

## **NOIDA SPECIAL ECONOMIC ZONE**

### **Minutes of 6<sup>th</sup> meeting (2010 Series) of Unit Approval Committee for EOU Scheme held under the Chairmanship of Shri. S.C. Panda, Development Commissioner, NSEZ, Noida on 30.08.2010 at 11.30 AM at NSEZ, Noida.**

6<sup>th</sup> meeting (2010 Series) of Unit Approval Committee for EOU scheme (UAC) was held on 30.08.2010 under the Chairmanship of Shri S.C. Panda, Development Commissioner, Noida SEZ. List of participants is enclosed at Annexure I. The Chairman welcomed all participants of the UAC and thereafter agenda was taken up for discussion.

#### **6.1 Confirmation of minutes of 5<sup>th</sup> meeting (2010 series) of the UAC held on 29.06.2010**

The Committee ratified the minutes of the 5<sup>th</sup> UAC meeting (2010 Series).

#### **6.2 Permission for domestic procurement of three DG Set and three Transformers of 1500 KVA each by M/s UOP India Pvt. Ltd. DLF City Gurgaon, Haryana**

The Committee deliberated the proposal. No representative of the unit has attended the meeting to explain the need of 3 DG Set and three Transformers. Jurisdictional Asst. Commissioner has informed the Committee that the unit has not started functioning.

Failing to justify need of 3 DG set by the unit, the Committee deferred the proposal for domestic procurement of 3 DG Set for further examination by the jurisdictional Central Excise authorities. However, keeping in view of the power load sanction of 1500 KVA by Haryana Bizli Vitran Nigam to the unit, the Committee approved procurement of transformer of 1500 KVA.

#### **6.3 Broad-banding for goods viz. Covers for Perfume bottle/ Pumps/ Bladders/ Sprayers made out of thread, finished leather, fabric, synthetic material, rexin, rubber, plastic etc. in the existing LOP and expansion of existing goods with, specific detail of the goods by M/s. Sibarama Newage B-60, Sector-80,Phase-II, Noida**

The Committee deliberated the proposal and noticed that the request is for broad-banding of the items of manufacture as well as to expand the existing manufacturing item so as to be specific in their nomenclature and description. Jurisdictional Asst. Commissioner; Noida has informed that specific nomenclature and description of items of manufacture of the existing product is essential for ease of control over the functioning of the unit.

The representative of the unit explained to the Committee that they are manufacturing item from leather and their export in last year was of Rs. 15 crores

approx. He has further informed that they have received order for few new items like covers for Perfume bottles/ Pumps/ Bladders/ Sprayers made out of thread, finished leather, fabric, synthetic material, rexin, rubber, plastic etc. which would also be made of leather with their existing machinery in their unit.

Keeping in view of the linkage of the new items of manufacture with the existing line of manufacture, the Committee has allowed broad-banding of the new items as requested by the unit. Also, the Committee has approved to include the specific description of the existing items of manufacture.

**6.4 Broad-banding for goods viz. Sennosides 0.5% Animal Feed & Vitamin C Animal Feed in the existing LOP by M/s. Gaurav Pharma Ltd., Village-Sampla, District-Rohtak, Haryana**

The Committee deliberated the proposal of broad-banding of item of manufacture. The Asst. Commissioner of Central Excise, Rohtak has informed the Committee that DRI had registered a case against the unit on account of diversion of the goods involving evasion of duty of Rs. 5 crores which has now been adjudicated and confirmed. There is another case of clandestine removal of goods against the unit. The ADC-in-charge has also informed that a Show-cause notice has been issued to the unit for contravention of FTDR Act.

Keeping in view of the indulgence of the unit in duty evasion and contraventions, the Committee has decided not to approve the request of the unit for broad-banding.

**6.5 Proposal for setting up an 100%EOU for manufacture and export of Made ups, Scarves, Stoles, Bags, Fashion Jewellery & Garments by M/s. N.Y. International, D-81, Sector-63, Noida**

The Committee deliberated the proposal and heard the representative of the unit. The Committee noted that the application submitted was for setting up of new EOU unit for manufacture and export of Made ups, Scarves, Stoles, Bags, Fashion Jewellery & Garments and the same partners of the applicant unit have few more firms/ companies where they are either proprietor or directors having the mutual interest among the firms/companies. The representative of the unit has informed the Committee that during the intervening period from the date of submission of their application, they have already started manufacturing and export of the goods in the name of the applicant company. As regard the other companies, the representative of the unit informed that they have closed all other firms so as to consolidate their operations in the name of Applicant Company. As regard the premises, the representative of the unit informed that they are now using all floors instead of Ist & IInd floor which were only requested for EOU operation.

From the aforesaid explanations by the representative of the unit, the Committee noted that the application for setting up of a new unit does not hold good in the wake of start of the operation by the applicant company. Further, the

premises to be notified are also required to be changed by including other floors. Furthermore, the details and operations of other firm/companies are not elaborated in the present proposal as was being discussed in the meeting.

Hence, the Committee decided that the proposal in the present form cannot be accepted. The Committee has, however, advised the representative of the unit that they may submit a new application for conversion of the DTA unit into EOU with all other details as per the prevalent circumstances which would be examined separately as a fresh proposal.

**6.6 Proposal for setting up an 100%EOU for manufacture and export of Software Development & E-source by M/s. E-Source Inc., 4/2, Ushma Urja Apartment, C-58/3, Sector-62, Noida**

The Committee deliberated the proposal. The representative of the unit has confirmed that they are presently operating from the residential premises with the total workforce of 5 persons including them. The Committee has observed that the proposal with an investment of 3 lakhs is very small to be under EOU Scheme, which has primarily objective to develop manufacturing infrastructure for export and to provide the employment opportunity. The Committee has thus, informed the representative of the unit that the commercial activity under EOU Scheme cannot be allowed from residential premises since it requires bonding of the premises and also to have unrestricted access to the Jurisdictional officers of Customs & C.Ex.

The representative of the unit has consented to the view of the Committee and informed that they would be taken a commercial premise and would bring sufficient investment to justify their proposal under EOU Scheme.

Accordingly, the Committee has informed that they may submit a fresh application for the new commercial premise with a reasonable investment and marketing plan of their product and rejected the present proposal.

**6.7 Proposal for setting up an 100%EOU for manufacture and export of Wearing Apparel except fur apparel by M/s. Khangura Import Export Pvt. Ltd. D-123, 1<sup>st</sup> Floor, Industrial Area, Phase-VII, SAS Nagar, Mohali-160055, Punjab**

The Committee deliberated the proposal. The Commissioner of C.Ex., Chandigarh-I has informed that unit is not responding for certain clarifications and also for the site inspection. It has been brought to the notice of the Committee that the unit has already started operation as a DTA unit under advance license and EPCG license. In such a case the applicant in the present form is not a valid application. The Committee has also noted that nobody from the unit has attended this meeting.

Keeping in view the invalid application for setting up of a new EOU and the reluctance of the unit for their proposal, the Committee decided to reject the proposal.

**6.8 Proposal for conversion of DTA unit into 100%EOU for repair service of Telecommunication equipments M/s. Telmar Network Technology (I) Pvt. Ltd. 147, Sector-5, IMT Manesar, Haryana**

The Committee deliberated the proposal and heard the representative of the applicant unit. The representative of the unit has informed that they are a wholly owned subsidiary of US Company which is engaged in the lifecycle Management Solutions for telecommunication equipments and has large presence globally. They have started their domestic operation around 18 months back and successfully delivering repair services to the customer of repute like Wipro, Tata, Reliance, Lucent etc.

The present proposal, with an investment of Rs 35 Crore in plant & machinery, is to set up facility exclusively to cater the global, by taking cost competitive advantage & high skill, in India, with an objective to make India as a hub for Repair Service outsourcing for highly sophisticated telecommunication equipments. Keeping in view of the foreign investment along with technical know-how by the parent company in India in India, the Committee has decided to recommend the proposal to the Board of Approval for consideration under non-automatic route under Para 6.16 of Foreign Trade Policy.

The Committee has informed the representative of the unit that the provision under which their proposal would be considered will not allow them to undertake any DTA sale, sub-contracting, IUT, third party export etc. and they would have to re-export the equipment after providing the services.

**6.9 Proposal for setting up a 100% EOU for manufacture and export of REPAIR, RECONDITIONING service of the machineries / equipment exported by M/s. Barco Electronics Systems Pvt. Ltd., Gate No.4, 38 C,BLOCK-A, Sector-64, NOIDA(U.P.).**

The Committee deliberated the proposal and heard the representative of the applicant unit. The representative of the unit has informed that this proposal is principally to provide repair & re-conditioning services for their equipments which were exported prior to 3 year period. The proposed project envisages a great opportunity for providing repair and reconditioning services not only for their's own exported goods but also to provide such services globally keeping in view of the cost competitive advantage the India has. They would be setting up exclusive facility with the Plant and Machinery for undertaking repair & re-conditioning services for the purpose of export only. They are proposing an initial investment of Rs. 4.25 crores and the operation will be conducted from the exclusive ear-marked premise which has a separate entry and exit. This repair

unit will not have any access to their existing unit and they don't envisage any DTA, sub-contracting, IUT, third party export etc. from or to the proposed unit.

In view of the aforesaid explanation and viability of the project in terms of proposed investment as well as to create a state of art infrastructure for repair and re-conditioning of sophisticated electronic equipment globally, the Committee has decided to recommend the proposal to the Board of Approval for consideration under non-automatic route in terms of Para 6.16 of Foreign Trade Policy.

The meeting ended with the vote of thanks to the chair.

**(S.C. Panda)**  
Development Commissioner

Encl : annexure- I

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**Annexure- I****List of Participants**

1. Shri S.C. Panda, Development Commissioner, NSEZ.....Chairman
2. Shri Sanjay Rastogi, Zonal DGFT, CLA
3. Shri H.K.Thakur, Commissioner of C.Ex., Chandigarh-I
4. Shri R.K. Joshi, Dy Development Commissioner, Noida SEZ.
5. Shri V.K. Gahlout, Addl. Commissioner of C.Ex., Rohtak
6. Shri N.A. Borkar, Asst. Commissioner of C.Ex., Div.-III, Delhi-III (Gurgaon)
7. Shri R.P. Singh, Asst. Commissioner of C.Ex.,Div-II, Noida
8. Shri Rakesh Agarwal, Asstt. Dev. Commissioner, NSEZ.....Convener
9. Shri A.K. Singh, Asst. Dev. Commissioner, NSEZ
10. Shri R.K. Gerald, Inspector of C.Ex., Div-IV, Noida