

## Moradabad Special Economic Zone

(Minutes of Meeting of Approval Committee of Moradabad SEZ held on 11/09/2017)

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### Minutes of the meeting of the Approval Committee of Moradabad SEZ held under the chairmanship of Dr. L. B. Singhal, Development Commissioner (DC), Noida SEZ at 11:30 AM on 11/09/2017 in the Conference Hall of Moradabad SEZ.

1. The following members of the Approval Committee were present during the meeting:-
  - 1) Shri S. S. Shukla, Jt. Development Commissioner, NSEZ.
  - 2) Shri U. K. Acharya, Dy. DGFT, Moradabad
  - 3) Shri Dhananjay Singh, Assistant Commissioner (Industries), Moradabad
  - 4) Dr. Ravindra Kr. Sharma, General Manager, Metal Handicrafts Service Centre, O/o DC Handicrafts, Moradabad
  - 5) Shri Mahendra Singh, Superintendent, Central GST, Moradabad
  - 6) Shri Lalit Kumar Verma, Representative of UPSIDC, Moradabad SEZ
2. Besides, during the meeting (i) Smt. Mala Ranagarajan, Dy. Development Commissioner, NSEZ (ii) Shri Saurav Suman Shardool, Specified Officer, Moradabad SEZ, (iii) Dr. V. P. Sharma, Asstt. Development Commissioner, Moradabad SEZ were also present to assist the Approval Committee.
3. At the outset, D. C., NSEZ welcomed the participants. After brief introduction, it was informed that the following general decisions, which are either culled out from SEZ Act or based on clarifications/decisions conveyed by DGFT or Department of Commerce, would be guiding principle for the Approval Committee for performing its function:

- i. As per Section 13(3) of SEZ Act

“ For the purpose of exercising its power and performing its function, Approval Committee may invite to its meeting, such persons as the Committee deems fit, whose assistance or advice it may consider necessary”

In the light of above provision, the Committee decided to invite the representative of DC(Handicrafts), whose assistance will facilitate the Committee in deciding project proposals of the handicraft SEZ.



- ii. Section 13(7) of SEZ Act mandates that all orders and decisions of the Approval Committee and all other communications issued by it shall be authenticated by the signature of the chairperson or any other member as may be authorized by the Approval Committee in this behalf. It was noted that once minutes are approved by chairman of Approval Committee, letters communicating decision of the Approval Committee are being signed by ADC. Approval Committee decided to continue this practice & accordingly authorized ADC, Moradabad to communicate decisions of the Committee under his signature.
- iii. Decision of DGFT (in respect of handicrafts) highlighted in the minutes of the meeting held on 29.3.2017 would be applicable to all SEZ units in handicraft SEZ. DGFT's decisions, inter alia, include the decision to permit only those items which fall under the definition of handicraft as per Note 1 of Chapter 44 of ITC(HS), Schedule-2. It was informed to the Approval Committee that as per Note 1 of chapter 44 of ITC(HS), Schedule 2, (a) a handicraft must be predominantly made by hand. Machinery can also be used in the manufacturing process as a secondary process. (b) It must be graced with visual appeal in the form of ornamentation or in-lay work or some similar work lending it an element of artistic improvement and such ornamentation must be of a substantial nature and not a mere pretence.
- iv. As per Department of Commerce's letter No. F.2/1/2017-SEZ dated 29<sup>th</sup> August 2017, import and export policy Notification no. 37/2015-2020 dated 27.01.2017 and Notification no. 15/2015-2020 dated 5.7.2017 are applicable to SEZ units also. Accordingly, Approval Committee shall keep the above clarification of Department of Commerce in view while deciding such matters. Further, grant of permission for import of sandalwood and export of red sanders and sandalwood would be subject to obtaining "No objection Certificate"(NOC) of Ministry of Environment, Forest and Climate Change(MOEF &CC). It was informed to the Approval Committee that DGFT vide Public Notice No.21/2015-2020 dated 31.8.2017 has notified proforma



for submission of application by SEZ Units with concerned jurisdictional DC for obtaining NOC from MOEF&CC through DGFT.

- v. As mandated in Rule 18(4) of SEZ Rules, no proposal for recycling of metal scrap or import of other used goods for recycling would be considered by Approval Committee
- vi. No proposal involving import of used clothes would be considered by the Approval Committee.
- vii. It was emphasized that all SEZ units must ensure that applicable laws including Labour Laws (U.P. Govt.) are complied with.

3.1. Approval Committee was also informed the performance of the Zone and it expressed satisfaction that export from the zone has increased from Rs. 464.28 crore in 2015-16 to Rs. 1146.36 crore in 2016-17. It was also informed that the employment from the zone has increased from 1200 in 2015-16 to 1738 in 2016-17.

3.2. Thereafter, each item in the agenda were taken up for deliberation one by one. After detailed deliberations as well as interaction with the applicants / representatives of the units, the following decisions taken:-

**4. Ratification of Minutes of last meeting of the Approval Committee held on 30/05/2017:-**

It was informed that no reference against the decisions of the Approval Committee held on 30/05/2017 was received. Accordingly, Approval Committee ratified Minutes of Approval Committee meeting held on 30/05/2017

**4.1 Item wise decisions on proposals included in agenda:**

**1. Proposal of M/S Hansa Traders Inc. for setting up a new Unit in Moradabad SEZ.**

It was informed to the Approval Committee that the applicant has proposed to set up a new unit in Moradabad SEZ for Manufacturing & Export of Handicrafts made of Brass namely Candle Stand (70200090), Pooja Plate (74181021) and Decorative Bowl (74199930) with projected exports of Rs. 360 Lakhs and the NFE of Rs. 360 Lakhs over a period of five years.



Smt. Seema Khanna, Proprietor appeared before the Approval Committee to explain the project. She informed that she is new to this business but her husband has been in export business for last 20 years and she will get support from him in implementing the project and running it smoothly. The Proprietor had a gross income of Rs. 9.19 Lakhs (approx) during 2016-17. She also informed that she will invest in the unit by using her own funds and source the remaining fund by bank finance She further informed that the proposed unit shall be a 100% export unit and will employ approx. 10 persons initially.

Representative of UPSIDC informed the Committee that they vide their letter dated 02.08.2017 had intimated the unit that the validity of Plot No. F-03 in respect of M/s Hansa Traders Inc. would expire on 31.08.2017 and that the unit has to get its LOA extended and deposit time extension fee by 31.8.2017 so as to avoid cancellation of the plot. In this regard the Proprietor informed the committee that their lease deed for the plot is valid till date and they have already constructed their unit on the said plot. She further informed that she will sort out all the issues with UPSIDC if the Approval committee gives them LOA as this is the primary condition of UPSIDC for time extension of their plot.

The Approval Committee, after due deliberations, approved the proposal of M/s. Hansa Traders Inc. for setting up a new unit in Moradabad SEZ for manufacturing and export of Handicrafts made of Brass namely Candle Stand (70200090), Pooja Plate (74181021) and Decorative Bowl (74199930). The Committee further decided that the provisional LOA with 3 months validity will be issued subject to the condition that:-

- a) within the extended period of 3 months the proprietor will sort out all issues and get 'NOC' from UPSIDC for their plot.
- b) Proprietor was directed to submit NOC from UPSIDC on or before 10.12.2017 for extension of their LOA for further one year.
- c) Upon installation of the machinery in the unit the unit shall intimate the same to the specified officer within one week of such installation.
- d) Specified Officer or any person authorized by him shall carry out the physical verification of the machine installed within a week of receipt of such intimation.



e) In the event of disproportionately high exports made by the unit vis-à-vis that projected in the application form the unit shall intimate the same to DC's office regarding such increase with a detailed justification. The unit shall also take necessary steps to get foreign exchange projections revised.

**2. Proposal of M/S Sehar Overseas for setting up a new Unit in Moradabad SEZ.**

It was informed to the Approval Committee that the applicant has proposed to set up a new unit in Moradabad SEZ for Manufacturing & Export of Handicrafts made of Leather, Wooden, Glass, Iron, Brass, Copper and Aluminum with projected exports of Rs. 1375 Lakhs and the NFE of Rs. 1375 Lakhs over a period of five years.

Shri Fahim Ahmad, Proprietor appeared before the Approval Committee to explain the project. He informed that he is into export business for last 10 years and he will also get support from his family members in implementing the project. He has a gross income of Rs. 9.54 Lakhs (approx.) during 2017-18. He also informed that Proprietor that the project would be financed through his own funds and through loan from bank. He further informed that the proposed unit shall be a 100% export unit and will employ approx. 30 persons initially.

UPSIDC vide its letter dated 02.08.2017 has also granted permission for allotment of Plot No. F23, SEZ, Moradabad subject to condition that the unit shall have to submit a Letter of Approval from the DC, SEZ Moradabad within 30 days from the date of their letter.

The Approval Committee, after due deliberations, approved the proposal of M/S Sehar Overseas for setting up a new unit in Moradabad SEZ for manufacturing and export of Handicrafts made of Leather, Wooden, Glass, Iron, Brass, Copper and Aluminium as per ITC (HS) code list attached:

| S. No. | Description  | ITC (HS) code |
|--------|--|---------------|
| 1.     | Handicrafts Artware of Brass namely, Candle stand, stools, Flower base, Ash tray, Pankutti, Tea set, Cutlery set, Animals statue, Grapes | 74199930      |





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|    | Tray, Fruits dish.  |          |
| 2. | Handicrafts Artware of Aluminium namely, Candle stand, stools, Flower base, Ash tray, Pankutti, Tea set, Cutlery set, Animals statue, Grapes Tray, Fruits dish.           | 76169990 |
| 3. | Handicrafts Artware of Iron namely, Candle stand, stools, Flower base, Ash tray, Pankutti, Tea set, Cutlery set, Animals statue, Grapes Tray, Fruits dish, Table.         | 73269099 |
| 4. | Handicrafts Artware of Copper namely, Candle stand, stools, Flower base, Ash tray, Pankutti, Tea set, Cutlery set, Animals statue, Grapes Tray, Fruits dish, Table, Lamp. | 74199940 |
| 5. | Handicrafts Artware of Leather namely, Purse  | 42021190 |

The proposal was approved subject to the condition that

- a) the Proprietor will submit a copy of SSI Registration and their turn over for last 3 years duly certified by CA with complete facts of the parties they supplied to, what items they supplied and value of supplied items.
- b) Upon installation of the machinery in the unit the unit shall intimate the same to the specified officer within one week of such installation.
- c) Specified Officer or any person authorized by him shall carry out the physical verification of the machine installed within a week of receipt of such intimation.
- d) In the event of disproportionately high exports made by the unit vis-à-vis that projected in the application form the unit shall intimate the same to DC's office regarding such increase with a detailed justification. The unit shall also take necessary steps to get foreign exchange projections revised.
- e) Handicraft must be as per definition of handicraft given in Note 1 of chapter 44 of ITC



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HS Schedule 2 as clarified by DGFT in its meeting held on 29.03.2017.

**3. Proposal of M/S Parth Exports for setting up a new Unit in Moradabad SEZ.**

It was informed to the Approval Committee that the applicant has proposed to set up a new unit in Moradabad SEZ for Manufacturing & Export of Handicrafts made of Wooden Artware with Iron [44209090], Wood Artware[44209090], Stone Artware [68159990], Stone Artware with stainless steel[68159990], Glass Artware [70200090], Iron Artware [73269099], Stainless Steel [73269099], Brass/Copper Artware [74199930], Aluminum Artware [76169990], Wooden Furniture[94036000] with projected exports of Rs. 7939.53 Lakhs and the NFE of Rs. 7939.53 Lakhs over a period of five years.

Shri Rajeev Goel, Partner appeared before the Approval Committee to explain the project. He informed that they are into export business for last 20 years and they already have a unit in Moradabad in the name of "Parth Overseas". Now they want to expand business so they are willing to setup a new unit in Moradabad SEZ. The Partners have gross income of Rs. 65,12,153 during 2016-17. He also informed that he will invest in the unit by using his own funds and source the remaining fund by bank finance. He further informed that the proposed unit shall be a 100% export unit and will employ approx. 22 persons initially.

UPSIDC vide its letter dated 06/01/2017 has also granted permission for allotment of Plot No. G-14, SEZ, Moradabad subject to condition that transferee shall have to submit a Letter of Approval from the DC, SEZ Moradabad within 30 days from the date of their letter. The previous allottee has already surrendered the plot in favour of UPSIDC.

The Approval Committee, after due deliberations, approved the proposal of M/S Parth Exports for setting up a new unit in Moradabad SEZ for Manufacturing & Export of Handicrafts made of Wooden Artware with Iron [44209090], Wood Artware[44209090], Stone Artware [68159990], Stone Artware with stainless steel[68159990], Glass Artware [70200090], Iron Artware [73269099], Stainless Steel [73269099], Brass/Copper Artware [74199930], Aluminum Artware [76169990], Wooden Furniture[94036000] as per ITC (HS) code list attached:

| S. No. | ITC(HS) Code | Description |
|--------|--------------|-------------|
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| 1  | 70200090 | Handicraft Glass Artware with Wood, Iron namely, Home Decoration, Kitchen, Indoor Furniture, Outdoor Furniture, Lighting, Table Top Accessories, X-Mas Accessories, Garden Accessories, Desktop Accessories, Storage Products.            |
| 2  | 76169990 | Handicrafts Aluminum Artware with Iron namely, Home Decoration, Kitchen, Indoor Furniture, Outdoor Furniture, Lighting, Table Top Accessories, X-Mas Accessories, Garden Accessories, Desktop Accessories, Storage Products.              |
| 3  | 94036000 | Handicrafts Wooden Furniture with Iron namely, Indoor Furniture, Outdoor Furniture, Accent Furniture & Storage Furniture.   |
| 4  | 68159990 | Handicrafts Stone Artware with Stainless Steel namely, Home Decoration, Kitchen, Indoor Furniture, Outdoor Furniture, Lighting, Table Top Accessories, X-Mas Accessories, Garden Accessories, Desktop Accessories, Storage Products.      |
| 5  | 68159990 | Handicrafts Stone Artware with Wood namely, Home Decoration, Kitchen, Indoor Furniture, Outdoor Furniture, Lighting, Table Top Accessories, X-Mas Accessories, Garden Accessories, Desktop Accessories, Storage Products.                 |
| 6  | 70200090 | Handicrafts Glass Artware namely, Home Decoration, Kitchen, Indoor Furniture, Outdoor Furniture, Lighting, Table Top Accessories, X-Mas Accessories, Garden Accessories, Desktop Accessories, Storage Products.                           |
| 7  | 44209090 | Handicrafts Wood Artware namely, Home Decoration, Kitchen, Indoor Furniture, Outdoor Furniture, Lighting, Table Top Accessories, X-Mas Accessories, Garden Accessories, Desktop Accessories, Storage Products.                            |
| 8  | 76169990 | Handicrafts Aluminum Artware with Glass namely, Home Decoration, Kitchen, Indoor Furniture, Outdoor Furniture, Lighting, Table Top Accessories, X-Mas Accessories, Garden Accessories, Desktop Accessories, Storage Products.             |
| 9  | 73269099 | Handicrafts Iron Artware with wood namely, Home Decoration, Kitchen, Indoor Furniture, Outdoor Furniture, Lighting, Table Top Accessories, X-Mas Accessories, Garden Accessories, Desktop Accessories, Storage Products.                  |
| 10 | 73269099 | Handicrafts Stainless Steel Artware with Aluminum namely Home Decoration, Kitchen, Indoor Furniture, Outdoor Furniture, Lighting, Table Top Accessories, X-Mas Accessories, Garden Accessories, Desktop Accessories, Storage Products.    |
| 11 | 94036000 | Handicrafts Wooden Furniture with MDF & Iron namely, Home Decoration, Kitchen, Indoor Furniture, Outdoor Furniture, Lighting, Table Top Accessories, X-Mas Accessories, Garden Accessories, Desktop Accessories, Storage Products.        |
| 12 | 68159990 | Handicrafts Stone Artware with Stainless Steel, Wood namely Home Decoration, Kitchen, Indoor Furniture, Outdoor Furniture, Lighting, Table Top Accessories, X-Mas Accessories, Garden Accessories, Desktop Accessories, Storage Products. |
| 13 | 44209090 | Handicrafts Wooden Artware with Iron namely Home Decoration, Kitchen, Indoor  |





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|    |          |  |
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|    |          | Furniture, Outdoor Furniture, Lighting, Table Top Accessories, X-Mas Accessories, Garden Accessories, Desktop Accessories, Storage Products.   |
| 14 | 73269099 | Handicrafts Iron Artware with Wood & MDF namely, Home Decoration, Kitchen, Indoor Furniture, Outdoor Furniture, Lighting, Table Top Accessories, X-Mas Accessories, Garden Accessories, Desktop Accessories, Storage Products. |
| 15 | 73269099 | Handicrafts Iron Artware namely, Home Decoration, Kitchen, Indoor Furniture, Outdoor Furniture, Lighting, Table Top Accessories, X-Mas Accessories, Garden Accessories, Desktop Accessories, Storage Products.                 |
| 16 | 73269099 | Handicrafts Stainless Steel Artware namely, Home Decoration, Kitchen, Indoor Furniture, Outdoor Furniture, Lighting, Table Top Accessories, X-Mas Accessories, Garden Accessories, Desktop Accessories, Storage Products.      |
| 17 | 74199930 | Handicrafts Brass/Copper Artware namely, Home Decoration, Kitchen, Indoor Furniture, Outdoor Furniture, Lighting, Table Top Accessories, X-Mas Accessories, Garden Accessories, Desktop Accessories, Storage Products.         |
| 18 | 76169990 | Handicrafts Aluminum Artware namely, Home Decoration, Kitchen, Indoor Furniture, Outdoor Furniture, Lighting, Table Top Accessories, X-Mas Accessories, Garden Accessories, Desktop Accessories, Storage Products.             |
| 19 | 94036000 | Handicrafts Wooden Furniture namely, Home Decoration, Kitchen, Indoor Furniture, Outdoor Furniture, Lighting, Table Top Accessories, X-Mas Accessories, Garden Accessories, Desktop Accessories, Storage Products.             |
| 20 | 68159990 | Handicrafts Stone Artware namely, Home Decoration, Kitchen, Indoor Furniture, Outdoor Furniture, Lighting, Table Top Accessories, X-Mas Accessories, Garden Accessories, Desktop Accessories, Storage Products.                |

The proposal was approved subject to the condition that

- a) Promoters will submit a copy of their company's turn over for last 5 years duly certified by CA.
- b) Upon installation of the machinery in the unit the unit shall intimate the same to the specified officer within one week of such installation.
- c) Specified Officer or any person authorized by him shall carry out the physical verification of the machine installed within a week of receipt of such intimation.
- d) In the event of disproportionately high exports made by the unit vis-à-vis that projected in the application form the unit shall intimate the same to DC's office



regarding such increase with a detailed justification. The unit shall also take necessary steps to get foreign exchange projections revised.

- e) No Import of Sandalwood/restricted item would be allowed
- f) Handicraft must be as per definition of handicraft given in Note 1 of chapter 44 of ITC HS Schedule 2 as clarified by DGFT in its meeting held on 29.03.2017.

**4. Proposal of M/s Naaz Exports for inclusion of additional authorized operations in LOA.**

It was informed to the Approval Committee that M/s. Naaz Exports has been issued an LOA dated 07.03.2016 for manufacturing and export of Handicrafts made of Brass, Aluminium, Textile (except for scarves, shawls & mufflers), Iron, Glass, Tin and Articles there-of, Fashion accessories (except for scarves, shawls & mufflers), Leather, Home Décor & Home Furnishings, Handmade Rugs & Druggets. The unit has commenced its activities w.e.f. 09/11/2016 and LOA is accordingly valid till 08/11/2021.

It was informed to the Approval Committee that the unit has submitted a proposal for inclusion of additional authorized operation in their LOA for manufacturing and Export of Handicrafts of Wood [44219990](Except Prohibited Wood), Steel [73262090], Copper [74199940], Scarves/ Mufflers/ Shawls/ Stoles/ Mantillas Veils [61171040].

It was informed to the Approval Committee that the Approval Committee meeting held on 11.11.2016 approved broad-banding for Handicrafts items made of Brass, Aluminium and Textile except Scarves, Shawls & Mufflers as proposed by the unit.

The proposal was placed before Approval Committee meeting held on 30.05.2017 but the proprietor vis Ms Nazo stated that due to health issue she was not able attend the meeting.

Now the proposal was again placed before Approval Committee for consideration, the committee was informed that the unit in Project Application has projected export of Rs 5 Crores (approx) in five years against which it has done disproportionately very high export of Rs 27 Crore in last Six months. The proprietor was directed to explain the reason for the such higher export vis-à-vis projections made by the firm at the time of application. With the above direction, the proposal was deferred by the committee for next Approval Committee meeting. The proprietor was also directed by the committee to submit their revised export



projections for the next five years before consideration of their request for inclusion of additional items in their LOA, as they have already made Exports to the tune of Rs 27 Crores in last six months, against their revised projections of Rs. 10.61 crores for current five years block.

**5. Proposal of M/s Shree Jee Exports for extension of LOA.**

It was informed to the Approval Committee that M/s Shree Jee Exports has been issued an LOA dated 07.03.2016 for Manufacturing & Export of Handicrafts made of Brass, Copper, Textile, Wood, Aluminium, Leather, Iron, Glass, Steel, Tin, Rugs & Druggets, Home decor and home furnishing. The unit has not commenced its export production till date and their LOA expired on 06.03.2017.

It was informed to the Approval Committee that the case was put-up for personal hearing before the Approval Committee meeting held on 30.05.2017 and the unit earlier failed to provide land allotment letter from the developer (UPSIDC). The Approval Committee deferred the case and advised the Proprietor to first produce land allotment letter then the case could be considered for time extension.

It was informed to the Approval Committee that the unit has again requested for extension in validity of their LOA as they have been allotted land by UPSIDC vide letter dated 13.07.2017.

Shri Rajendra Tater, proprietor of the firm appeared before the Approval Committee. He informed that the developer has allotted them Plot No F-13 in Pocket A of SEZ. Now as they have plot and are willing to start implementing their project as soon as formal approval is given by Approval Committee.

The Approval Committee, after due deliberations, approved the proposal for M/S Shree Jee Exports for time extension of their LOA up to 06.03.2018 subject to the condition that they will submit a list of specific items with their ITC (HS) codes to this office and the same shall be examined.

**6. Proposal of M/s. Global Exports House for Export/ Import for Sandalwood, Sandalwood Oil & its products and review of its Authorised Operations**

| S. No. | Description | Information/ Remarks |
|--------|-------------|----------------------|
|--------|-------------|----------------------|



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| 1.  | Date of issue of initial LOA  | 19.09.2014   |
| 2.  | Authorised Operations (Initially)   | Handicrafts made of Brass Art wares, Aluminium Art wares, Metal, Glass, Textile, Leather, All type of wooden items including Sandal wood & its oil and chips.  |
| 3.  | Acceptance of LOA   | 26.09.2014   |
| 4.  | Date of Commencement in Production  | 20.01.2016   |
| 5.  | Request of unit on 03.09.2015 for addition of Authorised operations   | Prayer beads, Artistic Furniture, Parts of Musical Instruments, Toys, Dolls and all type of Perfumery Compounds, Essential Oils, Agarbatti, Agarbatti Raw materials, Bakhoor, All types of Indian Attars and similar extracts.   |
| 6.  | Approval committee meeting held on 12.10.2015   | After deliberations the AC approved proposal of the unit dated 03.09.2014 excluding the items namely "Sandal wood, its Oil and chips"  |
| 7.  | LOA Revised on 23.10.2015   | Handicrafts made of Brass Art wares, Aluminium Art wares, Metal, Glass, Textile, Leather, All type of wooden items including prayer beads, Artistic Furniture, Parts of Musical Instruments, Toys, Dolls and all type of Perfumery Compounds, Essential Oils, Agarbatti, Agarbatti Raw materials, Bakhoor, All types of Indian Attars and similar extracts.<br><br><b>Except for Sandal wood &amp; its oil and chips</b> |
| 8.  | Request of unit on 21.10.2015   | For re-inclusion of "Sandal wood, its oil and chips" in their LOA  |
| 9.  | Request of unit on 10.02.2016   | For import of Sandal wood for their Authorised operation "Bakhoor".  |
| 10. | Proposal of unit send to SEZ division of Department of Commerce for clarification over Export policy of these items vide letter dated | The proposal was considered by BoA in its meeting held on 09.11.2016, the BoA deferred the Proposal with the observation that clarification/ comments may be obtained from DGFT regarding the policy on export and import of sandalwood within three   |





13.10.2016

weeks. The unit had again sought approval for import of sandalwood, sandalwood oil and chips (up to 50 grams) sandalwood powder, sandalwood handicrafts and its bi-product based on sandalwood oil.

1. The approval committee was informed that the proposal was considered by BoA in its meeting held on 09.11.2016, the BoA deferred the Proposal with the observation that clarification/ comments may be obtained from DGFT regarding the policy on export and import of sandalwood within three weeks. The unit had again sought approval for import of sandalwood, sandalwood oil and Sandalwood chips (up to 50 grams), sandalwood powder, sandalwood handicrafts and its bi-product based on sandalwood oil.
2. The proposal was then referred to Department of commerce for clarifying export import policy of sandalwood and related items vide this office letter dated 14.02.2017. The matter was taken up by BoA again in its meeting dated 08.03.2017 the relevant extract of the minutes is reproduced below:

“The Board after deliberations, 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 license 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. In the meanwhile, all DCs will intimate the details of Sandal wood units to DOC/DGFT by 27.03.2017.”

3. Accordingly a meeting was convened on 29.3.2017 under the chairmanship of DGFT to discuss import and export policy of sandalwood applicable to SEZ unit. After due deliberation, it was inter alia decided that:
  - a) Ministry of Environment, Forest and Climate change would suggest a mechanism to control and monitor imports and export along with justification.
  - b) It was decided in respect of handicraft made of sandalwood only