

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

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AGENDA FOR

**MEETING OF THE APPROVAL COMMITTEE FOR
SECTOR SPECIFIC SPECIAL ECONOMIC ZONE FOR
ENGINEERING SECTOR OF MIDC-KESURDI, SATARA-
SEZ.**

Via Video Conferencing

DATE : 03.02.2021

TIME : 03.30 P.M.

**MEETING OF THE APPROVAL COMMITTEE FOR SECTOR
SPECIFIC SPECIAL ECONOMIC ZONE FOR ENGINEERING
SECTOR, UNDER THE CHAIRMANSHIP OF DEVELOPMENT
COMMISSIONER, SEEPZ-SEZ ON 03.02.2021**

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Agenda Item No.	Subject
Agenda Item No. 01 :-	Confirmation of the Minutes of the meeting held on 07.01.2020
Agenda Item No. 02 :-	Application for additional list of services by M/s. Datwyler Pharma Packaging India Pvt. Ltd.
Agenda Item No. 03 :-	Application for the retrospective effect to the additional list of services approved by the UAC w.r.t. the services Hazardous Waste Treatment & Disposal Services w.e.f. 01.07.2017

GOVT. OF INDIA,
OFFICE OF THE DEVELOPMENT COMMISSIONER,
SEEPZ-SEZ (PUNE CLUSTER)

TABLE AGENDA NOTE FOR CONSIDERATION OF THE
UNIT APPROVAL COMMITTEE

a) **Proposal:**

Proposal submitted by M/s. Datwyler Pharma Packaging India Pvt. Ltd. a manufacturing sector unit located at MIDC Kesurdi-SEZ, Satara, for approval for additional service required for Authorized Operations.

b) **Specific issue on which decision of UAC is required:**

Approval for additional service, not covered under default list of services provided by MOC&I under Rule 10 of SEZ Rules, 2006

c) **Relevant provisions:**

As per Rule 10 of SEZ Rules 2006

"The approval committee may permit goods and services to carry on the operations authorized under Rule 9"

d) **Previous Reference :**

The unit had submitted this proposal for approval of additional services under the category 'Rubber Product Manufacturing Services' under SAC Code 998851. The same was considered in the Approval Committee meeting held on 07-01-2021, wherein the committee had observed that the job-worker providing the services of Gamma Irradiation on the rubber product, in the case of this unit may also be providing this service to other products of other industries falling under difference chapter heading. As such, the Committee held the view that the service provided by the job worker is not actually related to rubber product manufacturing but appears to be falling under a general or broader category and not limited to a specific product description. Accordingly, the Committee had deferred the proposal with directions to the unit to re-submit the proposal under correct category of the services and further directed the Specified Officer to verify the same and submit an opinion on classification of such service.

e) **Present proposal**

- As directed by the Approval Committee in its meeting held on 07-01-2021, the unit has now submitted application for approval of additional services as detailed below :

Sr. No.	Name of the Services	S.A.C. Code
1.	Other Services not elsewhere classified	999799

- The unit has submitted that their vendor M/s. A>V. Processors Pvt. Ltd. is registered under Business Auxiliary Services which was approved from them during migration of registration from Pre-GST regime to GST Regime
- Under GST classification issued on a later stage, 'Business Auxiliary Service is not covered
- Hence their vendor is raising invoices under the category of 'Other Services n.e.c. under SAC Code 99979'
- They are in receipt of first invoice from their vendor towards Gamma Irradiation done on their product viz. Rubber Stopper, wherein the vendor after charging applicable IGST has shown the category of service as 'Other Services n.e.c.'
- In view of above, the unit has not submitted the revised application for approval of additional services under the category of 'Other Services n.e.c.'

f) Other information:

- LOA No. SEEPZ-SEZ/NEWSEZ/MIDC-SATARA/02/10-11/5253 dated 21.05.2010
- Location: Plot No.5, in sector Specific SEZ for engineering sector, MIDC-Kesurdi, Dis-Satara-412 801
- Date of commencement: 01.10.2012
- LOA valid up to 30.09.2022
- Authorized Operations: Rubber closures, plastic closures, aluminum closures and cure rubber waste.
- The unit is sending its manufactured products i. e. rubber stopper for carrying out Gamma Irradiation for product sterility, to their job worker. Under Rule 41 & 42 of SEZ Rules, 2006.
- They have already taken approval from jurisdictional Specified Officer for removal of goods for job-work u/r 41 & 42 of SEZ Rule, 2006.
- **The Specified Officer has reported the following :**
 - The cost of the services being provided by the vendor M/s. A.V. Processors Pvt. Ltd. to the unit is commonly referred to irradiation charges
 - The process involves exposure of the goods to Gamma radiation in order to sterilize the product
 - The process is said to be an essential process since the rubber products in question are to be used solely in pharmaceutical products
 - With regard to classification of such services, in GST Tariff, there is no specific entry or even a broad category of service under which the said service is clearly and distinctly classifiable
 - IN absence of any specific entry or broad category, the same merits classification under the residual entry viz. SAC No. 999799 which covers 'Other Services not elsewhere classified'
 - Hence the service of Gamma Irradiation is appropriately covered under SAC 999799 i.e. 'Other Services not elsewhere classified'

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TABLE AGENDA NOTE FOR CONSIDERATION OF THE
UNIT APPROVAL COMMITTEE

a) Proposal:

Proposal submitted by M/s. Datwyler Pharma Packaging India Pvt. Ltd. a manufacturing sector unit located at MIDC Kesurdi.-SEZ, Satara, for grant of retrospective effect to the approval additional list of services approved by the UAC w.r.t. the services ' Hazardous Waste Treatment & Disposal Services' w.e.f. 01.07-2017

b) Specific issue on which decision of UAC is required:

To decide whether the request of the unit for grant of retrospective effect i.e. w.e.f. 01.07.2017 for the additional services - Hazardous Waste Treatment & Disposal Services, approved to them by the Approval Committee in its meeting held on 17-06-2020.

c) Previous reference :

The unit had applied for approval of additional services (other than default service) viz. "Hazardous Waste Treatment & Disposal Services' as their authorized operations, which was required for disposal of uncured rubber waste which is generated during manufacturing process and the same has to be disposed as per MPCB norms through authorized handlers.

The proposal was placed before the Approval Committee meeting held on 17.06.2020, wherein the Committee, after deliberation, approved the proposal of the unit for approval of additional services viz. "Hazardous Waste Treatment & Disposal Services" falling under SAC code 999432.

d) Submission / Proposal of the Unit

- The process of disposal of uncured rubber waste was being availed by the unit even during pre-GST regime too
- The same was covered under 'Business Auxiliary Services' for which they used to obtain Form A1 and A2 as required under Notfn. No. 12/2013-Service Tax dated 01-07-2013, as amended vide Notfn. No. 07/2014-ST dt. 11-07-2014.
- The said default service of 'Business Auxiliary Services' was also approved to them as per Instruction No. 79 dated 19.11.2013 issued by MOC&I
- MOC&I has still not amended / modified the default list of services in line with GST classification and SAC Code.
- That their vendor has noticed that in GST, the disposal of uncured rubber is properly covered under SAC Code 999432 i.e. Hazardous Waste Treatment and disposal Service, and there is no service with the name 'Business Auxiliary Services' prescribed under GST

- The unit has requested that the approval granted to them in the UAC held on 17-06-2020 should be made applicable to them from 01.07.2017 onwards i.e. the date when GST regime came into existence, since

- o from day one, these services were being utilized by them, which was then classifiable under 'BAS' during pre-GST regime,
- o The requirement of applying for additional services was due to the fact that MOC&I did not amend the default list of services in line with GST classification

e) Relevant provisions:

As per Rule 10 of SEZ Rules 2006

"The approval committee may permit goods and services to carry on the operations authorized under Rule 9"

However, there is no explicit provision or authority in the SEZ Act / Rules to grant such approvals with retrospective effect.

f) Other information:

- ✓ LOA No. SEEPZ-SEZ/NEWSEZ/MIDC-SATARA/02/10-11/5253 dated 21.05.2010
- ✓ Location: Plot No.5, in sector Specific SEZ for engineering sector, MIDC-Kesurdi, Dis-Satara-412 801
- ✓ Date of commencement: 01.10.2012
- ✓ LOA valid up to 30.09.2022
- ✓ Authorized Operations: Rubber closures, plastic closures, aluminum closures and cure rubber waste.

g) ADC's observations and recommendations:

- The request made by the unit is as a result of submission of few invoices for endorsement of the Specified Officer w.r.t. Hazardous waste disposal for the past period i.e. prior to 17.06.2020 i.e. the date when the said additional services was approved by the UAC.
- The Authorised Officer had raised objection as to how the permission granted to them in June 2020 will be applicable for past period.
- At no point of time in their application made by the unit had they mentioned that approval of these services are required with retrospective effect, or otherwise.
- It is also a fact that the Default list of Services as prescribed by MOC&I is not in line with the SAC code as laid down in GST, and the same needs to be amended to follow uniformity.
- However, there is no provision in SEZ Act/Rules to grant the approval of authorized operations granted with retrospective effect,
- The proposal of the unit may be considered by the UAC for necessary decision.

g) ADC's observations and recommendations:

- Since the category of services i.e. "Other Services not elsewhere classified." has a broader coverage, the approval for additional services may be approved subject to / limited to Gamma Irradiation on the products of the Unit viz. Rubber Stopper or any other product manufactured by the unit and required for their authorized operations
- The proposal of the unit may be considered by the UAC under Rule 10 subject to the above point.