

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. GautamBudh Nagar (UP)

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No. 10/13/2006-Proj/

Dated: 24/07/2015

To,

1. The Chief Executive Officer, New Okhla Industrial Development Authority, Main Administrative Building, Sector-6, Noida.
2. The Zonal Addl. Director General of Foreign Trade, C.L.A., "A" Wing, I.P. Bhavan, I.P. Estate, New Delhi.
3. The Commissioner of Income Tax, A-2D, Aaykar Bhawan, Sector-24, Noida.
4. The Commissioner of Customs, Noida Custom Commissionerate, Inland Container Depot, Tilpata, Dadri, Gautam Budh Nagar (U.P.) 201306
5. The Director, Department of Commerce (SEZ Section), Udyog Bhavan, New Delhi.
6. Shri Sanjeev Kumar Jindal, Deputy Secretary (IF-I), Ministry of Finance, Department of Financial Services, Jeevan Deep Building, Parliament Street, New Delhi- 110 001.
7. The General Manager, District Industry Centre, Sector-20, Noida, Dist: G.B. Nagar (Representative of Principal Secretary, Industries, Govt. of U.P. Lucknow).

**Sub: Minutes of Meeting of the Approval Committee of Noida SEZ held on 22/07/2015.**

Sir,

I am directed to refer to the subject cited above and to forward herewith a copy of minutes of meeting of Approval Committee of Noida SEZ held on 22.07.2015, for your information/necessary action.

Yours faithfully,

Encl: As above.

  
(RAKESH KUMAR)  
DY. DEVELOPMENT COMMISSIONER

Copy to:-

1. OSD to DC, NSEZ – for information.
2. Specified Officer, NSEZ – for information and necessary action.
3. ADC, EM Section, NSEZ – for information and necessary action.

  
DY. DEVELOPMENT COMMISSIONER

## Noida Special Economic Zone

### Minutes of the meeting of the Unit Approval Committee (UAC) of Noida SEZ held under the chairmanship of Dr. L.B. Singhal, Development Commissioner (DC), Noida SEZ at 11:30 AM on 22/07/2015 in the Conference Hall of NSEZ.

The following members of UAC were present during the meeting:-

- 1 Shri S.S. Shukla, Jt. Development Commissioner, NSEZ
- 2 Shri Rohit Dwivedi, Dy. Commissioner, Customs, Noida Commissionerate.
- 3 Dr. Sukhbir S. Badhal, Asstt. DGFT, CLA, New Delhi.
- 4 Shri Veerabhadram, Asstt. Commissioner, Income Tax Deptt., Noida.
- 5 Shri D. S. Yadav, Asstt. Manager, DIC. Noida (Rep. of Principal Secretary, Industry, Govt. of UP.).
- 6 Shri A.K. Mishra, Sr. Town Planner, Noida. (Rep. of the CEO, Noida Authority)
- 7 Shri Bhuvan Yadav, AE, U.P.P.C.B., Noida.

2. Besides, during the meeting S/Shri Rakesh Kumar, Dy. Development Commissioner, NSEZ, A.K. Srivastava, Specified Officer, NSEZ, R.P. Verma, Asstt. Development Commissioner, NSEZ, P. Shrivastav, Architect, Noida Authority and Sudheer Kumar, Associate Architect, Noida Authority were also present to assist the UAC.

3. At the outset, DC, NSEZ welcomed the participants. After brief introduction, DC emphasized on the need of incorporating all the relevant points deliberated upon during the meeting for arriving at a particular decision on given agenda points, suitably in the *minutes of the meeting*. He further mentioned that speaking orders to be issued by NSEZ should also be self-explanatory, transparent and convincing.

4. Thereafter, 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:-**

DDC, NSEZ informed the Committee that no reference against the decisions of the UAC held on 22/06/2015 were received and therefore, minutes of the meeting held on 22/06/2015 may be ratified. Accordingly, the said minutes were ratified.

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

1. **Application of M/s. NLB Services Pvt. Ltd. for setting up a unit in NSEZ.**

Shri Nikhil Anand, Director of the company appeared before the UAC to explain his project. He mentioned that his company is basically an IT Staffing company which is in web development and mobile application development. He further mentioned that whole activity of proposed SEZ unit will be for export purposes only and he has enough export orders in hand. He also requested for early permission and completion of formalities so that his company could start export activities from NSEZ expeditiously.

His attention was drawn to the fact that in his application, he had shown requirement of land ad measuring 12000 Sq. Mtr. and plot of this size was not available. He mentioned that the area of 12000 Sq. Mtr. was erroneously mentioned in his application and submitted that actual requirement was of 12000 Sq. Ft. He was informed that NSEZ has no plot available for allotment, but if he requires, his company can be offered SDFs (500 Sq. Mtr. each).

Having heard the promoter and after due deliberations, the UAC approved the application of M/s. NLB Services Pvt. Ltd. for setting up a unit in Noida SEZ for IT/ITES i.e. ERP Solutions, DW/BI Consulting (Analytics & BI), Digital Solutions-Web, Mobile & Marketing & HR Services/IT Staffing along with following projections for next five years:

Rs. (in lakhs)		
1	Projected FOB value of exports	5760.00
2	Foreign Exchange Outgo	32.00
3	NFE over a period of 5 years (1) - (2) =	5728.00
4	Import of capital goods	16.00
5	Indigenous capital goods	24.00

The UAC also decided that to begin with the unit may be offered two SDFs in NSEZ to which the promoter agreed.

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2.	<p><b>Proposal in respect of M/s. Jindal Dyechem Industries Pvt. Ltd. for Adjudication of SCN, Renewal &amp; Amendment of LOA.</b></p> <p>DDC, NSEZ informed the UAC that unit had sent an email requesting for adjournment of the matter. The Committee acceded to the request and deferred the proposal to the next meeting of UAC and directed to obtain following information from the unit before inclusion of the matter in the agenda for next UAC meeting:</p> <ol style="list-style-type: none"> <li>1. Completely filled up and duly signed Form F, detailed project report and revised projections showing break-up of foreign exchange outgo and projected profit &amp; loss account.</li> <li>2. Destination of export along with details of company with whom they have agreements for their exports, copy of agreement, details of overall requirement of sputtering targets by the buyer and quantum of sputtering targets to be supplied by the applicant to the said buyer.</li> <li>3. Annual production capacity and employment generation etc.</li> </ol>
3.	<p><b>Proposal in respect of M/s. Jindal Exports &amp; Imports Pvt. Ltd. for Adjudication of SCN, Renewal &amp; Amendment of LOA.</b></p> <p>DDC, NSEZ informed the UAC that unit had sent an email requesting for adjournment of the matter. The Committee acceded to the request and deferred the proposal to the next meeting of UAC and directed to obtain following information from the unit before inclusion of the matter in the agenda for next UAC meeting:</p> <ol style="list-style-type: none"> <li>1. Completely filled up and duly signed Form F, detailed project report and revised projections showing break-up of foreign exchange outgo and projected profit &amp; loss account.</li> <li>2. Destination of export along with details of company with whom they have agreements for their exports, copy of agreement, details of overall requirement of sputtering targets by the buyer and quantum of sputtering targets to be supplied by the applicant to the said buyer.</li> <li>3. Annual production capacity and employment generation etc.</li> </ol>
4.	<p><b>Review of LOA / Monitoring of performance of M/s. AOV Agro Foods Pvt. Ltd. under Rule 54 of SEZ Rules, 2006, Plot No. 72-73, NSEZ.</b></p> <p>DDC, NSEZ informed that unit has admitted in writing that it has achieved negative NFE of Rs. 1.10 lakhs and the unit has also given consent to pay penalty &amp; duty whatsoever, if</p>

	<p>imposed by the UAC.</p> <p>The UAC decided to impose a penalty of Rs. 10000/- on the unit for achievement of negative NFE of Rs. 1.10 Lakhs. The UAC further directed that in addition to the said penalty amount, the unit shall also be liable to pay the equivalent amount of Customs duty as applicable on the goods utilized in respect of negative NFE / Capital Goods etc. to be decided by NSEZ Customs.</p>
5.	<p><b>Proposal in respect of M/s. BE Gold Pvt. Ltd. for ratification of approval to procure imported/indigenous capital goods.</b></p> <p>DDC, NSEZ informed the UAC that this case was discussed in the last UAC meeting held on 22/06/2015 and revision in authorized operations from 'Hand Made &amp; Machine Made Jewellery' to 'Machine Made Jewellery' was approved. He further informed that the UAC had approved import of capital goods worth Rs.2.25 crore as well as procurement of indigenous capital goods worth Rs.0.50 crore for manufacture of 'Machine Made Jewellery'.</p> <p>Subsequently, the unit represented stating that they want to continue with manufacture of 'Hand Made &amp; Machine Made Jewellery' both. Shri Kishan Kumar Mohata, Authorized representative of the company attended the meeting. The UAC agreed with the request of the unit to continue with authorized operations for manufacture of 'Hand Made &amp; Machine Made Jewellery' both as was approved earlier. UAC also ratified the approval granted by DC on file and conveyed to unit vide letter dated 10/07/2015 to procure imported/indigenous capital goods as per above breakup.</p>
6.	<p><b>Proposal in respect of M/s. Omnie Solutions India Pvt. Ltd. for diversification to include additional authorized operations in LOA.</b></p> <p>DDC, NSEZ informed the UAC that the company is at present doing exports of IT and IT Enabled Services from the zone. He further mentioned that in the present application, the company has proposed to include 'Customized Software solution for the imported LCD/LED panels" also in the LOA.</p> <p>Ms. Nidhi Maheshwari, Authorized representative of the company appeared before the UAC and explained that the unit will make 100% export of the proposed item and no DTA sale shall be carried out. She mentioned that the company has one DTA unit also and</p>

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from that unit LCD/LED panels with customized software solutions are being supplied to BSF. The unit basically intends to import LCD/LED panels from USA and export the same to Malasiya. The unit also intends to target Government buildings. The Committee after due deliberations approved the proposal to include additional authorized operations i.e. "Customized Software solution for the imported LCD/LED panels" in LOA with the following projections:

			Rs. (in lacs)
S.No.	Particulars (for five years)	Existing Projections	Revised Projections
1.	FOB Value Exports	975.00	4270.00
2.	Foreign Exchange Outgo	79.00	172.37
3.	Net Foreign Exchange	896.00	4097.63

The UAC further directed that above approval shall be subject to condition that 100% physical export shall be executed and no DTA sale shall be permitted.

**7. Proposal in respect of M/s. Lingo Impex for renewal of LOA for next five years in terms of rule 19(6) of SEZ Rules'06.**

DDC, NSEZ informed that the BOA on an appeal made by the unit had approved the following authorized operations and the same has been conveyed to them vide this office letter dated 04/09/2014:

1. Manufacturing of Mother Board and other Add on Cards, Personal Computer and its peripherals e.g. CD, DVD Duplicator, Server, Key Board, Cabinets, HDD, FDD, ODD, Digital cameras.
2. Reconditioning/Repair/Reengineering and up-gradation of technology of Computer Peripherals. (Subject to condition that exports shall have one-to-one correlation with imports and all the reconditioned or repaired or reengineered products and scrap or remnants or waste shall be exported and none of these goods shall be allowed to be sold in DTA or destroyed).
3. Trading Activities of Main Devices, parts and accessories of Electronic & Computer items, Electric, ITA-1 & Mobile items, Consumer and Consumable items, Photographic & Information Technologies items, Automotive items, Audio-Video & LED items and Networking items. (Subject to condition that 100% physical export shall be undertaken and no DTA sale shall be allowed).
4. Manufacturing of Add on Cards, Controller Cards, SMPS and other LED Devices of Electronic & Electric segment.
5. Trading activities for Shredding and recycling of Computer peripherals/Components only for 100% physical exports. (This has been allowed by BOA on appeal made by unit against UAC).

DDC, NSEZ further informed that the unit has now applied for renewal of the LOA for above authorized operations and has made followings projections for next five years:-

above authorized operations and has made followings projections for next five years:-

Particular	Revised Projections
FOB Value Exports	Rs.8260.00 Lacs
Foreign Exchnage Outgo	Rs. 5104.40 Lacs
Net Foreign Exchange	Rs. 3155.60 Lacs
Imported CG	Nil
Indigenous CG	Nil
Imported RM	Rs. 5102.00 Lacs
Indigenous RM	Rs. 1506.00 Lacs

Having heard Shri Munish Sharma, the promoter of unit, the UAC approved the renewal of the LOA of M/s. Lingo Impex for next five years with above projections upto 31/03/2020.

The UAC also directed the promoter to make sincere efforts to increase physical export from the unit.

**8. Proposal in respect of M/s. Stable packaging Pvt. Ltd. for approval of additional list of Services.**

DDC, NSEZ informed that in the default list of services, 'Business Support Service' is included and under that the request of the unit for inclusion of "Management or Business Consultant Services" may be covered.

The UAC considered the proposal for approval of additional list of services in terms of guidelines laid down in Instruction No. 79 dated 19.11.2013 and DOC letter dated 24th June, 2014 (other than default services) as applied by M/s. Stable Packaging Pvt. Ltd. and approved additional service i.e. "Management or Business Consultant Services" in respect of the unit.

**9. Proposal in respect of M/s. Sunglass Palace Pvt. Ltd. for inclusion of additional trading items in LOA.**

DDC, NSEZ informed that the above company is already having a Trading unit in NSEZ and it has proposed addition of 'Trading of Parka Jackets' in LOA. He also mentioned that NFE earning of the unit is positive.

Shri Arun Malhotra, Managing Director of the Company appeared before UAC and submitted that 'Parka Jackets' have fur line inside which help in warming the body. He further mentioned that unit will carry out trading activities of Parka Jackets for exports only

The UAC approved inclusion of 'Trading of Parka Jackets' in the LOA of the unit subject to condition that 100% physical export shall be done and no DTA sale shall be permitted. The UAC also approved the following revised downward projections:

			Rs. (in lacs)
S.No.	Particulars (for five years)	Existing Projections	Revised Projections
1.	FOB Value Exports	26225.00	3700.00
2.	Foreign Exchange Outgo	25102.00	3527.00
3.	Net Foreign Exchange	1123.00	173.00
4.	Imported CG	-	12.00
5.	Indigenous CG	-	40.00
6.	Imported RM	-	3515.00
7.	Indigenous RM	-	Nil

**10. Proposal in respect of appeal of M/s. Sterling Flatware Ltd. against order dated 19.11.2014 of UAC.**

DDC, NSEZ informed that M/s. Sterling Flatware had applied for transfer of Building at Plot No.9, NSEZ (4500 Sq.Mtr.) to another SEZ unit viz M/s. Hanung Toys & Textile Ltd. He further informed that the matter was placed before the UAC in its meeting held on 20/01/2014 and UAC had rejected the proposal which was conveyed to the unit vide letter dated 27/01/2014. DDC also informed that the unit had filed appeal before BOA against the decision of UAC and BOA has now remanded back the case for passing speaking orders.

Shri P.K. Gupta, Director of M/s. Sterling Flatware with his consultant Shri Amitabh Hazela and Shri Kuldeep Sharma, representative of M/s. Hanung Toys & Textile Ltd. appeared before the UAC. Representatives of both the units contended that they had entered into an agreement for transfer of assets much before introduction of Rule 74A in SEZ Rules and therefore the conditions laid down in Rule 74A of the said Rules are not binding on them.

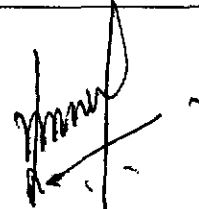
Chairman, UAC invited the attention of representatives of the above units to Rule 11(5) of SEZ Rules, 2006, which says that notwithstanding any other conditions in the Lease Deed, the lease rights would cease to exist in case of the expiry or cancellation of LOA and in this case, LOA of M/s. Sterling Flatware had expired in 2002. Also, the unit had not made any request for renewal of the same. The Chairman, UAC further mentioned that this Rule was very much in force when the unit applied for transfer of assets and liabilities. In addition, he mentioned that Lease Deed itself had expired in 2006 and no request for its renewal was received. Therefore, the proposal for transfer of assets and liabilities by



M/s. Sterling Flatware to M/s. Hanung Toys & Textile Ltd. was not legally permissible.

The representative of M/s. Sterling Flatware requested for some time to verify the facts regarding validity of LOA and lease deed. The UAC agreed to the request of the unit and deferred the case for the next meeting of the UAC and advised unit representatives to appear before the UAC and submit full facts alongwith documentary evidence in support of the case, for further consideration.

Meeting ended with vote of thanks to the Chair.



(Dr. L. B. Singhal)

Development Commissioner