

Agenda Item of the 17th Meeting (2018 Series) of the Units Approval Committee (UAC) for EOUs to be held on 11.07.2017 at 15:30 Hrs., under the Chairpersonship of Shri Upendra Vasishth Development Commissioner, KASEZ.

Sub: Request for permissions of procurement of Old Tyre for calibration and for addition of New Tyres for Research and Development in the existing R&D in the unit.

M/s. ATC Tires Pvt Ltd., was approved for setting up a new unit at Bharuch for manufacturing of '**New Pneumatic Tyres of Rubber, Tyre flap, Inner Tubes of Rubber, Solid Tyre of Rubber and Tyre Assembly Activities**' vide LOP dated 16-07-2013, as amended. The unit has started its commercial production on 12.03.2015.

The unit vide letter dated 11.06.2018 has requested for permissions of procurement of Old Tyre for calibration and for addition of New Tyres for Research and Development in the existing R&D in the unit. Copy enclosed.

1. Approval for Import of Master Tires (Used Tires) :

The Unit has stated that they intend to import master tires which was primarily used by their parent company for testing purpose only and have never been used on road. Details of tires are as under:-

Sr.No.	Name of Product	ITC HS Code	Policy Condition
01.	Retreaded tyres: (of a kind used on buses or lorries)	40121200	Restricted – Imports allowed freely as per policy condition.**

** Import of retreaded tyres for buses, lorries and earth moving equipment including bigger size vehicles and light commercial vehicles is permitted freely if the per tire c.i.f. value is US\$ 175 and above.

In view of above unit has stated that the market price i.e. CIF value of such tires would be approximately US\$ 250 and they will submit the due certification for the pricing at the time of import.

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2. Approval regarding inclusion of Research & Development as Authorised Operations :

They want to import/procure goods viz. "of a kind used on buses or Lorries: Radials (ITC-40112010) and of a kind used on buses or Lorries: other (ITC-40112090) for R&D Purpose. Both items are freely importable as per ITC (HS) classification.

Unit has stated that for the improvement of the existing products and for introduction of new products, it is necessary to undertake such research and development activities for the products and to maintain the current level of business R&D is a pre-requisite without which their operations and business may suffer. Further, unit has stated that in the coming years their business from new product is likely to be in the range of Rs. 1,44,112 lakhs from exports.

Further, unit has also stated that the R&D will be carried out in the existing R&D set up made in the unit only and no new set up is to be made for the same as they propose to do R&D to suggest product to suit the customers as well as create a pipeline of new products. They have also furnished Manufacturing process and flow chart and additional foreign exchange Balance sheet (copy enclosed) .

The proposal is placed before UAC for consideration.
