

Minutes of the 7th Meeting (2014 Series) of the Units Approval Committee (UAC) for EOUs held on 11.11.2014 at 11:00 Hrs. in the Office Chamber of the Development Commissioner, Administrative Building, Kandla SEZ, Gandhidham under the Chairpersonship of Shri Vijay N. Shewale, ITS, Development Commissioner, KASEZ

Following were present:

- (1) Shri B. K. Sharma, JDC(I/C), KASEZ
- (2) Shri L. K. Meena, DDC(I/C), KASEZ
- (3) Shri Anish J. Parashar, Asstt. Commissioner, Central Excise, Division-II, Vadodara-I
- (4) Shri Suvidh Shah, Dy. DGFT, Vadodara.
- (5) Shri N. G. Rever, FTDO.


(i) M/s. Royal Rajasthan Tobacco Products Pvt. Ltd., Gandhinagar

The proposal is for establishment of a new unit under EOU scheme at Plot No. 101/2, GIDC, Sector No. 28, Gandhinagar – 382 028 for manufacturing of Pan Masala with Tobacco-Guthka.

Shri Prakash Sharma and Shri Sandeep Singh, Directors of the company appeared before the UAC for personal interview and explained about the proposal. Shri Prakash Sharma is having 14 years of experience in technical and manufacturing field as he was associated with many companies engaged in the same field. Investment of Rs.125 lakhs will be met from reserves, surplus and unsecured loans. The FOB value of exports projected for 5 year period is Rs.4514 lakhs with a NFE of Rs.4459 lakhs. Shri Sharma further informed that for establishing the unit they hold leased premises and the agreement for the same is submitted.

The Committee approved the proposal subject to condition that –

- (i) No DTA sale will be allowed under any circumstances.
- (ii) All the manufactured goods will be physically exported 100%.



- (iii) If any diversion of goods to DTA is detected/noticed at any time, the firm will be liable for strict action including cancellation of LOP.
- (iv) They will also become the member of the Export Promotion Council for EOUs and SEZ units.
- (v) The jurisdictional Central Excise authority of the unit will ensure compliance with all conditions imposed in LOP.

All the above conditions be included in the LOP.

(ii) M/s. Uniphos Envirotronic Pvt. Ltd., Umergaon, Valsad

The proposal is for establishment of a new unit under EOU scheme at Plot No. 36/1, Jalaram Mandir Road, Nahuli, Umergaon, Valsad – 396 108 for manufacturing of Gas Detector Tubes, Parts & Accessories thereof.

Shri Bipin Chedda alongwith Dr. Ajayakumar, K.S., Sr. General Manager (CDD) of the company appeared before the Committee and explained about their proposal and informed that the FOB value of exports projected for the 5 year period is Rs.9700 lakhs with a NFE of Rs.5524 lakhs; that the project cost is Rs.28 crores. During the financial year 2012-13, their profit was Rs.1.74 crores and during 2013-14 it was Rs.1.2 crores. In view of the deliberations, the Committee approved issuance of LOP subject to production of following document:-

- (a) Audited balance sheet for the year 2013-14
- (b) Sanction letter of ECB from the concerned Banks.
- (c) Revised application duly signed by any one of the Directors of the company, who has been authorized by a Resolution of the Board of Directors of the company.
- (d) It is also subject to condition that NOC from the local Central Excise Authority i.e. Commissioner of Central Excise, Valsad is received by



the O/o. DC, KASEZ as no member from Central Excise authority was present in the meeting.

On receipt of the above, LOP may be issued.

(iii) M/s. Krishna Brass Industries, Jamnagar

The proposal is for conversion of their existing DTA unit into 100% EOU at Plot No. 3962, U Road, GIDC, Phase III, Dared, Jamnagar for manufacturing of Brass Parts for Electrical and Electronic Apparatus/Auto Parts & others.

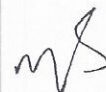
Shri Vijay V. Sabhaya, Proprietor of the unit appeared before the UAC and explained about their proposal.

After deliberations, the Committee decided to restrict the manufacturing to brass hardware only as in that case alone, the investment less than one crore is allowed for eligibility for EOU application. Other items were disallowed by the Committee. The approval is also subject to production of copies of fresh sanction letters from the Bank sanctioning funds to the extent of Rs.1.00 crore for working capital and also subject to receipt of recommendation letter from the Central Excise Commissionerate, Jamnagar, as their representative did not attend the meeting.

(iv) M/s. Shree Krishna Enterprise, Jamnagar

M/s. Shree Krishna Enterprise, Jamnagar is a working unit for manufacture and export of Ingots, Billets, Rods, Granules, and other Articles of ferrous & Non-Ferrous metals, etc. Now the unit has requested to change their raw material from brass scrap to Copper scrap and Zinc and have applied for NORMS fixation to the Norms Committee in DGFT Hqrs., New Delhi.

Shri Sunil Patel, Partner of the company appeared before the UAC for personal interview and explained about the proposal. He has requested for



allowing them copper scrap and zinc to be imported as raw materials instead of brass scrap as they wanted to manufacture brass products from basic stage by allowing copper and zinc. During the course of discussions in the meeting and scrutiny of data given in the application, the Committee observed that the firm has claimed as high wastage as 65%, 68%, 82%, etc., which according to the experience of the members is too high and Norms Committee may not allow such high wastage normally unless it is scientifically proved before the Norms Committee. The Committee noted that the application of the firm for fixation of the SION is already referred to the Norms Committee of DGFT, New Delhi. Committee, therefore, decided to await for fixation of the Norms. A reminder may be issued to the DGFT for early fixation of the norms.

(v) M/s. Apothecon Pharmaceuticals Pvt. Ltd., Vadodara

M/s. Apothecon Pharmaceuticals Pvt. Ltd., Vadodara is a working unit for manufacture and export of various Drugs and Formulations. The unit has requested for broad-banding of following Bulk Drugs namely Colestipol Hydrochloride and Sodium Hyaluronate in their LOP.

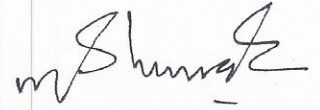
Shri Amit Acharya, General Manager and Shri Sanjay Shah who looks Excise & Customs works of the company appeared before the UAC and explained about their proposal.

Asstt. Commissioner of Central Excise, Division-II informed that the firm's earlier export performance is not good and they do not have positive NFE rather they are negative NFE. They also did not have FDA approvals for the export products sought to be incorporated in the LOP from Indian Authorities nor from any foreign countries. Asstt. Commissioner also informed that dues of Rs.1.4 crores are to be recovered from the unit as they have not achieved positive NFE norms for EOUs. With regard to services being provided by the firm, they have not included the same in the Bond executed under Section 58 and 65 of the Customs Act.



The Committee therefore, decided to reject the request of broad banding of the bulk drugs in the LOP namely Colestipol Hydrochloride and Sodium Hyaluronate.

The meeting ended with thanks to all present.



(Vijay N. Shewale)
Development Commissioner
Kandla Special Economic Zone