

**SEEPZ SPECIAL ECONOMIC ZONE
ANDHERI (EAST), MUMBAI.**

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AGENDA FOR

**MEETING OF THE APPROVAL COMMITTEE FOR MULTI-
SECTOR SPECIAL ECONOMIC ZONE AT PUNE OF M/s.
KHED ECONOMIC INFRASTRUCTURE PVT LTD.-SEZ**

Via Video Conferencing

DATE : 27.06.2023

TIME : 03.30 P.M.

**MEETING OF THE APPROVAL COMMITTEE FOR MULTI-
SECTOR SPECIAL ECONOMIC ZONE AT PUNE, UNDER
THE CHAIRMANSHIP OF DEVELOPMENT
COMMISSIONER, SEEPZ-SEZ ON 27.06.2023**

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Agenda Item No.	Subject
Agenda Item No. 01: -	Confirmation of the Minutes of the meeting held on 19.04.2018
Agenda Item No. 02: -	Application of Approval for Setting up of New Unit by M/s. Aurascent Essence Pvt Ltd

Minutes of Meeting of the Approval Committee held under the Chairmanship of Development Commissioner for M/s. Khed Economic Infrastructure Pvt. Ltd., SEZ Taluka Shirur & Khed, District Pune held on 19.04.2018 at MCCIA Trade Power, Senapati Bapat Road, Pune - 411016.

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|--------------------|--|
| 1. Name of the SEZ | : M/s. Khed Economic Infrastructure Pvt. Ltd.
Pune. |
| 2. Sector | : Multi Product. |
| 3. Meeting no | : 21 st |
| 4. Date | : 19.04.2018 |

Members Present:

- | | |
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| 1. Shri. Pravin Chandra,
Jt. Development Commissioner | : Member.
SEEPZ-SEZ (Pune Cluster) |
| 2. Shri. Arvind S. Dhapate,
F. O. MPCB | : Nominee of MPCB,
Pune. |
| 3. Smt. C. M. Ram,
FTDO | : Nominee of Jt. DGFT,
Pune. |
| 4. Shri. M. M. Gaikwad,
Industries Inspector | : Nominee of Jt. Director of Industries,
Pune. |
| 5. Smt. Neha Deshpande,
DEP. CIT (Income Tax) | : Nominee of Commissioner of Income Tax,
Pune. |
| 6. Shri. Maneesh Dudpari,
DC Customs | : Nominee of Commissioner of Customs,
Pune. |

Special Invitee:

7. Shri. B. S. Chauhan,
Specified Officer, MIDC-SEZ, Pune.

Agenda Item No.1: Confirmation of Minutes of the meeting held on 05.12.2014.

Minutes of the 20th Meeting held on 05.12.2014 were confirmed.

Agenda Item No.2: Monitoring the Performance of M/s. Raj Process Equipment and System Pvt. Ltd.

After deliberation, the Unit Approval Committee noted the performance of M/s. Raj Process Equipment & System Pvt. Ltd. in terms of Rule 54 of SEZ Rules, 2006 and found that the unit has achieved positive NFE of Rs. 14398.44 on cumulative basis during the period 2012-13 to 2016-17. The Committee also directed the Unit to submit the Export realization pending details to the office and reasons for exceeding the projected RM Import/procurement.

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



**Chairperson-cum-
Development Commissioner**

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FORMAT FOR NEW UNIT IN SEZ**COMPANY/UNIT PROFILE**

Name and address telephone/fax/emai l ID	M/s Aurascent Essence Private Limited Registered Address : Office No. 504, Dev Plaza, Plot No. 68. S V Road, Opposite Andheri West, Mumbai Proposed Address : Plot No I-12, Khed City Industrial Park, SEZ, Pune Email ID - anubhav@aditiessentialoil.com Website - www.aurascentessence.com										
Status of the company i.e. proprietorship/ partnership/indiv idual and statute under which registered with registration no. & year of registration	Private Limited Company Registration : U20293MH2023PTC401862 CIN Date 28.04.2023										
Financial capability of the applicant	Cash and Bank Balance (Rs. In lakhs) <table border="1"> <tr> <td>2019-20</td><td>2020-21</td><td>2021-22</td></tr> <tr> <td>375.57</td><td>22.50</td><td>443.75</td></tr> </table>					2019-20	2020-21	2021-22	375.57	22.50	443.75
2019-20	2020-21	2021-22									
375.57	22.50	443.75									
IEC No / date/ issued by DGFT	AAYCA6098D										
Whether manufacturer /trader/ company warehouse/ Service provider	Manufacturer										
II. PROJECT PROFILE											
(i) Product to be manufacture d/ service to be rendered	Sl . N o.	Item	HS Code	Export	Nature of restriction						
	1	Processed Sandalwood Heartwood Chips	121190 50	Restrict ed	Export permitted under licence						

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	2	Sandalwood Spent Dust (By-product)	12119050		subject to conditionalities as may be notified by the Director General of Foreign Trade from time of time
	3	Sandalwood Sapwood Flakes/Chips (By-product	12119050		
	4	Sandalwood Oil	33012937	Restricted	Subject to quantitative ceilings and conditionalities as may be notified by the Director General of Foreign Trade from time to time.
	5	Sandalwood heartwood powder	33049190	Restricted	Export permitted under licence
	6	Sandalwood Blended Powder (Blended Powder of sandalwood heartwood powder, sap wood powder, spent dust powder etc)	33049190		subject to conditionalities as may be notified by the Director General of Foreign Trade from time of time
	7	Sandalwood articles/artifacts/handicrafts	44091010	Free	
	8	Processed Sandalwood heartwood logs	44039922	Prohibited	Export permitted under licence
					subject to conditionalities as may be notified by the Director General of Foreign Trade from time of time

(ii) Brief detail of the project :

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Aditi International a reputable essential oils manufacture and trader intends to set up new Sandalwood processing and essential oil processing unit in SEZ at Khed City Industrial Park. The new unit will operate under the newly established firm Aurascent Essence Pvt. Ltd. with same promoters as Aditi International

The unit proposes to import raw materials such as Sandalwood raw logs/butts/Roots and Raw Sandalwood heartwood chips and export the resultant product as detailed above.

The new unit will process imported Sandalwood of various origins, including Australian, African and Indonesian and various other aromatic wood and plant produce from different origins around the world. The products will cater to diverse industries, such as food and flavours, fragrance, pharmaceutical, cosmetic and skincare, aromatherapy and home care.

M/s Aurascent Essence Pvt. Ltd. intends to set up their unit at Khed City Industrial Park, SEZ, Khed on 2 acres of land. The unit intends to invest an amount of Rs.3368.66 lakhs into the project, which would be financed partly through bank borrowings of Rs.1527.49 lakhs and internal accruals of Rs.1841.16 lakhs. The applicant has projected an export revenue of Rs. 22766.00 lakhs with NFE of Rs.5113.81 lakhs and employment of 100 (Men-70 and Women-30)

**PROJECTIONS,
YEAR- WISE**

Investment
and Details
of Source of
Finance
period of 5
years

S. No.	Plant & Machinery	Rs. In Lakhs
(a)	Indigenous	350.00
	Imported	150.00
(b)	Land cost	350.00
(c)	Built up area 4100 sq meters Including lighting & other electrification	300.00
(d)	Site Development and Fencing	100.00
(e)	Vehicles	41.00
(f)	Laboratory equipment	41.00
(g)	Working capital	2036.66
	Total	3368.66
(b)	Details of Source(s) of Finance :	
	Bank Borrowing	1527.50
	Internal Accrual	1841.16
	Total	3368.66

Imported and

Import

Indigenous

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Indigenous requirement of Materials and other outputs	(a)	Capital Goods	150.00	1066.00			
	(b)	Raw Material, components, consumables, packing material, fuel etc.	17100.00	3815.00			
		Total	17250.00	4881.00			
	(Rs. In lakhs)						
Requirement of Land/ built-up area (Area in Sq. Mtrs.)	a) Factory and Office - 1800 sq.mtrs b) Warehousing/storage - 1000 sq.mtrs c) Other, Specify - 5300 sq.mtrs						
Total Employment	Total – 100 (Men – 70, Women – 30)						
Foreign Exchange Balance Sheet		1st Year	2nd Year	3rd Year	4th Year	5th Year	Total Rs. In Lakhs
	FOB Value of Exports	3729.02	4101.93	4512.12	4963.33	5459.66	22766.00
	Foreign Exchange outgo for the next five years	3168.46	3242.05	3482.40	3740.79	4018.55	17652.25
	Net Foreign Exchange Earning	560.56	859.88	1029.72	1222.54	1441.11	5113.81
Effluent Treatment	Not applicable						
Whether Foreign Technology Agreement is envisaged	No						
Rule provision w.r.t. SEZ Rules, 2006	Rule 17 & 18 of SEZ Rules, 2006						
Request of the company	To grant setting up of manufacturing unit for manufacture of items of Sandalwood in Khed City Industrial Park, SEZ, Khed						

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Previous precedents/cases on the above issue put up before UAC for consideration :

It is seen that the goods that the new unit intends to manufacture and export are restricted/prohibited goods. The issue of import/export of items of Sandalwood by SEZ units was taken up by various Departments under Ministry of Commerce to decide on the procedures to be followed for the same, being restricted/prohibited items. The sequence of events have been detailed below for consideration.

From the BOA Agendas and Minutes it is seen that the proposals of the units for import/export of Sandalwood was being referred to BOA. The proposal of the following units for manufacture of sandalwood products were taken up in the meetings of the BOA:

Proposal of M/s. MMG Impex, a unit in MEPZ for manufacturing following items
(i) Sandalwood handicraft products (ii) Sandalwood machine made products
(iii)Sandalwood chips (upto 50 grams per piece) (iv)Sandalwood power/dust (v)
Sandalwood flakes/scrap/waste

Proposal of M/s. Global Export House for manufacturing of Sandalwood chips (50 grams or less), sandalwood oil, sandalwood beads (of various sizes for mala) and other handicraft articles of sandalwood.

The BOA in the Minutes of the meeting held on 08.03.2017 observed as under :

The Board after deliberation noted that while DGFT vide its letter dated 30.01.2017 has clarified the export policy, quantitative ceiling on import of Sandal Wood is applicable and licence for the same is issued by DGFT. The Board, therefore, deferred the proposal. DGFT will hold a meeting with DGEP and DC NSEZ to discuss all issues raised by DC NSEZ and DGEP and give a report in the matter.

Based on the above direction of BOA, DGFT (Export Cell) vide Office Memorandum issued under F.No. 01/91/171/17/AM06/PC-III/EC dated 11.07.2017 has issued clarification with regard to import and export of Red sander wood and Sandalwood from DTA and SEZ wherein it is clarified as under :

2. DGFT took a meeting on 29.03.2017 with a view to discuss the issues raised by the Jt. Development Commissioner, SEZ, Moradabad in his letter dated 14.02.2017 on import/export of sandalwood by SEZ units and also issues relating to the cases under consideration of the BOA. Representatives of DOC (SEZ), MOE&CC, DGEP and DC(NSEZ) attended the meeting. After detailed deliberations the following decisions were taken in the meeting :

(d)In cases of quantitative ceilings on import/export, the distinction between DTA and SEZ should be removed and the ceilings to be applicable to both DTA and SEZ. Accordingly, wherever DGFT bring out any policy having import/export

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restrictions like QR, MEP, MIS, CITES clearance, port restrictions etc. these would be applicable to SEZ also unless specifically exempted. The same regulation will also be applicable in case of export of items made of Red sander wood. The SEZ Division of DOC would take appropriate action including issue of instruction/guidelines to SEZs.

Para 3 : *The MOEF&CC vide O.M. No. 22-13/2007-SU (Vol.II) dated 19.04.2017 has made certain observations with respect to regulating export and import of Red Sanders wood and Sandalwood from DTA and SEZ which are re-produced below :*

(b) MOEF&CC is mandated to control and monitor the import and export of Sandalwood (Santalum album) as is done in the case of export of Red sanders wood (Pterocarpus santalinus). The DGFT before granting licence for import/export of Sandalwood to DTA units, sends the applications to MOEF&CC for issuance of NOC for import and export of desired quantity of Sandalwood, as it is under an obligation to ensure that Sandalwood stock imported/exported by DTA/SEZ units are verified at the time of import and re-export in order to ensure that the species being exported is exactly the same as the one imported by it, which is also mandated in DGFT Policy Circular NO. 23(RE-2007)/2004-2009 dated 31.12.2007 ; and

(c) SEZ units, which are not required to obtain licence for import/export of Sandalwood, may be mandated to obtain NOC from MOEF&CC for import/export of desired quantity of Sandalwood/products listed in the restricted category. The SEZ units may be directed to submit their application for grant of NOC through DGFT, New Delhi.

Para 5 : *Accordingly it has been decided that the products of Red Sanders wood and Sandalwood under 'restricted' category for export should be subject to NOC, even when exported from SEZ so that the quantitative/qualitative restrictions imposed on these endangered flora are applied during exports from SEZ also. Further any subsequent policy changes like QR, MEP, MIP, CITES clearance, port restriction etc. on these items will also be applicable to SEZ units, unless specifically exempted.*

Based on the above OM issued by MOEF&CC , MOC&I vide letter issued under F.No. F.5/7/2017-SEZ dated 19.09.2017 addressed to all the Development Commissioners, on the above issue, has directed to ensure compliance to DGFT O.M. dated 01.09.2017 and conditions imposed on the policy on import/export of items related to Red Sanders and Sandalwood and making it mandatory for SEZ units to obtain NOC from MOEF&CC through DGFT in prescribed proforma.

DGFT's O.M. dated 01.09.2017 reads as under :

Para 3 : *As specified in para 6 of the O.M. dated 11.07.2017 regarding submission of application by SEZ units in prescribed proforma through the respective jurisdictional SEZ authorities for*

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seeking NOC of MOEF&CC through DGFT, two separate proforma for import [ANF 2M(a)] and export [ANF 2N(a)] have been notified vide Public Notice No. 21/2015-20 dated 31.08.2017. An advance copy of application can, however, be submitted by SEZ units to Export/Import Cell (as the case may be) of DGFT (Hdqs) and SU Division of COEF&CC. Jurisdictional SEZ Authorities may forward these applications within a time period prescribed by SEZ Division/DOC.

Based on the above clarification, Moradabad SEZ in the Minutes of the UAC Meeting held on 11.09.2017 has covered the proposal of M/s Global Export House for Export/Import for Sandalwood, Sandalwood Oil and its products review of its Authorised Operations.

In the Minutes reference to the sequence of events, as detailed above, have been made and further in para 6 it is stated as under :

6. This office have received letter F.2/1/2017-SEZ dated 29.08.2017 from DoC, MOC&I, the extract of the letter is reproduced below :

"I am directed to refer to your letter no.NSEZ/4-367/2003-MBD/8920 dated 22.08.2017 on the subject and to say that import and export policy Notification No. 37/2015-2020 dated 27.01.2017 and Notification No.15/2015-2020 dated 05.07.2017 issued by DGFT are applicable to SEZ also. However, the Quantitative Restricted will be monitored by MoEF&CC and DGFT as per the DGFT OM dated 11.07.2017

Therefore, you are requested to follow DGFT Notfn. No. 37/2015-2020 dated 27.01.2017 and Notification No. 15/2015-2020 dated 05.07.2017 and Para 6 of OM dated 11.07.2017 while disposing the case"

The above proposal was approved in the UAC subject to the following conditions :

- (i) Import of red sanders would not be allowed as Import of red sanders is prohibited under DGFT Notification No. 17/2015-20 dated 01.08.2017
- (ii) Export of Attar would be subject to the condition that for every consignment of export sample would be drawn by the Customs and got is verified by Metal Handicrafts Service Centre, O/o DC, Handicrafts, Moradabad
- (iii) Import of Sandalwood would be subject to obtaining no objection certificate from Ministry of Environment Forest & Climate change/DGFT. The proforma for obtaining NOC has been notified by DGFT in Public Notice No. 21/2015-20 dated 31.08.2017.
- (iv) For export of Agarbatti, quantity of import of sandalwood oil would be subject to Input Output norms as given at Sl.No. A-1766 of Foreign Trade Policy Input Output Norms of DGFT
- (v) The handicraft items prohibited would be as per Note 1 of Chapter 44 of ITC HS Schedule-2 as clarified by DGFT in its

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meeting held on 29.03.2017

- (vi) Import of Sandwood/Sandalwood oil and export of sandalwood products would be subject to inspection by the Customs Authorities in addition to inspection of import carried out under Rule 28(5) and exports carried out under Rule 46 of SEZ Rules.

It is further seen that in the Minutes of the Meeting held on 23.11.2021 the proposal of M/s Global Export House for permission for Import of goods (Sandalwood) for Authorised Operations was considered wherein it was decided by the Approval Committee that

“for all future consignments of import of Sandalwood, the unit would need to apply for an import licence prior to undertaking imports.”

Further in the Approval Committee Meeting of Moradabad SEZ held on 09.03.2023 under Additional Agenda proposal of export of ‘Restricted’ products by SEZ units under jurisdiction of Noida SEZ was considered wherein it was decided that :

1. ***This agenda was taken up for the sake of providing clarity regarding export of products restricted under the Foreign Trade Policy (FTP). The Approval Committee was informed that Rule 18(3) and Rule 26 of the SEZ Rules, provides as under :***

Rule 18(3) : The proposal shall also fulfil the following sector specific requirements, namely :

- (a) ***Export of the goods from Special Economic Zones shall be subject to export policy in force, as provided in Schedule 2 to the Indian Trade Classification (Harmonised System) of Export and Import items 2017***

Rule 26 ; General Conditions of Import and Export : A unit may export goods and services, including agro-products, partly processed goods, sub-assemblies, components, by-products, rejects, waste or scrap except prohibited items of exports indicated in the Import Trade Control (Harmonised System) Classification of Export and Import items :

The Approval Committee after due deliberations, decided as under :

- i. ***Any product which is ‘Restricted’ for exports under FTP, the Unit shall obtain an ‘Export Licence’ from the office of DGFT for that specific product before exporting”.***

Letter to MoCI is sent for seeking clarification in this matter.

Observation of ADC :

In view of the above, the proposal of the unit for setting up of manufacturing unit for processing of Sandalwood is placed for consideration before UAC subject to

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the following conditions :

- (i) Import of red sanders would not be allowed as Import of red sanders is prohibited under DGFT Notification No. 17/2015-20 dated 01.08.2017
- (ii) Import of Sandalwood would be subject to obtaining no objection certificate from Ministry of Environment Forest & Climate change/DGFT. The proforma for obtaining NOC has been notified by DGFT in Public Notice No. 21/2015-20 dated 31.08.2017.
- (iii) Export of items of Sandalwood which are restricted for exports under FTP will be subject to obtaining no objection certificate from the office of DGFT, the proforma for which has been notified by DGFT in Public Notice No. 21/2015-20 dated 31.08.2017.
- (iv) DTA sales, Deemed Export or export to other SEZ units shall not be allowed for products originating from or having any content of the Imported Sandalwood or its waste/by-products.
- (v) No DTA sale of raw material, intermediate product or finished goods will be allowed.
- (vi) 100% examination of Import of Sandalwood and export of the goods originating from the imported sandalwood would be carried by Customs authorities.
- (vii) For Handicraft items made of sandalwood only those items will be permitted which fall under the definition of "Handicraft" as per Note 1 of Chapter 44 of ITC(HS), Schedule-2 as per DGFT O.M. dated 11.07.2017

Further the proposal of the unit has been referred to MOC&I vide this office letter dated 21.06.2023 for further clarification in the matter. Any Clarification/instruction issued by Ministry will also be binding on the unit for compliance