

Minutes of the 7th Meeting (2015 Series) of the Units Approval Committee (UAC) for monitoring of performance of EOUs held on 09.10.2015 at 1100 hours in respect of Vadodara-I, Vadodara-II and Anand Commissionerates at Conference Room of OPAL, Manjalpur, Vadodara under the Chairpersonship of Shri Krishan Kumar, Joint Development Commissioner, KASEZ

Following were present:

- (1) Shri Abhay Kumar, Joint Commissioner, Central Excise, Vadodara-I
- (2) Shri S. Jeyaraj, Deputy Commissioner, Central Excise, Vadodara-II
- (3) Shri L. K. Meena, DDC(I/C), KASEZ
- (4) Shri D. S. Biswas, Assistant Commissioner, Central Excise, Anand
- (5) Shri Premkumar Sonkusare, Section Head, DGFT, Vadodara

A list of unit's representative is enclosed as Annexure-I.

Monitoring of performance of 100% EOUs:

Monitoring of performance of EOUs falling under the jurisdiction of following Commissionerates for the period 2009-10 to 2013-14 were taken up for review:

1. Vadodara-I Commissionerate
2. Vadodara-II Commissionerate

2. It was noted that 2 units viz. M/s. Transatlantic Packaging and M/s. Green Brilliance Energy achieved negative NFE. With regard to M/s. Transatlantic Packaging, it was informed that the unit was issued Show Cause Notice for being negative for the second five year block period ending 31.03.2015 and the case was adjudicated by the DC, KASEZ imposing penalty of Rs. 100 lakhs and with regard to M/s. Green Brilliance Energy, the unit was issued Show Cause Notice for being negative for the first five year block period ending 31.03.2013 and the case was adjudicated by the DC, KASEZ imposing penalty of Rs. 50 lakhs. It was further noted that other units which completed 5 years block period during the years of review were NFE positive for the 5 year block as a whole or for the first 4 year of 5 year block period. So on account of NFE, no SCN with regard to other units were required to be issued as per the instructions.

3. Shri Abhay Kumar, Joint Commissioner and other Central Excise officers present have raised following issues: -

- (1) Shri Abhay Kumar, Joint Commissioner pointed specifically to M/s. Transatlantic Packaging that their matter has been finalised by CESTAT and they should now pay the penalty imposed by competent authority. JDC, KASEZ requested Central Excise officers to forward a set of Show Cause Notice and various orders passed by different Authorities in respect of the EOU to O/o. Development Commissioner, KASEZ.
- (2) It was pointed out that O/o. Development Commissioner, KASEZ has taken M/s. Soma Tech as NFE positive for the first four year (2010-2014) of 5 year block period viz. 2010-11 to 2014-15 while as per Central Excise, the unit is NFE negative. JDC, KASEZ mentioned that the position will be re-checked and their NFE status will be re-examined and would be placed before UAC when the review for 2014-15 takes place.

(3) During the meeting it was noticed that instead of two Commissionerates viz. Vadodara-I and Vadodara-II, now there are three Commissionerates viz. Vadodara-I, Vadodara-II and Anand Commissionerates and some of the units falling in one Commissionerate now fall under the jurisdiction of other Commissionerate. Shri S. Jeyaraj, Deputy Commissioner mentioned that they would be sending list of EOUs Commissionerate-wise for the three Central Excise Commissionerates.

4. It was pointed out by JDC, KASEZ that the information analysed did not include details of pending foreign exchange realisation. Then the Committee decided that this aspect may be looked into by O/o. Development Commissioner, Kandla SEZ and appropriate action may be taken in the matter. This matter can be then discussed in the next meeting which takes place for review of performance of EOUs for the year 2014-15.

5. Representatives of EOUs present raised issues concerning them. Most of the issues raised pertained to procedural matters relating to Central Excise. The issues raised by the units were addressed by the Central Excise officers present there and the units were explained the right procedure and the requisite actions on their part. One point raised was about requirement of C.A./C.E. certificate in respect of FMS scheme and the EOU pointed out that there is no provision in FTP for such an requirement. JDC, KASEZ pointed out that such certificate is being asked by Development Commissioner Office with regard to non-claiming of any direct income tax benefit under Income Tax Act by an EOU, as this is one of pre-requisites for passing a claim under FMS..

6. Another point raised by units was relating to problem in getting refund of Cenvat Credit. It was mentioned that sometimes the units have to procure raw materials from authorised dealers; they always charge Central Excise duty. EOUs avail Cenvat Credit as such duty paid. However, they are not able to utilise the Cenvat Credit in their account as many of them are primarily engaged in export of goods. As a result the Cenvat Credit in their account is piling up and they are finding it difficult to get the refund also. JDC, KASEZ mentioned that Development Commissioner Office will make a reference to Department of Commerce for taking up the issue with CBEC in case of any policy issue. However, the units concerned were asked to send a detailed note on the issue.

7. The Agenda item included a point regarding M/s. Uma Laboratories and M/s. Bilpower which is mentioned as under: -

“The firms – Uma Laboratories and Bilpower remained without any activities and they did not submitted APRs, hence this office had issued SCNs to these units for non-submission of APRs and also written to Central Excise Commissionerate for issuance of NOC on 09.09.2015 so that this office can take further action for exit of these units out of EOU Scheme.”

On this issue, it was pointed by Central Excise officers that as per Circular No. 7/2006-Cus. dated 13.01.2006 for exit, the units have to submit self assessed duty liability details to the concerned jurisdictional Central Excise authorities and then the Central Excise authority issues 'No Dues Certificate' to the unit. The Central Excise officers pointed out that above action has not been taken by the concerned units. It was decided that O/o. Development Commissioner, KASEZ will pursue the matter further with the units and Central Excise office will also send present state of affairs of these 2 units.

390

8. JDC, KASEZ mentioned that some of the units in Vadodara-II have raised the issue of shifting of O/o. Superintendent, Range-IV & V of Makarpura Division from Por to Vadodara which has resulted in delay in obtaining Procurement Certificate/CT-3 Certificate as the units representatives have to travel a distance of about 20 kms. On this issue, Shri S. Jeyaraj, Deputy Commissioner, Makarpura Division, Vadodara-II clarified the issue in the meeting to the units and submitted a copy of letter dated 07.10.2015 addressed to O/o. Development Commissioner, KASEZ. A copy of the letter is enclosed as Annexure-II. The clarification furnished in the letter is as under: -

- It is clarified that the Range officers sign the documents relating to import, export when they go for examination at the factory premises.
- In the case of Procurement Certificate/CT-3 Certificate, the EOU representative occasionally visits the Range office to receive the same, at present. If they so desire, henceforth the same will be dispatched through speed post by the Range Officer to EOU's, so as to mitigate the inconvenience caused to them and to avoid wastages of time.

The units representative were satisfied with the reply submitted by Central Excise office.

The meeting ended with a vote of thanks to all.


Joint Development Commissioner,
Kandla Special Economic Zone.

09-10-2015

389

List of Department Officers attending the 6th UAC meeting for EOUs on 07-10-2015 for monitoring the performance of EOUs, at Circuit House, Athwa Lines, Surat under the Chairmanship of the Jt. Development Commissioner, Kandla Special Economic Zone.

Sr. No.	Name of the OFFICE	Name & Designation of the Officer	Signature
1	D. N. D. Commr	D. S. Biswas Asstt. Commr	
2	S. Jeyaraj Commr		
3	Vadodara - II	S. Jeyaraj Deputy Commr.	
4	Kandla SEZ	Jt Dev. Com	
5	Vadodara-I, Central exz	Joint Commissioner, ABHAY KUMAR	
6	KASBZ Grand Indlv	Deasani K. Meert. DDC	
7	Stooly SEZ	A. S. Bhandal, AAO	
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