

NOIDA SPECIAL ECONOMIC ZONE

**Minutes of the Approval Committee meeting in respect of 100% Export Oriented Units
held under the chairmanship of Shri A. Bipin Menon, Zonal Development
Commissioner, NSEZ at 11.00 AM on 14.01.2021 through Video Conferencing.**

The following members of the Approval Committee participated in the meeting through video conferencing:-

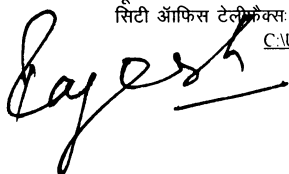
1. Shri Rajesh Kumar, Deputy Development Commissioner, NSEZ.
2. Shri Ashok Kumar Bishnoi, Deputy Commissioner (Customs), New Customs House, New Delhi.
3. Shri Rakesh Kumar, FTDO, Office of the Additional DGFT, Central Licensing Authority, New Delhi.

Besides, during the Approval Committee meeting Shri Subodh Kumar Jha, Officer on Special Duty (Official Language), NSEZ were also present to assist the Approval Committee. It was informed that the quorum is available and the meeting can proceed.

At the outset, the Chairman welcomed the participants. After brief introduction, each items included in the agenda were taken up for deliberation one by one. After detailed deliberations amongst the members of the Approval Committee as well as interaction with the applicants / units wherever required, the following decisions were taken:-

1. Ratification of the Minutes of the Approval Committee meeting held on 17.12.2020:-

As no reference in respect of the decisions of the Approval Committee held on 17.12.2020 was received from any of the members of the Approval Committee or Trade, Minutes of the Meeting held on 07.09.2020 were unanimously ratified. In respect of revised



site inspection report in the case of conversion of existing DTA unit into 100%EOU of Bikanervala Foods Pvt Ltd is concerned, Shri Ashok Kumar Vishnoi, Deputy Commissioner of Customs has stated that they will provide the report within this week.

2. Proposal of M/s Meneta Automotive Components Pvt Ltd for Enhancement of production capacity, Broad banding of LOP and enhancement in the limit of imported capital goods and revision of foreign exchange balance sheet for the current block.

2.1 It was informed to the Approval Committee that the said unit M/s Meneta Automotive Components Pvt Ltd is a 100%EOU having LOP No. 3-385/2007-100%EOU dated 12.06.2007 for manufacture and export of Anti Noise Shim, Back Plate, Accessory, Window Component, H.R. Coil Slitted, H.R. Sheets, H.R. Cut to Length, Suspension Systems other parts and Accessories (including Shock Absorbers), Coated Steel (Mother Coil With Glue/ Non Glued Slited Coil). Unit is having two locations and NFE is positive by approx. Rs.600/- crores during last five years.

2.2 Further, Approval Committee was informed that vide letter dated 19.11.2020, unit has applied for following:-

- (i) broad banding by inclusion of **Brake Shoe (Naked Shoe)** with ITC (HS) Code 8708 3000 with maximum annual capacity of 16,00,000 pcs annually, for manufacture and export.
- (ii) Enhancement of existing production capacity of some of their finished products in following manner:-

<u>Sr. No</u>	<u>Description of the Goods</u>	<u>Current Capacity</u>	<u>Proposed Capacity</u>
1	Anti-Noise Shim	16 Crore Pcs	21 Crore Pcs
2	Back Plate	14 Crore Pcs	20 Crore Pcs
3	Accessory	4 Crore Pcs	4 Crore Pcs

सिटी ऑफिस: स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इण्डिया लिमिटेड, चतुर्थ तल, जवाहर व्यापार भवन, टॉलस्टोंप मार्ग, नई दिल्ली-110001.

दूरभाष जोन कार्यालय: 0120-2567270; 3021444 से 46, / फैक्स 0120-2562314, 0120-2567276

सिटी ऑफिस टेलीफैक्स: 011-23701096; वेबसाइट: www.nsez.gov.in ; ई-मेल: <dc@nsez.gov.in>

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भारत सरकार,
वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग
विकास आयुक्त का कार्यालय
नौएडा विशेष आर्थिक क्षेत्र
नौएडा दादरी रोड, फेस-II, नौएडा-201305, जिला गौतम बुद्ध 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)

4	Window Component	1 Crore Pcs	1 Crore Pcs
5	Suspension systems other parts and Accessories (Including shock absorbers):-	10 lacs Pcs	10 lacs Pcs
6	Coated Steel (Mother Coil With Glue	1560000 Sqm	1560000 Sqm
7	Coated Steel (Glued Slited Coil	1560000 Sqm	1560000 Sqm

(iii) enhancement in the limit of imported capital goods and revision of foreign exchange balance sheet for the current block in following manner:-

(Rs. in Lakhs)

S.No.	Description	Current projection	Revised projection
1.	FOB value of exports in five years	157554.50	161076.50
2.	Foreign exchange outgo on:		
	Import of machinery	4418.50	5,438.75
	Import of raw material and components	66206.21	70,596.21
	Import of Spares and consumables	3020.00	3,064.00
	Royalty	Nil	Nil
	Sales Business Promotion	Nil	Nil
	Design and drawing fee	Nil	Nil
	Payment of foreign Technicians	90.00	90.00
	Commission on export etc.	Nil	Nil
	Foreign Travel	602.00	748.00
	Any other payment (Repair & Maint)	Nil	Nil
	TOTAL :	74336.71	79936.96
3.	NFE earnings in five years	83217.79	81139.54

2.3 Shri Ranvir Singh, Manager (Logistics) attended the online meeting. He stated that they will export the Brake Shoe (Naked Shoe) to Denmark and will also supply to their Group companies viz. Danblock Brakes India Pvt Ltd, MAT Brakes India Pvt Ltd and Roulunds Braking India Pvt Ltd as deemed exports, which all are 100%EOWs.

2.4 The Customs representative Shri Ashok Kumar Vishnoi suggested that a representative of Customs shall visit the unit and submit the physical verification report of the unit.

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2.5 After due deliberations, the Approval Committee unanimously approved the proposal subject to receipt of physical verification report from jurisdictional Customs authority.

3. **Show Cause Notice dated 30.12.2020 issued by Directorate of Revenue Intelligence, Lucknow Zonal Unit, Lucknow to Barco Electronic Systems Private Limited in respect of export of Mechanical Assembly and Electronic Assembly to M/s contraves Advanced Devices, SDN, Malaysia.**

3.1 It was informed to the Approval Committee that M/s Barco Electronic Systems Private Limited has been issued LOP No.1-170/2000-100%EOU-I dated 10.03.2000 for manufacture and export of all type of projectors, Monitors, Parts of Projectors & Monitors, Structures, Would Components, Interfaces & Switches, Metal Components made of Steel, aluminium, copper and their alloys for electrical and electronic equipment, Populated printed circuit boards for electrical and electronic equipment (P.PCB), computer and IT Enabled Services, Automatic Data Processing machines (workstations) and its parts thereof, Testing Equipment / Fixtures, Ruggadised Display Unit, Video Wall / Display Wall System / Large Screen Projection System / Large Screen Display system / Video Wall System / Data Wall System / Large Video Screen System / Video Projection System.

3.2 It was further informed that Directorate of Revenue Intelligence, Lucknow Zonal Unit, Lucknow has issued a Show Cause Notice No. DRI F.NO. DRI/NRU/CI-26/INT-O/ENQ-41/2018/Pt.I dated 30.12.2020 from the Additional Director of the Directorate of Revenue Intelligence, Lucknow Zonal Unit, 2/31, Vishal Khand, Gomti Nagar, Lucknow-226010.



3.3 It was further informed that as per brief facts of the case mentioned in the SCN, the goods declared as "Mechanical Assembly and Electronic Assembly" by M/s Barco Electronic System Pvt. Ltd. (a 100%EOU), A-38A, B & C, Sector-64, Noida under Shipping Bill No. 6190314 dated 12.07.2018 for export of these goods through Air Cargo, Delhi will attract SCOMET (Special Chemicals, Organisms, Materials, Equipment and Technologies) provisions as the consignee M/s Contraves Advanced Devices Sdn., Malaysia is engaged in manufacture and supply of defence products and these goods are intended to be put to military use. The information suggested that the exporter does not have permission under SCOMET provisions from DGFT / Defence Department and that description given in the shipping bill, invoice and packing list given to Customs is different than description given in purchase order. Accordingly, the matter was taken up for enquiry by DRI.

3.4 Mr. Sanjay Goel, Director (Finance) and Mr. Manish Gaur, DGM (Commercial) attended the meeting online. Mr. Goel informed that they are in the process of drafting the reply of SCN to the Adjudicating Authority. On being asked, he stated that their unit had been supplying to the Malayasian company but they do not supply defence products to the said company as DRI has stated in their SCN. It was also asked whether these items are SCOMET items. Mr. Goel stated that in their opinion, these items are not SCOMET items and they will discuss with their Legal Counsellor, as DRI has also not pointed out the specific category of SCOMET in the said SCN.

3.5 The Committee has suggested the unit to bring the matter in the notice of DGFT and also be in touch with the officers who are dealing with SCOMET. Unit has informed that they are in touch of DGFT officers in the matter, and on their advise,



they have given a list of items which they have been supplying. Unit has further informed that they have been applying for licence from DPIIT.

3.6 The Committee has taken the matter seriously. The unit was advised to be in touch with all experts in the matter. It was also advised to update this office regarding progress in the matter from time to time.

4. Proposal of M/s Kadimi Tool Manufacturing Company (P) Ltd. for Broad banding of LOP and revision of foreign exchange balance sheet for the current block.

4.1 It was informed to the Committee that M/s Kadimi Tool Manufacturing Company (P) Ltd. has been issued LOP No. 3-250-2001-100%EOU dated 01.05.2001 and manufacture and export of Engineering Goods namely Thread Rolling Dies under ITC HS Code 82074090 with annual capacity of 70,000 sets and as per record, the date of commencement of production is 05.10.2001 and unit's current five-year block is w.e.f. 01.04.2016 to 31.03.2021 and unit has maintained positive NFE in current block upto Sept'2020.

4.2.1 It was further informed to the Committee that vide letter dated 24.12.2020, unit has requested for broad banding of LOP by inclusion of following items for manufacture and exports:-

- (i) Sorting Machine 84799090 with annual capacity of 12 Nos.
- (ii) Fingers 82079090 with annual capacity of 3000 Nos.

4.2.2 Unit has also requested for revision of foreign exchange balance sheet for the current block for the period 01.04.2016 to 31.03.2021.

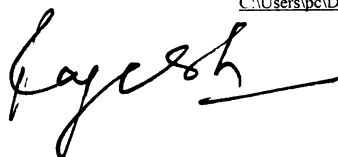


4.3 It was further informed to the Committee that unit has submitted a brief write-up with respect to linkage of the proposed new items with old items of manufacture as below:-

- (i) Both products (new and old) are used in fastener industries.
- (ii) They are engaged in manufacturing of Thread Rolling Dies under CH 82074090 used for making the thread on micro screws, bolts etc. The proposed addition (sorting machine) is also used for inspection of Micro Screw, bolts etc. Hence this machine is a part of existing business product line.
- (iii) Their another new product Fingers is used to life the part for making blank screw and bolts etc.
- (iv) Both new proposed items are dealing in their other company of Kadimi Group and so they are well familiar about the product.
- (v) Their new products are part of some fastener manufacturing chain and Kadimi customer need to contact different agencies like Machine manufacturer, installer & Kadimi Tool for various products and services. Such customization also get costlier and not easy to them. Their customers asking them to make process and order simpler with single window through Kadimi Tool.

4.4 In terms of para 6.34 (4) of HBP 2015-2020, DC may permit broad-banding for similar goods and activities mentioned in LoP or to provide for backward or forward linkages to existing line of manufacture.

4.5 It was informed to the Committee that earlier unit submitted the same request of broad banding which was not accepted as it was viewed then that the



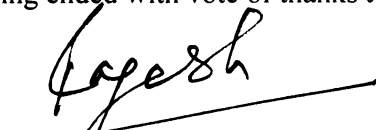
proposed items neither have forward or backward linkage nor these are similar products.

4.6 During UAC, Shri Ashwni Sharma, Chief Operating Officer of the unit attended the meeting. He elaborated the usage and manufacturing process of Fingers and Forging Machine in detail. The Committee has noted that the HS Code of Sorting Machine 84799090 do not appear to be correct. It could be 8479 9999 instead of 8479 9090 but the unit would need to cross check and rectify it.

4.7 He has further stated that they will sell the Sorting Machine in domestic market mainly as there is good demand and would also export the same. The committee has suggested that they should also export these Sorting Machine so that NFE should be maintained as positive. The unit has assured about positive NFE . It was also noted by the Committee that Fingers are used in Forging Machine and Sorting Machine.

4.8 After due deliberations the Approval Committee decided to approve the proposal of broad banding of LOP by including Sorting Machine and Fingers as items of manufacture and export in LOP subject to submission of an undertaking that unit shall maintain positive NFE after inclusion of the same in the LOP. The NFE would be monitored on an annual basis. The unit will also intimate about correct HS Code of Sorting Machine.

The meeting ended with vote of thanks to the Chair.


(Rajesh Kumar)
Deputy Development Commissioner


(A. Bipin Menon)
Development Commissioner