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वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग
विकास आयुक्त 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)

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Minutes of 2nd Meeting (2017 Series) of Unit Approval Committee for EOU Scheme held under the Chairmanship of Dr. L.B. Singhal, Development Commissioner, NSEZ, Noida on 07.03.2017 at 11.00 AM at NSEZ, Noida.

2nd meeting (2017 Series) of Unit Approval Committee for EOU scheme (UAC) was held on 07.03.2017 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. Dr. Sukbhir Badhel, Asstt. DGFT, CLA, New Delhi.
3. Shri N.S. Hada, Assistant Commissioner, Central Excise, Alwar.
4. Ms. Poonam Bhatt, Assistant Commissioner, Central Excise, Delhi-I.
5. Shri Vinod Kumar, Superintendent, Central Excise, Chandigarh.
6. Shri Rajesh Kumar, Superintendent, Central Excise, Panchkula.
7. Shri Ravi Soni, Superintendent, Central Excise, Alwar.

Besides during the meeting of UAC, Smt. Mala Rangarajan, DDC & Shri Subodh Kumar Jha, 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.

2.0(17) Confirmation of minutes of 1st meeting (2017 series) of the UAC held on 11.01.2017.

The Committee ratified the Minutes of the 1st UAC meeting (2017 Series).

2.1(17) Proposal for setting up a new 100% EOU by M/s Tri-Flex Systems (P) Ltd.

The Unit Approval Committee (UAC) noted that unit is a Private Limited Company with two directors namely, Mr. Gurucharan Singh and Mr. Samandeep Singh. Mr. Samandeep Singh appeared before the Committee and explained the project. Mr. Samandeep Singh submitted that he has an experience of over 15 years' experience in design and manufacture of material handling system for food industry in Canada, where he is based.

A. Malhi



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He further submitted that Tri-Flex Systems Pvt. Ltd. is the outsourcing division of Aerowerks Inc. (Canada). which has specialized in design/manufacturing of material handling system for food industry and have been operating since 1971. Aerowerks is one of the leading supplier of institutional material handling system for food service industry and have many completed projects in Chili, hawaii, Peru, Saudi Arabia, Singapore, South Korea, China and USA to their credit. They have installed over 4000 material handling systems in North America alone in the last 45 years.

Aerowerks has approached Tri-Flex Systems to outsource certain phases of work such as manufacturing of customized conveyor systems and its allied parts.

He also mentioned that they will manufacture the goods in India and export it entirely to Aerowerk Inc.

The Committee noted that site inspection report from jurisdictional Central Excise is not received. The Committee approved the proposal subject to receipt of positive site inspection report from jurisdictional Central Excise.

2.2(17) Proposal for setting up a new 100% EOU by M/s R.S.G. Stone (P) Ltd.

The Unit Approval Committee (UAC) noted that the proprietor of the company is a B.E. and has more than 30 years' experience in the field. He is also a director in M/s Agarwal Marbles & Industries (P) Ltd.; and a partner in M/s RSG Exports.

The Committee further noted that as per the project report promoter's mines at Bidasar, Jaisalmer and Katni and factories at Jaipur is equipped with imported machinery. Their clients include Indus Trade and Technology, USA; Cosmos, USA; CRS Marble & Granite LLC, USA etc.

It was also observed that they have a running unit in the name of RSG Stones. No one from the unit attended the meeting.

The Committee noted that site inspection report from Central Excise has been received and nothing adverse has been noticed. In view of positive site inspection report, the Committee approved the proposal.

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2.3(17) Proposal for conversion of existing DTA unit into a new 100% EOU by M/s Bhali Greens for manufacture and export of Cucumber/Gherkins.

The Unit Approval Committee (UAC) noted that total investment in plant & machinery in projected as Rs 2.47 lakh. In terms para 6.06 of FTP, only projects having a minimum investment of Rs 1 Crore in plant & machinery shall be considered for establishment as EOUs. However this shall not apply to existing units, units in EHTP/STP/BTP, and EOUs in Handicraft / agriculture / floriculture/ aquaculture/ Animal husbandry/IT, services, Brass hardware and handmade jewellery sectors. Since the proposal is for conversion of existing DTA unit in agriculture sectors, criteria of, minimum one crore shall not apply.

The representative of the company appeared before the UAC and submitted that the unit is engaged in processing, pickling and trading / of fruits, vegetables and other food products with other allied activities under the name of Bhali Greens. Further, he submitted that they have been in the business for past four years and have been exporting gherkins to Russia.

After due deliberations the Committee approved the proposal.

2.4(17) Proposal for enhancement of capacity from 1650 MT/Annum to 6000 MT/Annum and revision of projections by M/s Greenscape Eco management (P) Ltd.

The Unit Approval Committee (UAC) noted that unit is engaged in export of electronic waste recycling. The Company's representative, Shri Bharat Bhushan Gupta, appeared before the UAC and submitted that they had sought permission from Ministry of Environment and Forest for import of 550 MT of used electrical and electronic equipments from Australia and Canada for repair purpose under the provision of Hazardous waste (Management, Handling and Transboundary movement) Rules, 2008. The permission has been granted subject to obtaining import authorization from DGFT. He further submitted that approval is expected shortly from DGFT. He further contended that since value of their import is likely to go up, their approved projection needs to be revised.

Representative from jurisdictional Central Excise submitted that cumulative NFE of the unit for previous block of 5 years is negative as per their records. However, since final decision on fulfilment of NFE criteria can only be taken by DC(SEZ), he submitted that data



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have been forwarded to NSEZ for further appropriate action in the matter. After due deliberations the Committee decided as under:-

1. As per the revision in export/foreign exchange outgo projected by the unit, there is an upward revision of Rs. 1000 lakh in FOB value of exports (that is, present projected value of exports Rs. 1310 lakh has been revised to Rs. 2310 lakh) and there is a similar upward revision of Rs. 1000 lakh (that is, projected value of FE outgo has been revised from Rs. 917.00 lakh to Rs. 1917 lakh). The Committee observed that there is no value addition due to proposed revision. The Committee, therefore, sought a detailed clarification from the unit regarding the actual value addition that would accrue as a result of the revision in projections.
2. The Committee directed the NSEZ authorities to thoroughly examine the NFE data provided by the jurisdictional Central Excise so as to enable DC (NSEZ) to decide the matter. It was decided that clarification may also be sought from central Excise regarding basis of their calculation of NFE. This was also informed to the representative of Central Excise present in UAC.
3. The Committee observed that approval of Ministry of Environment and forest for import of used electrical and electronic equipments is subject to the unit obtaining import authorization from DGFT. Therefore, the Committee decided to defer the proposal till the unit gets import authorization from DGFT.

2.5 (17) Fulfilment of Investment criteria of Rs. 1 crore on plant & machinery and issue of Procurement Certificate by M/s United Overseas.

The Committee was informed that NSEZ had requested jurisdictional Central Excise to ensure compliance of investment criteria of Rs. 1 crore in plant & machinery as provided in para 6.06 of FTP (2015-20). Jurisdictional Central Excise had expressed difficulty in valuation of plant and machinery in view of following consideration:-

- (a) The unit submitted to jurisdictional Central Excise B-17 Bond for Rs. one crore and Rs. five lakh as bank guarantee on 20.09.2016;
- (b) In support of their claim of investment of Rs. 1.03 crore in plant and machinery, the unit furnished a copy of invoice of purchase of machinery for Rs. 1.03 crore. As per the invoice, the machineries were purchased from M/s Rolex Sales India, Village Chattarpur, Gurgaon;

सिटीऑफिस: पी एचडीहाउस, तीसरीमंजिल, खेलगांव के सामने, नईदिल्ली-110016.
City Office : PHD HOUSE, III FLOOR, OPPOSITE ASIANGAMES VILLAGE, NEW DELHI-110016.

दूरभाषजोनकार्यालय: 95-120-2567270 से 73, / फेक्स 95-120-2562314, 95-120-2567276
उप विकास आयुक्त / Dy. Dev. Commissio

Tel. Zone Office : 95-120-2567270 to 73 (4 Lines) Fax : 95-120-2562314, 95-120-2567276
विशेष आर्थिक क्षेत्र / N.S.E

सिटीऑफिस टेलीफेक्स: 011-26855061 City Office Telefax : 011-26855061;
वाणिज्य एवं उद्योग मंत्रालय, भारत सरकार
Min. of Commerce & Industry, Govt. of I

Web : www.nepz.org ; E-mail : <dcnepz@nda.vsnl.net.in>
नौएडा-दादरी रोड, फेस-II, नौएडा-201305 (ए
Noida-Dadri Road, Ph-II, Noida-201305 (


माना रंगाराज / MALA RANGARAJ
उप विकास आयुक्त / Dy. Dev. Commissio
विशेष आर्थिक क्षेत्र / N.S.E
वाणिज्य एवं उद्योग मंत्रालय, भारत सरकार
Min. of Commerce & Industry, Govt. of I
नौएडा-दादरी रोड, फेस-II, नौएडा-201305 (ए
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- (c) Jurisdictional Central Excise office had deputed an officer to M/s Rolex Sales India office to verify the authenticity of the invoice. The officer could not trace the company;
- (d) Range Officer was deputed to the factory premises of the EOU for physical verification of machines installed;
- (e) The officer was shown 08 pieces of Heater Copper Machines with 08 machines, 13 number of Distillation Copper Machine with small Pitcher with Long Neck and SS Steel Tank and Mixture. Since jurisdictional Central Excise had doubts in respect of valuation of plant and machinery, they did not accept the valuation. The unit also submitted Chartered Engineer Valuation Certification, which jurisdictional Central Excise found vague.
- (f) The matter was referred to this office for appropriate action. A detailed clarification was sought on the points raised by Central Excise. In response, the unit furnished following documents in support of their claim regarding value of the machines:
- Invoice copy, Account Ledger of Bank Statement as proof of machines purchased from M/s Rolex Sales India, for Rs.1.03 crore;
 - A certificate from their Bank confirming that payments were made to M/s Rolex Sales India;
 - A copy of registration of M/s Rolex Sales India as available in website of Excise & Taxation Department, Govt. of Haryana;
 - Further, the fact that the machines were purchased without availing duty benefit as the unit had purchased the machines before execution of B-17 Bond was kept in view while deciding to give the benefit of doubt to the unit.
 - Accordingly, Central Excise was advised to accept B-17 Bond and permit to the unit to operate.

The Committee observed that since jurisdictional Central Excise could not trace the supplier, further verification in respect of the supplier needs to be carried out. The Committee instructed the NSEZ authorities to hand over the documents to Central Excise so as to enable them to carry out further verification in the matter.


(Dr. L.B. Singhal)
Development Commissioner