

भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग
विकास आयुक्त का कार्यालय
नौएडा विशेष आर्थिक क्षेत्र
नौएडा दादरी रोड, फेस-II, नौएडा.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: 12/07/2017

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।

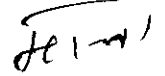
विषय: दिनांक 05/07/2017 को पूर्वाह्न 11:30 बजे आयोजित नोएडा विशेष आर्थिक क्षेत्र की यूनिट अनुमोदन समिति की बैठक का कार्यवृत्त - एतद संबंधी।

महोदय,

मुझे उपरोक्त विषय का सन्दर्भ लेने और डॉ. एल बी सिंघल, विकास आयुक्त, नोएडा विशेष आर्थिक क्षेत्र की अध्यक्षता में दिनांक 05/07/2017 को पूर्वाह्न 11:30 बजे सम्मेलन हॉल, प्रशासनिक भवन, नोएडा विशेष आर्थिक क्षेत्र, नोएडा में 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. 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 05/07/2017 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 Manbir Singh, Asstt. Commissioner, Customs, Noida Commissionerate.
- 4) Shri Tribhuvan Nath Patel, Addl. Statistical Officer, DIC, Noida (Rep. of Principal Secretary, Industry, Govt. of UP.).

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) Rakesh Kumar, Supdt., Customs, NSEZ, (vi) Rajendra Mohan Kashyap, PA to JDC, NSEZ and (vii) 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 06/06/2017:-

It was informed that DRI vide its letter dated 12/06/2017 had raised certain objections against the Para 15, 16 & 21 in respect of M/s. Shri Lal Mahal Ltd. of the Minutes of meeting of Approval Committee held on 03/05/2017 and had inter alia requested to consider amending the Minutes of meeting dated 03/05/2017. The DRI has stated that the statement "The Gold division of the Company was under the direct supervision of Shri

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Harnarayan Agarwal (Director of the Company) who was admitted in the hospital on 22/12/2016" as mentioned in Para 21 is not correct as the persons connected to the gold unit of SLML group in thir statement have stated that the work of gold unit was looked after by Shri Prem Chand Garg and Shri Devashish Garg. They had further stated that as mentioned in Para 15 & 16, letter dated 27/03/2017 of Smt. Anita Garg and letter dated 17/04/2017 of Shri Samrat Mehta in response to the SCN issued to M/s. Shri Lal Mahal Ltd. were neither discussed nor shown to DRI at any stage.

Approval Committee was informed that Minutes of the said meeting were already ratified by the Approval Committee in its earlier meeting held on 06/06/2017. It was further informed that this office vide letter dated 21/06/2017 has clarified the DRI that the Approval Committee had not passed any judgement on the submissions of Shri Rajesh Gupta, Advocate (who appeared on behalf of the said unit) and had taken decision to cancel the LOA on the ground of persistent violations of conditions of LOA/Bond-cum-LUT and provisions of SEZ Act/SEZ Rules, based on information provided by the NSEZ Customs. It was further informed to DRI that decision of cancellation of LOA by the Approval Committee is absolutely independent of any action being taken/proposed to be taken by DRI. It was also informed that the contents of letters received from Smt. Anita Garg and Shri Samrat Mehta were duly incorporated in Para 15, 16, 17 & 20 of the Agenda note, a copy of which was provided to representatives of DRI also during the meeting. Also as requested by DRI, copy of correspondences made under the sign of Shri Har Narayan Agarwal along with Email-IDs of SLML group were forwarded to them vide letter dated 21/06/2017. The Approval Committee took note of this fact.

Since, no reference against the decisions of the Approval Committee taken by it in its meeting held on 06/06/2017 was received. Minutes of the meeting held on 06/06/2017 were ratified.

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

1.	Proposal of M/s. Sampan Tradex Pvt. Ltd. for setting up a new Unit in NSEZ. It was informed to the Approval Committee that the applicant has proposed to set up a new unit in NSEZ to undertake Manufacturing & export of Plain Gold Jewellery, Studded Gold Jewellery, Polki/Kundan Gold Jewellery with projected exports of Rs. 15859.51
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Lakhs and NFE earnings worth Rs. 994.87 Lakhs over a period of five years.

It was informed that Approval Committee in its earlier meeting held on 06/06/2017 had directed that a team from NSEZ shall undertake physical inspection of the DTA operations of the applicant. Accordingly, a team from NSEZ visited the address of the company in Karol Bagh, Delhi on 04/07/2017. The team in its inspection report stated as under:

“The applicant firm is not involved in manufacturing process. They procure jewellery from Karigars based in Karol Bagh after giving them pure gold which is only 1-2 kgs per month as was accepted by the Karigars before them. There were no premises owned or rented by the said firm for manufacturing process which proves that they are a trading unit. Further, applicant has never exported any goods till date.

It was also informed that as per balance sheet submitted by the applicant, total revenue from operation during last three assessment years 2016-17, 2015-16 & 2014-15 are Rs. 160 Crores, Rs. 155.99 Crores and Rs. 43.57 Crores respectively. However, as per ITRs income for last three years are Rs. 4.22 Lakhs, Rs. 5.73 Lakhs and Rs. 1.63 Lakhs respectively only.”

The Approval Committee observed that the applicant in its project report had stated as under:

“The company has been engaged in business with many high profile companies in Gems & Jewellery sector which includes selling the products made by the company or preparing the product as per requirement of the clients. It has also been claimed that the company has State of Art factory equipped with machineries of best standards to ensure its dominant infrastructure capability in Gems & Jewellery manufacturing. Each factory is a Centre of excellence, combining traditional skills with the latest international standards in manufacturing.”

However, ground reality is not same as is evident from the report of team.

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Shri Hitesh Salwan, director appeared before the Approval Committee. He informed that they do manufacturing through Job-work based on requirement of orders. He accepted that the information given in the project report regarding the manufacturing facility was wrong. He also mentioned that their substantial sale proceeds are from trading of Cloths.

The Approval Committee, after due deliberations, observed that M/s. Sampan Tradex Pvt. Ltd. has sought approval for setting up a unit in NSEZ on the basis of submission of false project report. The unit had not only deliberately misrepresented factual position regarding their manufacturing capabilities but also did not have any experience in the field of manufacturing of gold jewellery. Therefore, the Approval Committee rejected the same in terms of section 15(3) of SEZ Act, 2005 & Rule 18 of SEZ Rules, 2006.

2. Proposal of M/s. Kapoor Technology 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 *e-passport Inlay, e-Card, e-Keyfob, e-Certificate, e-Inlay, e-Wristband, e-Prelam & e-Tag, e-Pass, Electronic Fare & Toll Collection Token & Cards, Electronic Sub-assembly, Reader & Software and molded Components* with projected exports of Rs. 6300 Lakhs and NFE earnings worth Rs. 1750 Lakhs over a period of five years.

Shri Puneet Kapoor, Partner in the firm appeared before the Approval Committee to explain the project. He informed that they have already been running two units in NSEZ namely APK Identification and APK Identification (Delhi) which are engaged into manufacturing of e-tokens, smart/contactless cards, machining chips for Animal identification etc. since 2003 and 2008 respectively. Turnover of both units during last five years are approx. Rs. 235 Crores and currently approx. 270 people are employed in these units.

He further informed that the instant proposal is for manufacturing of e-passport Inlay, e-Card etc. as countries worldwide are switching from Normal Passport to Electronic Passport which will have an electric inlay for enhanced security and quick authentication. The government of India has also decided to issue e-passport for which tender has been floated for supply for 35 Million pieces by India Security Press, Nasik. He also informed that they have proposed to make investment worth Rs. 10 Crores in the said project and

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approx. 200 persons shall be employed in the unit.

The Approval Committee, after due deliberations, approved the proposal of M/s. Kapoor Technology for Manufacturing & export of e-passport Inlay, e-Card, e-Keyfob, e-Certificate, e-Inlay, e-Wristband, e-Prelam & e-Tag, e-Pass, Electronic Fare & Toll Collection Token & Cards, Electronic Sub-assembly, Reader & Software and molded Components. The Approval Committee also directed the applicant to submit copy of partnership duly registered with Registrar of Firms at the earliest.

3. Proposal of M/s. Reyant Impex for setting up a new Unit in NSEZ.

It was informed to the Approval Committee that the applicant has proposed to set up a new unit in NSEZ to undertake Manufacturing & export of Plain Gold Jewellery, Plain Silver Jewellery, Gold Jewellery studded with Pearls, Silver Jewellery studded with Pearls with projected exports of Rs. 18000 Lakhs and NFE earnings worth Rs. 2085 Lakhs over a period of five years.

Shri Sandeep Aggarwal, proprietor and Smt. Pooja Aggarwal appeared before the Approval Committee to explain the project. Shri Aggarwal informed that he has vast experience in the business of manufacturing/import/export/distribution of various goods for more than 20 years and has done jewellery designing course from Gemological Institute of America. He further informed that he does not have any experience in manufacturing of Gems & Jewellery sector. Besides, his wife Smt. Pooja Aggarwal has also done Jewellery designing course from Gemological Institute of America.

He further informed that his wife Smt. Pooja Aggarwal has worked with British Airways at IGI Airport from 2007-2013 as ground staff and is experienced in handling the import/export cargo of jewellery through air cargo & dealing with Custom clearance etc. She also has done Jewellery designing course from Gemological Institute of America. After British Airways, she joined Jewellers and assisted in jewellery designing. He also informed that they will soon convert the constitution of the firm from proprietorship to partnership with Smt. Pooja Aggarwal as another partner.

Smt. Pooja Aggarwal informed that they have planned to invest approx. Rs. 10 Lakhs in the proposed manufacturing facility and 20-25 skilled craftsmen will be employed initially. She further informed that most of the jewellery shall be Handmade jewellery.

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100% manufacturing shall be done in-house and no job-work shall be undertaken.

The Approval Committee observed that Smt. Pooja Aggarwal has done one week course in Diamond/Gem Stone grading. Further, the proprietor does not have any experience in the relevant sector of Gems & Jewellery.

The Approval Committee, after due deliberations, deferred the proposal for its next meeting and directed the proprietor to submit copy of certificate of Gemological Institute of America along with details of proposed activity, name and number of machinery with cost break up and proposed employment. The Approval Committee also directed that the credentials of the applicant may be got verified from jurisdictional Central Excise and Income Tax Deptt. In addition, Approval Committee directed that a team from NSEZ also shall undertake physical verification of existing business of the applicant firm.

4. **Proposal in respect of M/s. Meenakshi International for Monitoring of performance and renewal of LOA.**

It was informed to the Approval Committee that the unit has been issued LOA dated 16/03/2000 for manufacturing of plain & studded Gold/Silver/Platinum jewellery. The unit has commenced its export production w.e.f. 15/04/2000 and LOA of the unit was valid till 31/03/2017. The unit has been lying non-functional since 2011-12. The unit has been allotted Plot No. 163, NSEZ to carry out its authorized operations.

It was informed that the Approval Committee in its meeting held on 04/05/2016 had decided to renew the LOA of the unit for one year i.e. upto 31/03/2017 subject to condition that further renewal shall be decided on the basis of performance of unit during the extended validity period. However, the unit has till date not informed this office about re-commencement of export production. In this extended period of one year also, no export has been effected.

Shri Lovlesh Jain, proprietor of the firm appeared before the Approval Committee. He informed that due to recession and difficult work scenario in the international market they could not carry out operations in the unit for last seven years. He also stated that due to non-functioning of the firm for such a long period, they lost all their clients. He further informed that now the market conditions are better than before. He is continuously

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meeting with the prospective buyers and he hope to restart their activities in NSEZ in two or more years.

Shri Jain further informed that there was a case pending against the unit in 2009, under Customs Act, in which they had filed an appeal. They had also deposited Fixed deposit of Rs. 10 Lakhs with Custom Authorities as safeguard. Now, the CESTAT tribunal vide its order dated 16/11/2016 has allowed the appeal in their favour. He requested to release their original fixed deposit of Rs. 10 Lakhs. It was informed to the Approval Committee that Noida Customs is filing an appeal before Hon'ble High Court, Allahabad against CESTAT order dated 16/11/2016.

The Approval Committee informed Shri Jain that LOA of the unit has expired on 31/03/2017 and consequently lease right, being co-terminus with validity of LOA, also stands expired on 31/03/2017, in terms of provisions of Rule 11(5) of SEZ Rules, 2006.

The Approval Committee asked Shri Jain that how much time they need to re-start their export activities. Shri Jain informed that he has the intent to start the export activities. However, he cannot give any commitment about the time frame within which they can start the export activities. Shri Jain requested to extend their LOA at least for a period of two years.

The Approval Committee deliberated in detail and observed that the unit has been lying non-functional since 2011-12 and unit could not re-start its activities even in the extended period. Even promoter is not willing to start activities in near future and is asking for minimum two years. On the basis of the case as available in records and also on the submissions of the promoter and in the absence of any firm commitment on behalf of the promoter of the unit regarding re-start of operations in near future, the Approval Committee did not find any merit in the request for extension of LOA validity for two years.

The Approval Committee, after due deliberations, rejected the request of unit and decided not to extend the validity of LOA further. The Approval Committee further decided that LOA of the unit stands expired w.e.f. expiry of its validity on 31/03/2017 and consequently lease right of Plot No. 163, NSEZ being co-terminus with validity of LOA also stands expired on 31/03/2017 in terms of provisions of Rule 11(5) of SEZ Rules, 2006.

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The Approval Committee directed the Estate Management section to take necessary action against the unit as appropriate under provisions of P.P. Act to takeover possession of space allotted to it.

5. Proposal in respect of M/s. JP Horology for Monitoring of performance and renewal of LOA.

It was informed to the Approval Committee that the unit has been issued LOA dated 01/05/1996 for Manufacturing & Export of (1) Clocks/Time Pieces/Watches of all types and parts thereof and (2) Trading Activities. The unit has commenced its export production w.e.f. 18/11/1996 and LOA of the unit was valid till 30/06/2017.

It was informed that the Approval Committee in its meeting held on 05/04/2017 renewed the LOA of unit for three months upto 30/06/2017 and directed the unit to submit APR for the period 2016-17, so as to ascertain correct status of NFE earnings achieved by the unit. The Approval Committee further decided that request of further extension in the validity of LOA shall be considered after receipt of APR for the period 2016-17 and monitoring of performance of unit under Rule 54 of SEZ Rules, 2006

The Approval Committee monitored the performance on the basis of APRs received for the previous block of five years period i.e. between 2012-13 to 2016-17 and observed that unit has achieved negative NFE worth Rs. 2.20 Lakhs during previous block of five years.

Shri Atul Narula, authorized representative of the unit appeared before the Approval Committee. He informed that they have made exports worth Rs. 10,34,978/- during the extended period of three months and one consignment of around Rs.5,00,000/- is under process. He further informed that they are now focusing on the Mechanical watches and their export market is mainly Switzerland. They are importing parts of watches from Switzerland and exporting watches to Switzerland.

The Approval Committee informed Shri Narula that in terms of Rule 25 of SEZ Rules, 2006, the unit is liable for penal action under the provisions of FT(D&R) Act, 1992 for achievement of negative NFE during previous block of five years. It was also informed to him that as per section 11(4) of the Foreign Trade (Development & Regulation) Act, there

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is a provision to settle the cases where a person admits any contravention.

The Approval Committee gave him the option 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. In addition to this, unit shall also be liable to pay the duty on the unutilized goods corresponding to negative NFE 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. Shri Narula consented to settle the case as per section 11(4) of the FT(D&R) Act, 1992 for achievement of negative NFE earnings.

In the light of facts & circumstances of the case, DC, NSEZ in discussion with the members of the Approval Committee imposed a penalty of Rs. 10,000/- for achievement of negative NFE earnings. Unit shall also have to pay duty on the unutilized raw material corresponding to negative NFE. Unit agreed for the same.

The Approval Committee further observed that the unit has been allowed Trading activities in its authorized operations, which is currently not being carried out by them. Shri Narula informed that although they are currently not carrying out Trading activities, they may require doing trading activities at a later stage. Hence, they would like to retain the Trading activities. Shri Narula informed that they will not sale traded goods in DTA and will do 100% exports. Approval Committee decided that trading will be permitted subject to the condition of 100% physical export. Shri Narula also gave his consent for inclusion of suitable condition in LOA with regard to Trading activities.

The Approval Committee, after due deliberations, renewed the LOA for two years i.e. upto 30/06/2019 and decided that further renewal shall be considered on the basis of performance of unit during the extended period of validity of LOA. The Approval Committee further decided that in respect of trading activities, 100% physical export shall be carried out by the unit and no DTA sale shall be allowed.

6. Proposal in respect of M/s. Ameks Techfab Pvt. Ltd. for Monitoring of performance and renewal of LOA.

It was informed to the Approval Committee that the unit has been issued LOA dated 25/04/2006 for Manufacturing & Export of Home Textile, Made- Ups Clothing, Uniform

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Safety Jackets & Accessories - Defence.

It was informed to the Approval Committee that last and final extension in the validity of LOA granted by the Development Commissioner was valid till 24/04/2010. Based on the intimation by the unit, DCP of the unit was taken on records as 22/09/2009 and LOA was revalidated for five years upto 21/09/2014. However, as observed from APRs they have not made any export during the said period since inception.

Shri Rahul Bhatnagar, director of the company appeared before the Approval Committee. Shri Bhatnagar informed that their core set up is for producing protective gear for ballistic protection for defense application in International export market and National Defense & Internal Security. During 2009-10, tenders were floated for procurement of such products however the same was cancelled by the Ministry of Home Affairs. At the same time, main promoters of the company faced another setback in their business, which affected their cash flow and financial position.

Shri Bhatnagar informed that they had started production and manufactured 200 jackets in 2009. Out of which total 40 jackets as samples were sent to DRDO for testing. He further informed that Industrial License was not required at that time. However, it has been made compulsory to obtain Industrial License since year 2014 and they are in process to obtain the same. He also informed that despite being non-functional due to above said period, they have been incurring expenses on NSEZ unit with the hope for restarting the business.

He further informed that there has been change in board of directors and shareholding of the company. New directors have been brought on the board to support the company financially. Smt. Chhaya Devi, newly appointed director, who also appeared before the Approval Committee, informed that they are proposing to invest approx. Rs. 30 Crores in the company within a year with projected employment to 150 persons.

It was informed to them that if they have not started the export production then their intimation of DCP will not be valid and accordingly LOA would stand expired w.e.f. 24/04/2010 (date on which validity of 4th year extension of LOA expired). It was further informed to them that Industrial License is also required to manufacture Bullet Proof

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jackets and other protective gears related to Defence items.

The Approval Committee, after due deliberations, deferred the matter with a direction to the unit to submit documentary proof for (i) evidence of DCP; (ii) for sending the products to DRDO, if any; (iii) effective date for requirement of Industrial License and (iv) copy of Industrial License. The Approval Committee further directed NSEZ Customs to physically inspect the unit and also to verify the details of export/DTA sale and procurement of goods by the unit since inception.

7. Proposal in respect of M/s. M.R. Utility Products Pvt. Ltd. for Renewal of LOA; Change in Directors/Shareholding, matter related to violation of condition No. 14 of Bond-cum-LUT and Monitoring of performance.

It was informed to the Approval Committee that the unit has been issued LOA dated 28/12/2005 for Manufacturing & Export of Tooth Brushes and other Oral/Dental care products. The unit has commenced its export production w.e.f. 21/05/2007 and LOA of the unit is valid till 20/08/2017. As per the APRs submitted by the unit upto 2015-16, the unit has made exports worth Rs. 7177.73 Lakhs and earned positive NFE earnings worth Rs. 5761.49 Lakhs during the previous block of five years.

It was informed to the Approval Committee that in 2015, unit had informed about change of directors of the company. It was observed that there was change in directors of the company during 2006-07. However, unit failed to inform this office about the said changes timely, which is a violation of condition No. 14 of Bond-cum-LUT. It was further informed that there was also change in shareholding of unit w.e.f. 31/03/2007 and 50% shares were transferred to M/s. Global Dent Aids Pvt. Ltd.

Shri Ramesh Wadhwa, director appeared before the Approval Committee. He informed that they supply to another NSEZ unit namely M/s. Global Dent Aids Pvt. Ltd., which is also a major shareholder of their company. He further informed that they mainly manufacture Moulding parts of Brush and supply it to M/s. Global Dent Aids Pvt. Ltd. which uses the same to manufacture complete Brush.

Shri Wadhwa also admitted the delay on their part for non-intimation about change in directors/shareholding in time and requested for help in sorting these issues out. It was

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informed to him that as per section 11(4) of the Foreign Trade (Development & Regulation) Act, there is a penalty provision to settle the cases where a person admits any contravention. In the light of facts & circumstances of the case, DC, NSEZ in discussion with the members of the Approval Committee imposed a penalty of Rs. 10,000/- on the unit, for which Shri Wadhwa gave his consent. The Approval Committee also directed the unit to be more careful in future for timely compliances.

The Approval Committee, after due deliberations, decided to renew the LOA for remaining period of five years i.e. upto 20/05/2022 subject to payment of penalty by the unit. The Approval Committee also monitored the performance and noted achievement of positive NFE earnings by the unit during previous block of five years.

8. Proposal in respect of M/s. Vikas Ecotech Ltd. for issue of export without permission.

It was informed to the Approval Committee that M/s. Vikas Ecotech Ltd. has been issued an LOA dated 18/10/2016 for Manufacturing & Export of Methyl Tin Mercaptide (MTM) and PVC Compound. The unit has commenced its export production w.e.f. 20/03/2017 and LOA is accordingly valid till 19/03/2022.

It was further informed that the unit has submitted a proposal on 17/04/2017 for inclusion of "Thermoplastic Compound (TPR/TPE, Brand name Veeprene) [ITC-40021990]; and SOE Compound (Brand name - V Blend) [ITC- 39039090]" as authorized operations in their LOA, which was approved by the Approval Committee in its meeting held on 06/06/2017.

It was also informed that a Committee comprising Md. Salik Parwaiz, DCC, NSEZ, Smt. Mala Rangarajan, DDC, NSEZ and representative of UPPCB, Noida visited the premises of unit on 31/05/2017 and observed that unit has made 2 export shipments of V-blend SOE Compound worth Rs. 157.25 Lakhs on 29/03/2017 and 30/03/2017 without having included these items in their authorized operations.

The Specified Officer, NSEZ informed that the duty amount on the goods imported for manufacturing of products worth Rs.157.25 Lakhs, which were exported without permission, comes to approx. Rs. 15 Lakhs. He further informed that the above said item

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i.e. 'SOE Compound' was neither a part of authorized operations nor the unit has made any application for inclusion of the same in LOA, when it was exported. Hence, under Customs Act, duty benefits taken on the imported goods used for unauthorized operations will have to be refunded by the unit.

Shri Sunil Dhameja and Shri Nishesh Kumar, authorized representatives of the company appeared before the Approval Committee. Shri Dhameja accepted mistake on their part for exporting V-blend SOE Compound without taking permission from this office. He stated that they are new to SEZ Rules and procedures and they procured a different compound namely "SOE Compound" thinking this could also be manufactured and exported, being slightly different but from the family of compounds. He further stated that there has been no revenue loss as the said goods were received in the unit and were duly exported after subjecting it to the manufacturing activities. There was no bad intention on the part of unit and the mistake happened by the misunderstanding of the staff.

He requested to take lenient view in this matter as this happened without any malafide intention and the duty free raw material imported has been fully utilized for export.

The Approval Committee discussed the matter in detail. The business in SEZ is based on self-declaration and activities of unit should be within ambit of authorized operations given in LOA. Further, NSEZ Customs observed that it does not have discretionary power w.r.t. duty exemption for the activity not authorized to a unit in the LOA. It was observed that inputs were not utilized for authorized operations in LOA on the relevant date and therefore, after due deliberations, Approval Committee decided that the unit shall have to return the duty amount equivalent to the duty foregone on the goods imported for manufacturing of products worth Rs.157.25 Lakhs which were exported without permission. The Approval Committee directed the NSEZ Customs to calculate exact amount of duty benefits and recover the same from the unit.

9. **Proposal of M/s. Raj Jewellers for inclusion of additional authorized operations in LOA.**

No one from the unit appeared for the meeting. It was informed to the Approval Committee that recently it has come to notice that a team of DRI has raided the premises

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	<p>of the unit in NSEZ and seized one consignment at IGI Airport. Matter is under investigation. Outcome of the said raid/investigation is awaited.</p> <p>In view of above, the Approval Committee deferred the proposal of the unit till the decision is taken by DRI in the matter.</p>
10.	<p>Proposal of M/s. V.V. Impex for inclusion of additional authorized operations in LOA.</p> <p>No one from the unit appeared for the meeting. It was informed that the promoter of the unit has informed that he is unable to attend the meeting as he is currently out of India for business purpose and requested for adjournment. The Approval Committee decided to defer the proposal for its next meeting.</p>
11.	<p>Proposal in respect of Sunglass Palace Pvt. Ltd. for inclusion of additional authorized operations in LOA.</p> <p>It was informed to the Approval Committee that M/s. Sunglass Palace Pvt. Ltd. was issued an LOA dated 28/09/2012 for Trading of Imported Watches, Bicycles, Water Cooler, Skin Cares, Bags, Footwears, Pet Cares and Baby Accessories, all Crockery items and Parka Jackets. The unit commenced its export production w.e.f. 27/09/2013 and LOA is valid till 26/09/2018.</p> <p>It was informed to the Approval Committee that the unit has submitted a proposal for inclusion of "Trading of Apparel Garments" as authorized operations in their LOA.</p> <p>Shri Arun Malhotra, director appeared before the Approval Committee. He informed that they have been allowed Parka Jackets in their authorized operations. However, the business of parka jackets is now low due to summer season. Hence, they want to include Apparel Garments in their authorized operations which cover all the garments including T-shirts, jackets, etc.</p> <p>It was informed that the Approval Committee in its meeting held on 22/07/2015 had approved the request of unit for inclusion of Parka Jackets in its authorized operations, which was conveyed to the unit vide this office letter dated 30/07/2015 subject to condition that unit shall submit acceptance of the said letter and execute Bond-cum-LUT.</p>

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However, till date, unit has neither submitted acceptance nor executed Bond-cum-LUT against above amendment letter dated 30/07/2015. Further, unit has made import worth USD 76542 and export worth USD 82120.88 of Parka Jackets without submitting acceptance letter and without execution of BLUT against approval letter for inclusion of Parka Jackets.

Shri Malhotra accepted the non-compliance on their part and stated that as there was no material change in export and import turn over, they inadvertently skipped the LUT and acceptance letter. Further, there was no additional duty involved in amended LOP as the export/import figures were similar to LOA dated 28/09/2012. He requested to condone the non-compliance on their part. Approval Committee directed him to be more careful for compliances.

The Approval Committee asked Shri Malhotra whether they are carrying out trading of all the items which they are permitted in LOA. Shri Malhotra informed that they are not carrying out trading of Bicycles, Water Cooler, Skin Cares, Footwears, Pet Cares and Baby Accessories. He requested Approval Committee to exclude these items from the LOA. He also requested to allow them Apparel Garments as a general heading in LOA.

The Approval Committee, after due deliberations, decided to delete trading of Bicycles, Water Cooler, Skin Cares, Footwears, Pet Cares and Baby Accessories from existing authorized operations of the unit. The Approval Committee further agreed to the request of unit for revision as well as addition of the authorized operations subject to condition that 100% physical export shall be undertaken and no DTA sale will be allowed. Revised authorized operations in the LOA of the unit would be as under:

“Trading of Imported Watches, Bags, all Crockery items and Apparel Garments”

12. Proposal in respect of Golden Peacock Overseas Ltd. for inclusion of additional authorized operations in LOA.

It was informed to the Approval Committee that M/s. Golden Peacock Overseas Ltd. was issued an LOA dated 16/10/1989 for manufacturing of Lamp Holder, Table Lamp, Hanging Lamps, Wall Lights, Electrical Accessories, Handicraft and other Decorative Items

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made of Brass, Aluminium, Iron, Steel etc. in combination with Plastic and Glass, Plastic Moulded Components of Lamp Holders and Light Fittings (with or without Metal Part Assembly). The unit commenced its export production w.e.f. 01/07/1992 and LOA is valid till 31/03/2022.

It was informed to the Approval Committee that the unit has submitted a proposal for inclusion of manufacturing of additional authorized operations in their LOA.

Shri Vikas Rungta and Shri Gulshan Kumar, authorized representatives of the company appeared before the Approval Committee. Shri Rungta informed that they are getting a lot of enquiry of building hardware, other articles of brass suspension kit and brass parts from overseas buyers. He informed that they will procure the raw material like MS Wire and do crimping/casting/punching on them before exporting them.

The Approval Committee, after due deliberations, approved the proposal of unit for inclusion of "Other Articles of Brass and MS (7419), 2. Brass Parts (7415), 3. Brass Building Hardware (8302), 4. Suspension Kit (9405)" subject to the condition that list of parts would be specified by the unit.

13. Proposal in respect of M/s. Indo Widecom International Ltd. for review of LOA.

It was informed to the Approval Committee that M/s. Indo Widecom International Ltd. was issued an LOA dated 21/10/1997 for Manufacturing & Export of Wide Format Fax Machines (Scanner/Plotter). The unit commenced its export production w.e.f. 06/10/1998 and LOA was valid till 30/04/2013. The unit has been allotted SDF No. D-7A, NSEZ.

It was further informed that the Approval Committee in its meeting held on 17/10/2014 had cancelled the LOA of unit and directed the unit to clear outstanding lease rent failing which recovery certificate shall be enforced against the promoter. The unit filed an appeal before the BOA, which was heard in the meeting of BOA held on 27/08/2015. The BOA reverted back the appeal to DC, NSEZ for verifying the contentions of the appellant from official records and to decide the appeal accordingly.

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