

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: 13/12/2016

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 07/12/2016 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 07/12/2016 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

## Noida Special Economic Zone

(Minutes of Meeting of Approval Committee of Noida SEZ held on 07/12/2016)

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### 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 07/12/2016 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) Shri Tribhuvan Nath Patel, Addl. Statistical Officer, DIC, Noida (Rep. of Principal Secretary, Industry, Govt. of UP.).
- 4) Shri S.K. Tomar, Supdt., Customs, Noida Commissionerate.
- 5) 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) Satish C. Gangar, Specified Officer, NSEZ, (iii) R.P. Verma, Asstt. Development Commissioner, NSEZ, (iv) Rajendra Mohan Kashyap, PA to JDC, NSEZ, and (v) Bhuvan Yadav, 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 02/11/2016:-**

It was informed that no reference against the decisions of the Approval Committee held on 02/11/2016 was received and therefore, Minutes of the meeting held on 02/11/2016 were ratified.



**Item wise decisions on proposals included in agenda:**

1.	<p><b>Proposal of M/s. The Kavaliers for renewal of LOA for five years and monitoring of performance.</b></p> <p>It was informed to the Approval Committee that M/s. The Kavaliers has been issued a LOA dated 04/07/2005 for Manufacturing of Different Types of Builders Hardware, Art ware &amp; Engineering Goods Manufactured in any Metal or Wood or Plastic in any form of Manufacturing. The unit has made exports worth Rs. 164.05 Lakhs and earned positive NFE worth Rs. 99.76 Lakhs as on 31/03/2016 during the last block of five years.</p> <p>It was further informed that in view of urgency shown by the promoter of the unit, LOA of the unit was renewed upto 31/12/2016 to enable them continue their export business.</p> <p>The Approval Committee monitored the performance of the unit in terms of Rule 54 of SEZ Rules, 2006 on the basis of APRs up to 2015-16 and noted achievement of positive NFE by the unit. The Approval Committee observed that foreign exchange of Rs. 2.57 Lakhs has been shown pending for realization as per APR for the year 2015-16 submitted by the unit. No one from the company appeared for the meeting.</p> <p>The Approval Committee, after due deliberation, decided to renew the LOA for remaining period of five years block i.e. upto 13/08/2021. The Approval Committee also directed that the unit be asked to submit details of pending forex of Rs. 2.57 Lakhs along with current status of realization within 15 days specifically details of pending Foreign Exchange beyond prescribed period of nine months from date of exports. The Approval Committee also directed to ask the unit to submit permission from RBI for extension of time to realize the foreign exchange, if the said foreign exchange has not been realized within the prescribed time limit of nine months.</p>
2.	<p><b>Proposal of M/s. ANG Industries Ltd. (Unit-II) for renewal of LOA for five years in terms of rule 19(6) of SEZ Rules'06.</b></p> <p>It was informed to the Approval Committee that M/s. ANG Industries Ltd. (Unit-II) has been issued a LOA dated 11/08/2005 for Manufacturing &amp; Trading activities. The unit</p>

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has made exports worth Rs. 2536.76 Lakhs and earned positive NFE worth Rs. 2410.25 Lakhs as on 31/03/2015 during the last block of five years. APR for the year 2015-16 is awaited from the unit.

It was also informed that M/s. ANG Industries Ltd. had been issued another LOA (Unit-I) dated 03/05/2005, which was operational from SDF No.I-11, NSEZ. LOA of the said unit was valid till 03/10/2015. It was informed that promoters of the company were called and advised by this office to apply for either renewal of LOA or to submit their option to exit from SEZ scheme. Incomplete proposal for renewal of LOA in respect of Unit-II at Plot No. 150-A, NSEZ has been received. However, no proposal in respect of Unit-I has been submitted.

The Approval Committee observed that total lease rent of Rs. 31,71,944/- (Rs. 8,89,421/- in respect of Plot No. 150A, NSEZ + Rs. 22,82,523/- in respect of SDF No. I-11, NSEZ) outstanding against the company. Eviction Order in respect of Plot No. 150A, NSEZ has been issued. Recovery Certificate has been issued against Unit-I for recovery of outstanding lease rent of Rs. 22,82,523/- in respect of SDF No. I-11, NSEZ.

No one from the company appeared for the meeting whereas the communication for appearing before the Approval Committee was sent through Email. The Approval Committee noted that the unit has not submitted projections and other details as asked vide this office letter dated 18/11/2016 in connection with its proposal for renewal of LOA in respect of Unit-II.

The Approval Committee, after due deliberations, decided to defer the proposal for its next meeting and directed that a reminder be sent through speed post/email to the unit to submit reply of this office letter dated 18/11/2016 along with a direction to ensure their presence in the next meeting of Approval Committee. Approval Committee further directed the Estate Management section to take necessary action in respect of both the units, as required under provisions of P.P. Act.

**3. Proposal of M/s. Gujeswori Apparels for renewal of LOA for five years in terms of Rule 19(6) of SEZ Rules'06.**

It was informed to the Approval Committee that M/s. Gujeswori Apparels has been

issued an LOA dated 17/04/2003 for Manufacturing & Export of Readymade Garments. The Approval Committee in its meeting held on 04/05/2016 extended the validity of LOA for six months i.e. upto 28/10/2016. Validity of LOA of the unit was renewed upto 28/12/2016 to enable them to carry on their export business.

Shri Anup Nayak and Shri Mahesh Kumar appeared on behalf of the firm before the Approval Committee. Shri Anup Nayak informed that they have done exports worth Rs. 1.78 Crores since 11/04/2016 to USA & UK and currently approx. 50 employees are working in the unit. He further informed that the outstanding lease rent of Rs. 1,12,781/- has been deposited by them on 06/12/2016.

The Approval Committee, after due deliberation, decided to renew the LOA for remaining period of five years block i.e. upto 25/09/2020. Unit shall ensure to maintain their growth in business from NSEZ.

4. **Proposal in respect of M/s. Arditi India Pvt. Ltd. for change in Directors; matter relating to violation of condition no.14 of Bond-cum-LUT; review of authorized operations and monitoring of performance.**

It was informed to the Approval Committee that M/s. Arditi India Pvt. Ltd. has been issued an LOA dated 28/02/2013 for Manufacturing & Trading activities. It was informed that the unit has intimated about change in directors & regd. office address of the company w.e.f. 01/06/2014 & 25/03/2014 respectively as per following details:-

<b>Directors (prior to change)</b>	<b>Directors (post change)</b>
1. Mr. Dinesh Sharma	1. Mr. Dinesh Sharma
2. Mrs. Sujata Kapoor	2. Mr. Aldo Arditi
3. Mr. Aldo Arditi	3. Mr. Gian Battista Rebutini
4. Mr. Gian Battista Rebutini	4. Mr. Rohit Kapoor

The Approval Committee observed that as per APR data, unit has not made any physical exports till date and unit has not done any manufacturing activity. The unit has been doing business only in trading by making supply in DTA. Besides, forex of Rs. 8.04 Lakhs is also pending for realization as on 31/03/2016. This was informed to the Directors of the company, who appeared before Approval Committee. It was also informed that SEZ is



primarily meant for exports.

Shri Rohit Kapoor and Shri Dinesh Sharma, Directors of the company appeared before the Approval Committee. Shri Kapoor informed that M/s. Arditi India Pvt. Ltd. is an Indo-Italian venture and there is no change in shareholding due to change in directors. It was informed to him that the unit has intimated about change in board of directors and regd. office address after delay of 2½ years, which is violation of condition No. 14 of Bond-cum-LUT executed by unit. Shri Kapoor admitted the delay on their part and requested for help in sorting these issues out. He further assured that they will be more careful in future.

It was informed to them 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. The authorized representatives consented to settle the case as per section 11(4) of the FT(D&R) Act, 1992 for non-intimation of change in directors/regd. office address timely. Shri Rohit Kapoor, however, requested for a minimum penalty.

In the light of facts & circumstances of the case, DC, NSEZ in discussion with members of the Approval Committee imposed a penalty of Rs. 10,000/- on the unit in terms of section 11(4) of FT(D&R) Act, 1992. The Approval Committee also decided to take note of change in Board of Directors and Change in regd. office address subject to payment of penalty of Rs. 10,000/- by the unit.

It was further informed that as per APR for the year 2015-16, forex of Rs. 8.04 Lakhs is pending for realization. As per RBI guidelines, SEZ units are required to realize the forex within a time period of nine months from the date of export. The Approval Committee directed the unit to obtain permission from RBI for extension in time to realize the said foreign exchange, if foreign exchange is pending beyond nine months from date of exports and inform the same to this office.

As regards non-commencement of manufacturing activity & physical exports, Shri Rohit Kapoor informed that they have ordered machines for commencing manufacturing operations, which shall be installed and would be ready for operation within two weeks. He assured that they would commence physical exports thereafter.



Shri Kapoor informed that currently the goods worth Rs. 2 Crores are lying in the stock of the unit and ready for clearance in DTA and he requested to give permission for six months to clear these goods in DTA against free foreign exchange as permissible under Rule 53 of SEZ Rules, 2006.

The Approval Committee, after due deliberations, allowed time upto 30/04/2017 for clearance of goods already imported and lying in the stock of the unit, as on date of its meeting i.e. on 07/12/2016, in DTA against freely convertible currency as permissible under Rule 53 of SEZ Rules, 2006.

The Approval Committee observed that the unit has been allowed manufacturing of Electrical and electronic components for lighting and components for lighting and parts thereof including LED Modules & Fixture. The Approval Committee directed the unit to submit manufacturing process flow chart of each of manufacturing items, along with the ITC HS Code of specific items of manufacture.

The Approval Committee, after due deliberations, approved the trading activities subject to the following conditions:

1. 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.
2. Existing stock can be cleared in DTA in freely convertible currency as permissible under Rule 53 of SEZ Rules, 2006 till 30/04/2017. Thereafter, no DTA clearance for trading goods shall be allowed.
3. Unit will maintain separate area earmarked for manufacturing and trading activities and maintain separate records/accounts of NFE for manufacturing and trading activities.
4. NFE status for manufacturing activity and trading activity will be seen separately.

**5. Proposal of M/s. GKB Opticals Ltd. for inclusion of Trading items as authorized operations in LOA.**

It was informed to the Approval Committee that M/s. GKB Opticals Ltd. has been issued an LOA dated 17/06/2011 for Manufacturing & Export of Glass/mineral and Bifocal

Ophthalmic Lens and Sunglass Lenses of Glass. Unit has commenced its export production w.e.f. 28/06/2012 and LOA of the unit is valid till 27/06/2017. It was also informed that the unit has submitted a proposal for inclusion of additional items i.e. "Trading of Plastic Ophthalmic Lens & Spectacle Frame fitted with Lenses" in their authorized operations.

Shri KM Gupta and Shri Vivek Gupta, Directors of company appeared before the Approval Committee. Shri KM Gupta informed that that they wish to expand the scope of the business in view of the demand of Plastic Lenses as the situation of the Glass Lenses market is decreasing globally. He informed that currently these lenses are manufactured only by some overseas countries. He further informed that they are also planning to start manufacturing of these items in India.

The Approval Committee observed that unit has not requested for manufacturing of Plastic Ophthalmic Lens and it has only submitted proposal for trading activities. The Approval Committee further observed that lease rent of Rs. 8,29,675/- is currently outstanding against the unit.

The Approval Committee also observed that the unit vide this office letter dated 18/11/2016 was requested to submit some documents/information related to their instant proposal. However, reply is still awaited.

The Approval Committee directed the unit to submit a complete proposal for manufacturing & trading activities along with reply of this office letter dated 18/11/2016. The Approval Committee further directed the unit to clear entire outstanding lease rent.

The Approval Committee, after due deliberations, approved the proposal of unit for manufacturing activities along with Trading of Plastic Ophthalmic Lens & Spectacle Frame fitted with Lenses subject to the following conditions:

- (i) Trading will be allowed only for physical export to any other country, for supply to other units in NSEZ or other SEZ or EOUs, against freely convertible currency.
- (ii) No DTA clearance for trading goods 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.

However, Approval letter shall be issued only after clearance of outstanding lease rent and submission of documents as directed by the Approval Committee.

**6. Review of conditions imposed in the LOA of M/s. Jagdamba Impex in view of letter dated 01/03/2016 of Ministry of Steel.**

It was informed to the Approval Committee that Ministry of Steel vide D.O. No.1(1)/2014-TW(Vol.1) dated 01.03.2016 addressed to DGFT, New Delhi and forwarded by DOC vide their letter No.D-12/33/2016-SEZ dated 23.03.2016 has stated as under:-

“Many companies are importing the non-prime, mills left over, scrap and spurious CRGO material from all over the world in SEZs. Some unscrupulous companies are also repeatedly importing core oil assemblies of old and decommissioned transformers from foreign countries, under the guise of scraping the same. Then they dismantle the copper and export the same from SEZ as copper scrap while CRGO laminations are sold in the DTA as Melting Scrap. However, it is relevant to mention that in India there is no unit manufacturing CRGO steel sheets out of CRGO melting scrap. Therefore, instead of melting this CRGO steel sheets under the guise of scrap, the sheets are directly reused by transformer or laminations manufacturers who manufacture laminations for smaller transformers from this old and used CRGO material which is restricted for import/use as per the Steel Quality Control Order. It is relevant to mention that CRGO is the most important material for the power and transformer industry. Spurious quality of CRGO electrical steel results in inefficient and faulty transformers resulting in huge power losses.”

It was further informed that the Approval Committee in its meeting held on 02/06/2016 approved the project application of M/s. Jagdamba Impex, subject to following conditions: