.

The Approval Committee, after due deliberations, did not agree with the proposal of M/s. Mungerilal Jewellers Pvt. Ltd. for setting up a unit in NSEZ and rejected the same in terms of section 15(3) of SEZ Act, 2005 & Rule 18 of SEZ Rules, 2006. The applicant may under Rule 55 read with Rule 56 of the SEZ Rules, 2006, prefer an appeal, to the appropriate Authority, if they desire to do so.

4. Proposal in respect of M/s. Jayshree General Trading Co. for Monitoring of performance, renewal of LOA and review of authorized operations.

It was informed to the Approval Committee that M/s. Jayshree General Trading Co. has been issued an LOA for Manufacturing of Plain Jewellery Articles of Gold/Silver/Platinum and/or Studded with Diamond/Color Stones/ Precious & Semi Precious Stones along with Trading of general items. LOA of the unit has expired on 12/07/2016.

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It was also informed that DOC vide Instruction dated 25/04/2013 & 31/12/2013 restricted trading of gold, silver, platinum, other precious metals, diamonds and other precious and semi-precious stones. The DOC has also informed that the existing LOAs of SEZ units will also be modified accordingly to give effect the above decision. Accordingly, a circular dated 07/02/2014 was issued by this office to the above effect.

It was further informed that the NSEZ Custom vide its report dated 06/09/2016 has informed that last trading of gold jewellery was made by the unit in the FY 2011-12. It has been further stated that last export trading was made on 18/03/2014 of Glass Chatons for Rs. 29,85,645/-.

The Approval Committee further observed that as per submitted APRs, Unit has achieved negative NFE to the tune of Rs.258.08 Lakhs during previous block of five years and apparently unit has also failed to achieve Value Addition norms for the period from 22/07/2013 as well.

Shri B. P. Sharma, representative of unit appeared before the Approval Committee. He informed that they have achieved prescribed value addition norms in Rupee term also during the previous years and submitted details of the same. He informed that during 2012-13, there were no exports and due to which the cumulative NFE earnings for the previous block year is negative. He further informed that they have never taken any Income Tax exemption and procured all goods from DTA on payment of duty.

Shri Sharma was informed about the Instruction received from the DOC regarding restriction on trading of gold, silver, platinum, other precious metals, diamonds and other precious and semi-precious stones. Shri Sharma informed that they are not doing trading of jewellery or any other prohibited items. He further stated that both the activities i.e. manufacturing & trading are being carried out separately as a separate entity.

It was further informed to him that as per section 11(4) of the Foreign Trade (Development & Regulation) Act, there is a provision to settle the cases where a person admits any contravention. Shri B.P. Sharma consented to settle the case as per section 11(4) of the FT(D&R) Act, 1992 for achievement of negative NFE.

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In the light of facts & circumstances of the case, DC, NSEZ in discussion with the Approval Committee imposed a penalty @1% of shortfall of reconciled value of NFE in terms of Rule 54 read with its Annexure of the SEZ Rules, 2006. Unit shall also have to pay duty corresponding to negative NFE. The Committee directed that the issue for achievement of value addition be examined separately as per details given by unit in the meeting and be put up before the Approval Committee in its next meeting.

The Approval Committee, after due deliberations, decided to renew the LOA for next five years block i.e. upto 12/07/2021. The Approval Committee also approved the trading activities subject to the following conditions:

- (i) Unit will make 100% export of trading goods and no DTA clearance for trading goods shall be allowed.
- (ii) No trading of precious metal and jewellery shall be allowed.
- (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.

The Approval Committee also directed that approval letter for renewal of LOA shall be issued after receipt of payment of penalty amount by the unit.

5. Proposal in respect of M/s. Sara Trans Industries for Monitoring of performance, renewal of LOA and review of authorized operations.

It was informed to the Approval Committee that M/s. Sara Trans Industries has been issued an LOA dated 15/02/2011 for Manufacturing of Musical instruments' stands, Musical instruments, bags, straps, belts and accessories along with trading activities. It was further informed that the unit has stated that they have not made any trading activity during previous years.

It was informed to the Approval Committee that the promoter of the unit has submitted a letter in this office stating that due to some urgent situation, he is required to travel overseas on 01/11/2016 and requested for condonation for absence. It was further informed that the promoter has also requested to allow trading of specific items i.e.

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Musical Instruments, spares, accessories including speakers, amplifiers, mixers etc. for International export. He also submitted his no objection for deletion of other trading items mentioned in their LOA, which are unrelated to their authorized operations.

The Approval Committee, after due deliberations, decided to renew the LOA for next five years block i.e. upto 14/11/2021. The Approval Committee also allowed trading of Musical Instruments, spares, accessories including speakers, amplifiers, mixers etc. subject to the following conditions:

- (i) Unit will maintain separate area earmarked for manufacturing and trading activities and maintain separate records/accounts of NFE for manufacturing and trading activities.
- (ii) Trading is permitted only for physical exports and no DTA sale in trading will be allowed.
- (iii) NFE status for manufacturing activity and trading activity will be seen separately.

6. Proposal in respect of M/s. Al. Fiza Jewellers for Monitoring of performance and renewal of LOA.

It was informed to the Approval Committee that M/s. Al. Fiza Jewellery has been issued an LOA dated 17/03/2011 for Manufacturing of Handcrafted/machine made Gold/Platinum/Silver/Copper Jewellery/ Articles Plain & Studded with Colour Stones. The unit has made exports worth Rs. 66873.18 Lakhs and earned positive NFE worth Rs. 1991.89 Lakhs as on 31/03/2016 during the last block of five years.

It was further informed to the Approval Committee that as per DOC's letter dated 19.07.2013, the jewellery units are required to achieve value addition of 3% for plain jewellery and 5% for studded jewellery. In the FTP, 2015-20 the said value addition has been enhanced and now jewellery units are required to achieve value addition of 3.5% for plain jewellery. The value addition norms for studded jewellery have been revised as 6% if colored gems are used and 7% if diamonds are used. However, during the year 2013-14, Unit has shown achievement of 2.94% value addition in respect of plain gold jewellery which is less than the prescribed value addition norms. In value terms the shortfall comes to approx. Rs. 6,90,213/-, which is equivalent to 0.06% value addition.

The Approval Committee was further informed that as per APR for the year 2015-16,

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forex of USD 816253.90 is pending for realization.

Shri Gulzar Khan, Partner of the firm appeared before the Approval Committee. He informed that currently there are around 150 employees in the unit and they are doing 80-90% in-house manufacturing. On being asked about pending forex realization as on 31/03/2016, he informed that they have realized all the forex within the prescribed time limit. The Approval Committee directed him to submit realization certificate duly certified by Chartered Accountant.

Shri Khan also accepted non-achievement of value addition norms during 2013-14 and stated that as the value addition norms were just made applicable, there was some shortfall at the start. However, now they are complying with the prescribed value addition norms.

It was informed to him as per section 11(4) of the Foreign Trade (Development & Regulation) Act, there is a provision to settle the cases where a person admits any contravention. Shri Gulzar Khan consented to settle the case as per section 11(4) of the FT(D&R) Act, 1992 for non-achievement of value addition during 2013-14.

In the light of facts & circumstances of the case, DC, NSEZ in discussion with the Approval Committee imposed a penalty of Rs. 10,000/- on the unit in terms of Rule 54 read with its Annexure of the SEZ Rules, 2006.

The Approval Committee, after due deliberations, decided to renew the LOA of unit for remaining block of next five years i.e. upto 20/10/2021 subject to submission of realization certificate duly certified by a Chartered Accountant and deposition of penalty amount.

7. Proposal in respect of M/s. Aar Ess Exim Pvt. Ltd. (Unit-II) for inclusion of additional authorized operations in LOA.

It was informed to the Approval Committee that M/s. Aar Ess Exim Pvt. Ltd. (Unit-II) has been issued an LOA dated 04/03/2016 for Manufacturing & Export of Plant & Machinery (Mechanical & Electrical). Unit is yet to commence its export production. It was also informed that the unit has submitted a proposal for inclusion of additional items i.e. "Manufacturing & Export of machinery items related with sugar plant" in their

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authorized operations.

Shri K.K. Jaigopal and Shri Gyanesh Sengar, authorized representative of company appeared before the Approval Committee. Shri Jaigopal informed that the company is working since 1995 and has its presence in Dubai, Africa, Kazakhstan and many other countries. He further informed that they already have one unit running in NSEZ and they will soon start the manufacturing production from this unit too.

The Approval Committee observed that the unit vide this office letter dated 07/10/2016 was requested to submit some documents/information related to their instant proposal including manufacturing process flow chart. However, reply is still awaited.

The Approval Committee, after due deliberations, approved the proposal of unit for "Manufacturing & Export of machinery items related with sugar plant" subject to submission of documents/information as asked vide this office letter dated 07/10/2016.

8. Proposal in respect of M/s. Bera Enterprise for inclusion of additional authorized operations in LOA.

It was informed to the Approval Committee that M/s. Bera Enterprise has been issued an LOA dated 21/12/2011 for Manufacturing & Export of 18, 21, 22 and 24 CT Handmade Gold & Silver Jewellery. Unit has commenced its export production w.e.f. 23/10/2013 and LOA of the unit is valid till 22/10/2018.

It was also informed that the unit has submitted a proposal for inclusion of additional items i.e. "Handmade Studded Gold jewellery of all purity & Handmade Plain Gold Jewellery of all purity & Silver Jewellery" in their authorized operations.

Shri Saikat Bera, partner appeared before the Approval Committee. He informed that they have received order for gold jewellery of 14 CT purity. As they have been allowed manufacturing of 18, 21, 22 and 24 CT jewellery in their LOA, they want to change the same for all purity.

The Approval Committee asked Shri Bera whether they make jewellery of 23 CT or above purity to which Shri Bera informed that they do not make jewellery of more than 22 CT

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purity.

The Approval Committee observed that the unit had achieved value addition as under:

Year	Cumulative Value addition achievement
2013-14	1.005%
2014-15	1.24%
2015-16	3.38%

It was informed to Shri Bera that as per DOC's letter dated 19.07.2013, the jewellery units are required to achieve value addition of 3% for plain jewellery and 5% for studded jewellery. In the FTP, 2015-20 the said value addition has been enhanced and now jewellery units are required to achieve value addition of 3.5% for plain jewellery. The value addition norms for studded jewellery have been revised as 6% if colored gems are used and 7% if diamonds are used. However, the unit has failed to achieve the required value addition norms.

Shri Bera stated that they have achieved prescribed value addition in USD terms. However, NSEZ Administration has calculated the same in INR which shows shortfall in achievement of value addition. He further stated that they have already been served a show cause notice dated 02.06.2015 for non-achievement of prescribed value addition norms, which is yet to be adjudicated.

It was informed to the Approval Committee that a reference was sent to DOC to clarify guidelines for monitoring of achievement of Value Addition by Gem & Jewellery units on the lines of the monitoring guidelines on NFE as prescribed under Annexure-I to Rule 54 of the SEZ Rules, 2006. This was necessitated as Customs Authorities insists jewellery exporters to provide consignment wise endorsement on shipping bill and invoice giving the details of value addition not below the minimum prescribed value addition.

The Approval Committee, after due deliberation, decided to amend the authorized operation of the unit as "Manufacturing & Export of Handmade Plain & Studded Gold Jewellery for all purity upto 22 Carat and Silver Jewellery" subject to written submission by the unit in this regard. Shri Bera agreed to the decision of Approval Committee and assured to comply with the same.

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The Approval Committee further directed to prepare a report on consignment wise value addition achievement or shortfall during last three years since 22/07/2013 in terms of para 4.67 of HBOP 2015-2020. The Approval Committee also decided to monitor the performance of the unit and take a decision on the SCN issued to the unit in its next meeting.

9. **Proposal of M/s. Indeutsch International for exit and Transfer of assets & building/Plot to M/s. Knitpro International (unit-I) under provisions of Rule 74A of SEZ Rules, 2006.**

It was informed to the Approval Committee that M/s. Indeutsch International has submitted a proposal for exit from SEZ scheme and transfer of its assets & Building at Plot No. 42, NSEZ to M/s. Knitpro International (Unit-I) under provisions of Rule 74A of SEZ Rules, 2006 as per following details:

Name & Address of Transferor	M/s. Indeutsch International Plot No. 42, NSEZ
Whether formal request for exit from SEZ Scheme has been made by the transferor	Yes
<u>Details of LOA of transferor</u>	
Date of LOA	17/02/2006
DCP	06/06/2006
Date of LOA validity	05/06/2021
Whether the unit (Transferor) has held lease of land for not less than a period of 5 years on the date of transfer	Sub-lease deed is valid upto 31/07/2024.
Name & Address of Transferee	M/s. Knitpro International (Unit-I) SDF No. J-8, NSEZ
Whether the transferee fulfils all eligibility criteria applicable to a unit; if yes, details of LOA of transferee:	
Date of LOA	22/05/2013
DCP	03/01/2014
Date of LOA validity	02/01/2019

It was informed to the Approval Committee that the above proposal of M/s. Indeutsch International was placed before the Committee constituted under the chairmanship of JDC, NSEZ to examine the case under Rule 74A and 3rd proviso to Rule 19(2) held at NSEZ on 04/10/2016. The Committee noted that Rule 74A of the SEZ Rules, 2006 inter alia provides as under:-

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"The unit may opt out of Special Economic Zone by transferring its assets and liabilities to another person by way of transfer of ownership including sale of Special Economic Zone units inter-alia subject to the following conditions:-

- (i) The unit has held a valid Letter of Approval as well as Lease of Land for not less than a period of five years on the date of transfer;*
- (ii) The unit has been operational for a minimum period of two years after the commencement of production as on the date of transfer;*
- (iii) Such sale or transfer transactions shall be subject to the approval of the Approval Committee.'*
- (iv) The transferee fulfils all eligibility criteria applicable to a unit; and*
- (v) The applicable duties and liabilities, if any, as calculated under rule 74, as well as export obligations of the transferor Unit, if any, shall stand transferred to the transferee Unit which shall be under obligation to discharge the same on the same terms and conditions as the transferor Unit."*

It was further informed that the said Committee observed that the transferor unit meets all the conditions of Rules 74A and the transferee units also have valid LOA. Accordingly the Committee recommended the proposal of M/s. Indeutsch International for exit and transfer of assets & Building at Plot No. 42, NSEZ to M/s. Knitpro International (Unit-I) in terms of Rule 74A of SEZ Rules.

Shri Shirish Jain authorized representative of M/s. Indeutsch International and partner in M/s. Knitpro International (Unit-I) appeared before the Approval Committee. Shri Jain informed that their main unit in the name of M/s. Knitpro International is operational in Mahindra World City SEZ, Jaipur. Due to different units, they are facing difficulty in complying the standards as required by their buyers and therefore they have decided to get exit of M/s. Indeutsch International and transfer of its assets to M/s. Knitpro International.

The Approval Committee, after due deliberations, approved the proposal of M/s. Indeutsch International for exit from SEZ scheme under Rule 74A of SEZ Rules, 2006 and transfer of its assets & building at Plot No. 42, NSEZ to M/s. Knitpro International (Unit-I) subject to fulfillment of exit formalities by M/s. Indeutsch International; payment of applicable transfer charges and submission of an undertaking by incoming entrepreneur regarding taking over the assets & liabilities of existing unit.

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10. Proposal of M/s. Samtex Fashions Ltd. for exit and Transfer of assets & building/Plot to M/s. Capgemini India Pvt. Ltd. under provisions of Rule 74A of SEZ Rules, 2006.

It was informed to the Approval Committee that M/s. Samtex Fashions Ltd. has submitted a proposal for exit from SEZ scheme and transfer of its assets & Building at Plot No. 134 & 135, NSEZ to M/s. Capgemini India Pvt. Ltd. under provisions of Rule 74A of SEZ Rules, 2006 as per following details:

Name & Address of Transferor	M/s. Samtex Fashions Ltd. Plot No. 134 & 135, NSEZ
Whether formal request for exit from SEZ Scheme has been made by the transferor	Yes
<u>Details of LOA of transferor</u>	
Date of LOA	17/06/1993
DCP	01/02/1995
Date of LOA validity	31/03/2018
Whether the unit (Transferor) has held lease of land for not less than a period of 5 years on the date of transfer	Sub-lease deed is valid upto 23/09/2029.
Name & Address of Transferee	M/s. Capgemini India Pvt. Ltd. Plant 2, Block C, Godrej IT Park, Vikhroli, Mumbai.
Whether the transferee fulfils all eligibility criteria applicable to a unit; if yes, details of LOA of transferee:	No
Date of LOA	
DCP	
Date of LOA validity	

It was informed to the Approval Committee that the above proposal of M/s. Samtex Fashions Ltd. was placed before the Committee constituted under the chairmanship of JDC, NSEZ to examine the case under Rule 74A and 3rd proviso to Rule 19(2) held at NSEZ on 04/10/2016. The Committee noted that Rule 74A of the SEZ Rules, 2006 inter alia provides as under:-

The unit may opt out of Special Economic Zone by transferring its assets and liabilities to another person by way of transfer of ownership including sale of Special Economic Zone units inter-alia subject to the following conditions:-

- (i) *The unit has held a valid Letter of Approval as well as Lease of Land for not less than a period of five years on the date of transfer;*
- (ii) *The unit has been operational for a minimum period of two years after the*

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commencement of production as on the date of transfer;

(iii) Such sale or transfer transactions shall be subject to the approval of the Approval Committee.'

(iv) The transferee fulfils all eligibility criteria applicable to a unit; and

(v) The applicable duties and liabilities, if any, as calculated under rule 74, as well as export obligations of the transferor Unit, if any, shall stand transferred to the transferee Unit which shall be under obligation to discharge the same on the same terms and conditions as the transferor Unit."

It was further informed that the said Committee observed that the transferor unit meets all the conditions of Rules 74A. However, the transferee company does not fulfil all eligibility criteria applicable to a unit. Accordingly, the Committee decided not to recommend the proposal of M/s. Samtex Fashions Ltd. for transfer of assets to M/s. Capgemini India Pvt. Ltd.

Shri Hemant Sangal, authorized representative of M/s. Samtex Fashions Ltd. appeared before the Approval Committee. He was explained that M/s. Capgemini India Pvt. Ltd. does not fulfil the eligibility criteria applicable to a unit.

The Approval Committee, after due deliberations, rejected the proposal of M/s. Samtex Fashions Ltd. for exit from SEZ scheme under Rule 74A of SEZ Rules, 2006 and transfer of its assets & building at Plot No. 134 & 135, NSEZ to M/s. Capgemini India Pvt. Ltd.

11. Following cases for monitoring of performance/APRs under Rule 54 of SEZ Rules, 2006 were also placed before the Approval Committee. The unit wise decision of UAC are indicated below:-

i) M/s. Syscom Corporation Pvt. Ltd. - Shri N.K. Prusty, authorized representative of the unit appeared before the Approval Committee. Shri Prusty informed that all the pending foreign exchange have been realized within the prescribed time. He further informed that no trading activities have been done by the unit so far and they have taken permission for trading of above items only as a business continuity plan. The Approval Committee observed that unit has submitted a CA certificate regarding realization of foreign exchange of Rs. 11317 Lakhs.

The Approval Committee monitored the performance of the unit on the basis of APRs up to 2015-16 and noted achievement of positive NFE by the unit.

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	<p>ii) M/s. NODUCO – The Approval Committee monitored the performance of the unit on the basis of APRs up to 2015-16 and noted achievement of positive NFE by the unit.</p> <p>iii) M/s. Vini Exports - The Approval Committee monitored the performance of the unit on the basis of APRs up to 2015-16 and noted achievement of positive NFE by the unit.</p>
12.	<p>Proposal in respect of M/s. Jai Hanuman Exports for monitoring of performances.</p> <p>It was informed to the Approval Committee that M/s. Jai Hanuman Exports was issued an LOA dated 04/02/2003 for manufacturing of toothbrushes, trading of toothpaste and oral/denture care products. LOA of the unit was valid till 10/12/2013.</p> <p>It was also informed that the above proposal was placed before the UAC in its meeting held on 03/08/2016 and 07/09/2016 wherein the Approval Committee noted that the unit had applied for exit from SEZ Scheme. Meanwhile, on scrutiny, it was observed that unit has achieved negative NFE worth Rs. 213.40 Lakhs during the last block of five years. Besides, lease rent of approx. Rs. 28 Lakhs is outstanding against the unit in respect of SDF No. H-3 A & B, NSEZ.</p> <p>The Approval Committee also noted that in spite of several reminders, unit has till date not deposited penalty of Rs. 50,000/- which was imposed on them vide Order-in-Original dated 06/09/2011 in case of clandestine removal of tooth-brushes. The unit had preferred an appeal against the said order, which was rejected by the Ministry of Commerce.</p> <p>During the meeting held on 03/08/2016, Shri Neeraj Kumar, Authorized representative of unit requested to waive off the penalty amount imposed on them vide Order-in-Original dated 06/09/2011. It was informed to him that the said penalty cannot be waived off now as it was imposed under FT(D&R) Act, 1992 and their appeal has already been rejected by the BOA.</p> <p>It was also informed to him that as per section 11(4) of the Foreign Trade (Development & Regulation) Act, 1992, there is a provision to settle the cases where a person admits any contravention by imposing a penalty. The Approval Committee gave him the option</p>

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to settle the matter as per section 11(4) of the FT(D&R) Act, 1992 for achievement of negative NFE earnings by imposing penalty @1% of shortfall of reconciled value of NFE in terms of Rule 54 read with its Annexure of the SEZ Rules, 2006. In addition to this, unit shall also be liable to pay the duty on the unutilized goods in terms of Rule 54 of SEZ Rules, Paragraph (ii) of Annexure-I of SEZ Rules, Rule 25 & Rule 37 of SEZ Rules as may be calculated by NSEZ customs.

The Approval Committee observed that the authorized representative of the firm Shri Neeraj Kumar present during the meeting held on 03/08/2016 had assured that he will bring the above aspects to the notice of the promoters of the firm and shall confirm the decision of management in due course. He further requested to provide details of outstanding lease rent in respect of SDF No. H-3A&B, NSEZ and NFE Earnings achieved by them.

The details of outstanding lease rent in respect of SDF No. H-3A&B, NSEZ were provided to the unit vide this office email dated 04/08/2016. Further, the details of NFE earnings achieved by them during last block period were also provided to the representative during the last personal hearing on 03/08/2016.

Shri Kaushik Jha, representative of the unit attended the meeting held on 07/09/2016. Since he did not carry requisite authorization for attending the meeting, he was advised to carry authorization in future if he attends the meeting. He stated that the Committee is considering data only for the last five years i.e. 2008-09 to 2012-13 whereas their unit has been operational since 2003-04 and most of the exports were also done during the early part of their operation. He further requested that there are certain machines which are lying in the said premises and have been in-operational for a long period and requested to grant them permission to take out these machineries from their premises for repair works.

Shri Jha further stated that they have till date not received the details of outstanding lease rent in respect of SDF No. H-3A&B, NSEZ. JDC, NSEZ informed that the said details were already forwarded to the unit representative. The Approval Committee however agreed to provide them again a copy of the details of lease rent. Further, Shri Jha desired to know the basis of calculations of NFE. He was informed that the same has been

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calculated on the basis of APRs submitted by them only.

The Approval Committee rejected the plea of unit to calculate NFE from 10-12-2003 as NFE is calculated cumulatively in blocks of five years and the unit has to achieve positive NFE in each and every block of 5 years as per Rule 54 of SEZ Rules, 2006. The Approval Committee further decided that action for recovery of penalty and outstanding lease rent may be initiated against them as per the relevant provisions.

It was informed to the Approval Committee that the premises of the unit have been taken over by this office under proper Panchnama on 28/10/2016 in the presence of Mr. Ashish Goel, V.P. and Mr. Neeraj Kumar, Authorized Representative of unit. As on date of Panchnama, lease rent of Rs. 28,93,190/- is outstanding against the unit in respect of SDF No. H-3 A&B, NSEZ. Further, the unit has filed a court case in District Session Court.

Shri Neeraj Kumar, authorized representative of unit appeared before the Approval Committee. He informed that he brought all the aspects of the case and decision of the Approval Committee taken in its earlier meeting to the notice of the promoters of the firm. He further informed that the promoters have decided to go by the decision of UAC. Further, the promoters are ready to pay the penalty of Rs. 50,000/-, total outstanding lease rent in respect of SDF No. H-3A&B, NSEZ and any other penalty in terms of section 11(4) of the FT(D&R) Act, 1992 imposed by the Approval Committee for non-achievement of negative NFE, for which he conveyed consent of the promoters.

Shri Kumar desired to know the basis of calculation of the interest on lease rent. It was informed to him that the interest on lease rent is calculated on quarterly basis.

Shri Kumar further requested to renew their LOA for 3 months time and allow them access in the premises to export the machines & goods lying in the stock of unit. It was informed to him that it has been noticed that the unit has filed a case in District session court. Till such time the said case is decided, the matter cannot be settled being sub-judice. Further, unit will also be liable to pay the lease rent for the said period.

Shri Neeraj Kumar informed that they shall withdraw the case filed in the District Session Court and they will submit the copy of withdrawal letter of court case by Friday i.e. 04/11/2016. He also consented to pay the lease rent for the period till they are allowed

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access to clear the machines & goods lying in the premises.

DC, NSEZ in discussion with Approval Committee decided to impose a penalty @1% of shortfall of reconciled value of NFE in terms of Rule 54 read with its Annexure of the SEZ Rules, 2006. In addition to this, unit shall also be liable to pay the duty on the unutilized goods in terms of Rule 54 of SEZ Rules, Paragraph (ii) of Annexure-I of SEZ Rules, Rule 25 & Rule 37 of SEZ Rules as may be calculated by NSEZ customs.

The Approval Committee also allowed access in the premises by the unit exclusively to export the machines & goods lying in the premises subject to deposit of following:

- i) Penalty of Rs. 50,000/- as imposed on them vide Order-in-Original dated 06/09/2011.
- ii) Penalty equivalent to 1% of shortfall of reconciled value of NFE in terms of Rule 54 read with its Annexure of the SEZ Rules, 2006.
- iii) Applicable duty on the unutilized goods in terms of Rule 54 of SEZ Rules, Paragraph (ii) of Annexure-I of SEZ Rules, Rule 25 & Rule 37 of SEZ Rules as calculated by NSEZ customs.
- iv) Lease rent of Rs. 28,93,190/- currently outstanding against the unit in respect of SDF No. H-3 A&B, NSEZ.
- v) Extension of LOA by 3 months only after withdrawal of court case & submission of evidence thereof, only for the purpose of export of machinery/goods lying in the premises.

The Approval Committee further directed that the access in the premises shall be allowed only for export of stock lying in the premises and no further import & export shall be allowed during the said period.

13. Proposal of M/s. Legos India 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 service activities related to Language/Linguistics Service with projected exports of Rs. 275 Lakhs and NFE earnings worth Rs. 97 Lakhs over a

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(Minutes of Meeting of Approval Committee of Noida SEZ held on 02/11/2016)

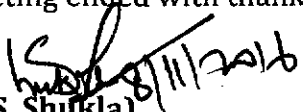
period of five years.

Shri Rajiv Arora, Proprietor appeared before the Approval Committee to explain the project. Shri Arora informed that the firm is working in the area of Translation, Interpretation, Transcription, Voice-over, Globalization, Editing, Proofreading, desktop publication etc. which relates to IT Enabled service. He further informed that they are corporate members of various language associations around the world.

Shri Arora informed that they are also proposing overseas sales & marketing office at Dallas, USA which is proposed to be set up in two months. He further stated that initially they need a space of 100 Sq. mtrs. However, in coming future with increase in business, they will need bigger space of approx. 400-600 sq.mtrs.

The Approval Committee, after due deliberations, approved the proposal of M/s. Legos India for IT/IT Enabled services viz. Language/Linguistics Services.

Meeting ended with thanks to the Chair.


(S. S. Shukla)

Jt. Development Commissioner


(Dr. L. S. Singhal)

Development Commissioner

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