



भारतसरकार,
वाणिज्य एवं उद्योगमंत्रालय, वाणिज्य विभाग
विकासआयुक्तकार्यालय
नौएडाविशेषआर्थिक क्षेत्र
नौएडा दादरीरोड, 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)

NOIDA SPECIAL ECONOMIC ZONE

Minutes of 5th Meeting (2017 Series) of Unit Approval Committee for EOU Scheme held under the Chairmanship of Dr. L.B. Singhal, Development Commissioner, NSEZ, Noida on 15.11.2017 at 11.30 AM at NSEZ, Noida.

5th meeting (2017 Series) of Unit Approval Committee for EOU scheme (UAC) was held on 15.11.2017 under the Chairmanship of Dr. L.B. Singhal, Development Commissioner, Noida SEZ.

The following members of the Unit Approval Committee were present in the meeting:

1. Shri S.S. Shukla, Joint Development Commissioner, NSEZ, Noida.
2. Shri Yatish Mani, Assistant Commissioner, CGST, Udaipur.
3. Shri Kulwendra Singh, Assistant Commissioner, CGST, Rohtak.
4. Shri Ankita Singh, Assistant Commissioner, CGST, Jaipur.
5. Shri Sudhir Tiwari, Superintendent, CGST, Alwar.
6. Shri Gobinda Banerjee, FTDO, CLA, New Delhi.

Besides during the meeting of UAC, Shri Rajesh Kumar, DDC, Shri Ram Baboo, ADC were also present to assist the UAC.

2. The Chairman welcomed all participants of the UAC and thereafter agenda was taken up for discussion.

5.0(17) Confirmation of minutes of 4th meeting (2017 series) of the UAC held on 13.09.2017.

The Committee ratified the Minutes of the 4th UAC meeting (2017 Series).

5.1(17) Proposal for revision of projections of M/s Greenscape Eco Management (P) Ltd.

The Unit Approval Committee (UAC) noted that the unit has sought permission for revision of projection of cumulative exports for the current block (23.04.2016 to 22.04.2021) from Rs. 1310.00 lakh to Rs. 3317.00 lakh and foreign exchange outgo from Rs. 969.00 lakh to Rs. 2869.00 lakh. The Committee observed that the unit has obtained necessary authorization from Ministry of Environment Forest and Climate Change (MOEF & CC) and

DGFT. The Committee noted that the MOEF & CC has approved import of 550 MT of used electric and electronics equipment for repair purpose under the provisions of hazardous waste (management, handling and transboundary movement) Rules, 2008 and the approval was valid for 18 months from 04.04.2016. The Committee also observed that the unit has obtained authorization dated 01.05.2017 from DGFT for import of 82.50 MT of used electrical and electronic equipment. Further it was noted that DGFT's authorization is valid for 18 months from 01.05.2017

2. Dr. Ashok Kumar, Director of the company appeared before the Committee to explain the proposal. While giving a brief outline of their project, Dr. Ashok Kumar made following submissions:

- I. The unit has achieved positive NFE to the tune of Rs. 276.22 lakh during the block period of 5 years ended on March'2016. Exports based on actual realization is of Rs. 976.23 lakh against input of Rs. 687.45 lakh.
- II. The unit has been audited for environmental, health and safety management by Parry Johnson Registrars, INC, USA and has been issued certificate of responsible recycling (R2) by the company.
- III. Further the unit has been approved by National Association for Information destruction (NAID) which is an International Trade Association for companies providing information destruction services. NAID verifies the qualifications of certified information destruction service providers through a comprehensive schedule and audit program.
- IV. The unit has been providing information destruction services to several Multinational companies, Nationalized banks, RBI etc. These organizations have high standards of compliances for disposition of electronic waste. Further RBI has given a letter of appreciation for the service rendered by the unit.
- V. As far as the validity of MOEF & CC is concerned, representative of the unit submitted that they have applied to MoEF for extension and also submitted that as per new MOEF policy after April'2016 approval of MoEF is not required only import license from DGFT is required.

3. The Committee, after due deliberations noted that since the unit has authorization for import of 82.50 MT of used electricals and electronic equipment from DGFT they can import

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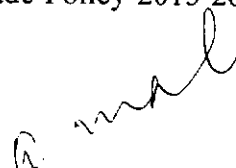
upto 82.50 MT. However, the committee observed that (a) the unit did not have authorization for import beyond 82.50 MT (which is worth of Rs.14.00 crore); and (b) the permission of MOEF & CC is valid only upto 03.10.2017. In this connection, representative of the unit informed that they have applied to DGFT for one more import authorization and they would get the authorization at the earliest. Further, the unit submitted that written clarification from MoEF&CC that used electrical and electronic assemblies imported for repair and to be re-exported back after repair within one year of Import falls in Schedule III D, list of other wastes applicable for import and export without permission from MoEF & CC subject to the condition that Import permitted in the country only to the actual users from Original Equipment Manufacturers (OEM) and subject to verification of documents specified in Schedule VIII of these rules by the Customs authority. As desired, he submitted the copy of the e-mail received from MoEF & CC. The Committee directed NSEZ authorities to write to MOEF & CC also.

4. Further, the Committee discussed the issue of NFE status of unit. The Committee noted that the NFE of the unit re-calculated (by jurisdictional GST authorities) in terms of para 6.04 of FTP 2015-2020 and para 6.10 of the HBP for the block period of five years from 2011-12 to 2015-16 is positive.

5. It was informed that NFE of the unit for 1st year of current block is negative to the tune of Rs. 735.74 lakh. In this regard, the representative of the unit submitted that although NFE shortfall for the first year was around Rs. 735.00 lakh, it was reduced to Rs. 613.22 lakh in the current year as their export was Rs. 123.79 lakh against import of Rs. 1.27 lakh. Further, the unit proposed to import Rs. 416.00 lakh for repair and refurbishing of electrical & electronic goods and export the same. They expect to earn Rs. 6.00 crore from these exports. The unit is confident of earning Rs. 20.00 crore in next 3 and ½ years through their repairing and refurbishing business vertical and an additional Rs. 10.00 crore export earning through PCB export. The unit is confident of achieving positive NFE of Rs. 448.00 lakh in the current block.

6. The Committee, after due deliberations, approved the proposal of the unit subject to the following conditions:-

(a) Unit should get Import License from DGFT and it will be subject to terms & conditions laid down in ITC (HS) classification, foreign trade Policy 2015-2020 and any other Law for the time being in force in this regard.



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- (b) Operations of the unit would be as per conditions and guidelines of MoEF&CC.
(c) No DTA sale shall be allowed.

5.2(17) Proposal for (i) Broad banding of LoP by including new items namely Polished / Unpolished Marble Slabs, feldspar Slabs, quartz Slabs, (ii) revision of projections and (iii) addition of raw materials, components, capital goods, packing materials in LOP by M/s R.S.G. Stone (P) Ltd.

The Committee deliberated on the proposal and noted that the proposals are for

(i) Broad banding of LoP by including following new items:-

Table '1'

<u>Item Description</u>	<u>Annual Capacity</u>	<u>ITC (HS) Code</u>	<u>Export value (Rs. In lakh)</u>
Polished/ Unpolished Marble Slabs	1200000 Sq.Ft	68022190/ 25151220	13500/.
Feldspar Slabs	1200000 Sq.Ft	25291010	13500/.
Quartz Slabs	1200000 Sq.Ft	68022190	13500/.

(ii) revision of projections of exports imports in following manner:-

Table '2'

(Rs. in lakh)

	<u>Existing projection</u>	<u>Revised proposed projection</u>
1. FOB Value of exports in five years	9213.75	22713.75
2. Foreign exchange outgo on:		
(i) Import of machinery	520.00	520.00
(ii) Import of raw materials and components		
(iii) Import of spares & consumables	728.00	2519.04
(iv) Foreign Travel	Nil	Nil
Total:	Nil	Nil
	1248.00	3039.04
3. NFE earnings in five years (1-2)	7965.75	19674.71

(iii) addition of following raw materials, components, capital goods, packing materials:-

Table '3'

1. Marble Blocks
2. Rough Marble Blocks
3. Feldspar Blocks & Quartz Blocks
4. Gangsaw Machine with essential accessories & spare parts;
5. Resin Line with essential accessories;
6. Dressing Machine with essential accessories;
7. Gangsaw Blade, Holder;
8. Zip Cranes;
9. Pigment Chemicals;
10. Wooden Crate;
11. Polythene Foam Roll Therma Col;

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12. Gum Boot;
13. Tap Roll;
14. Shinner/Thinner;
15. Cutter for Edge Cutting Machine;
16. Polishing Pads;
17. Fevi Quick (LP);
18. Bond Set;
19. Fire Extinguisher;
20. Compressure.

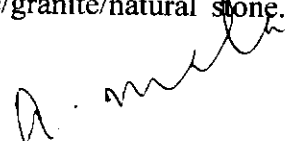
Shri Radhey Shyam, Proprietor of the firm appeared before the committee and informed that it is a proprietorship firm and he is the sole proprietor of the company. He submitted that he has been in this business since 1985. He informed that he is also director in M/s Agarwal Marbles & Industries (P) Ltd. and the Company is dealing with Granite, Marble, Sandstone and Lime stone. Their clients include Indus Trade and Technology, USA; Cosmos, USA; CRS Marble & Granite LLC, USA etc. He further added that they have also running Marble Gang Saw unit M/s RSG Stone since 2 years situated at B-74 (A) Road No. 1c, V.K.I. Area, Jaipur, and Gang saw unit has been in operation for 22 years. Turnover approx. 23 crore in preceding year 2016-17 and in F.Y. 2017-18 projected exports will be Rs. 30.00 crores, 98% of turnover exported out of country.

Shri Radhey Shyam informed that they have commenced their commercial production w.e.f. 14.11.2017 and after broad banding of LOP the employment of the unit would be 50-80 people. Representative of the jurisdictional Central GST also informed that nothing adverse has been noticed in respect of the unit.

The Committee after due deliberations approved the proposal of the unit subject to the condition that no DTA sale of Marble in terms of para 6.8 of Foreign Trade Policy 2015-20 shall be allowed.

5.3(17) Proposal for setting up of 100%EOU by M/s Nakoda Marble Industries.

It was informed that the proposal received from M/s nakoda Marble Industries for setting up of new 100%EOU at Arajji No. 4901/110, village Chirwa, Distt. Udaipur (Raj.) for manufacture and export of semi-precious stone slabs/tiles and stone articles, wall claddings of natural stones, marble/granite/natural stone, dressed marble/granite/natural stone blocks and electric stone heater elements and other articles of marble/granite/natural stone. Shri



Mahendra Surana , Partner of the firm appeared before the Approval Committee to explain the proposal. He submitted that the partnership firm was set up in 1985 for manufacturing, mining of Granite Slabs/tiles, marble Slabs/tiles and various Articles of Marble/Granite and other natural stones like Sand Stone etc. He further submitted that the existing DTA unit of the firm is situated at H-1710-171, Udyog Vihar, Sukher, Udaipur, Rajasthan. The export made by the DTA unit during last three years are Rs. 5.67 crore, Rs. 5.45 core and Rs. 5.00 crore in 2014-15, 2015-16 & 2016-17 respectively. He further explained that the EOU is being set up for 100% export.

The Committee noted that the site inspection report from jurisdictional Central Goods & Services Tax authorities and antecedent verification report from Visakhapatnam SEZ also received and nothing adverse has been reported.

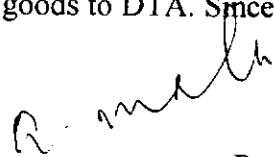
The representative of the unit informed the committee about development of construction on the site. Actual photographs of the physical progress shown to the Committee. The work on boundary wall has been continuing.

The Committee after due deliberations approved the proposal of the unit subject to the condition that no DTA sale of items which are restricted in terms of para 6.8 of Foreign Trade Policy 2015-20 shall be allowed.

5.4(17) Proposal for permission for re-fabrication/reconditioning, repair for re-export of old/obsolete brake pads procured from foreign market under para 6.16 of FTP; and (ii) Addition of imported old/obsolete brake pads as raw material in the list of exemption material by M/s Danblock Brakes India (P) Ltd.

The Committee informed that the proposal is for new activities of re-fabrication/reconditioning, repair for re-export of old/obsolete brake pads procured from foreign market under para 6.16 of FTP and addition of Imported old/ obsolete brake pads as raw material in the list of exemption material.

Representative of jurisdictional CGST submitted that since, the physical control on the EOUs has been dismantled; it may not be ensured that all such goods imported shall be re-exported and thus, there is a possibility of diversion of these goods to DTA. Since, second



hand brake pads are otherwise not allowed in the policies, this seems to be a mechanism to by-pass the policy. The permission sought by the unit for re-fabrication/reconditioning, repair for re-export of old/obsolete brake pads procured from foreign market under para 6.16 of FTP and addition of imported old obsolete brake pads as raw material in the list of exemption material cannot be granted, as para 6.16 of FTP grants permission only to carry out reconditioning, repair, remaking, testing, calibration, quality improvement, up-gradation of technology and re-engineering activities for export in foreign currency.

In this connection the representative of the unit has submitted that due to upgradation in the automobile sector their exported goods lying idle with their foreign clients. They want to import such obsolete brake pads for upgradation and the same will be re-exported with changed packaging. The representative of the unit has further stated that the goods proposed to be imported are not "used brake pads" but "obsolete brake pads" which are lying idle in stock of their foreign clients. The unit provided flow-chart of activity.

The Committee informed the representative of the unit about the objection raised by jurisdictional CGST and advised him to submit their future plan to CGST department. The Committee after due deliberations deferred the proposal of the unit.

5.5 (17) Proposal for Broad-banding of LOP by including new items in their existing LOP by M/s MKU Ltd. (Optics Division)

It was informed that the proposal is for addition of new items namely, "Head Phone/Ear Phone" in their existing LOP No. 12-25/2011-100%EOU dated 12.05.2011. The representative of the unit has submitted that their unit was established in 1985 and they are in EOU since 2004 and last year turnover is Rs. 100.00 crore and they are planning to expand it to Rs. 300.00 crore in few years. They have informed that their unit is engaged in manufacture and export of defence goods such as Bullet proof Jacket, Bullet Proof Helmet and other protective equipment since 2004 and continuously exporting/supplying their goods more than 100 countries. They have further submitted that requirement of elector Optical Equipment such as Night Vision Goggle/Device from defence and para military forces abroad as well as in India. They have made investments in developing technology and in-house manufacturing of Electro optical Equipment. They had set up the facility at Noida in 2011 pursuance to the availability of technical personnel for such unique products. Presently they are executing a big contract awarded by the MOD for Bullet Proof Helmets to the tune

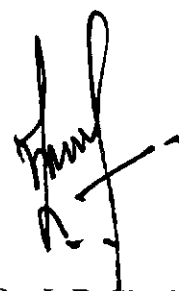
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of 158.279 Nos from their DTA unit in which about 56000 Nos is commander helmet (i.e. bullet proof helmet integrated with Headset (headphone) for communications needs of Indian Army. Since they have required infrastructure and technical workforce, they have decided to manufacture the headphone/earphone in their optics division to strengthen rather to procure from somewhere else. Now they would like to confirm that for the manufacture of Electro Optical Equipment such as Binocular, Monocular are very sophisticated items whereas headphone/earphone falling under ITC (HS) Classification 85183000 is a low technology electronics item, which technically can be produced using the same infrastructure as of electro-optics manufacturing.

The representative of the unit has explained their project and submitted that presently they are manufacturing Night vision Binoculars and Monoculars and the technology they are using in manufacturing Binoculars and Monocular the same would be used for manufacture of "Head Phone and Ear Phone". He further added that they are going to manufacture these goods based on "Electro-Optics" technology which means items manufactured with Electronics and Optics. However, this item is not included in ITC (HS).

The Committee after due deliberations approved the proposal of the unit.



(Dr. L.B. Singhal)
Development Commissioner