

Minutes of the 8<sup>th</sup> Meeting (2016 Series) of the Units Approval Committee (UAC) for EOUs held on 26.05.2016 at 15:00 Hrs. in the Office Chamber of the Development Commissioner, Administrative Building, Kandla SEZ, Gandhidham under the Chairpersonship of Shri Upendra Vasishth, ndc, Development Commissioner, KASEZ

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Following were present:

- (1) Shri Krishan Kumar, JDC, KASEZ
- (2) Shri Rajesh Kumar, DDC, KASEZ
- (3) Shri M. S. Das, Deputy Commissioner, Central Excise, Jamnagar
- (3) Shri R. G. Khairkar, FTDO, representative of Jt. DGFT, Vadodara

1. **M/s. Third Eye Inc., Ahmedabad**

The proposal is for conversion of existing DTA unit into EOU at 805, Shapath II, Rajpath Club, S. G. Road, Ahmedabad for manufacture and export of Online Database Management Software creation, alteration and repair, etc.

The applicant was requested to furnish information vide this office letter dated 11.07.2014, which has not been furnished and also they failed to appear before UAC. Thus, it seems that they are not interested in setting up EOU unit. Therefore, the request of the unit is rejected.

2. **M/s. Patel Trading Co., Jamnagar**

The proposal is for setting up new EOU unit at Ranjit Sagar Road, Opp. Bhagwati Restaurant, Sagar Park, Jamnagar for manufacture and export of Brass Parts for Electrical and Electronic Apparatus/Auto Parts, etc.

The applicant was requested to furnish NOC from Land Revenue Department vide this office letter dated 04.02.2015, which has not been furnished and they also failed to appear before UAC. Thus, it seems that they are not interested in setting up EOU unit. Therefore, the request of the unit is rejected.

3. **M/s. VHCL Industries Ltd., Umbergaon**

The proposal is for conversion of existing DTA unit into EOU at Survey No. 17/6, 17/7/1, 18/5/paiki 1, 19/1, Village Sanjan, Taluka Umbergaon, Dist. Valsad for manufacture and export of Copper Alloy Ingots/Strips/Rods/Wires/Profiles, etc.

The applicant did not pursue their proposal after May, 2015 and failed to appear before UAC; thus, it seems that they are not interested in setting up EOU unit. Therefore, the request of the unit is rejected.

4. **M/s. Nimex Trading Corporation, Anand**

The proposal is for conversion of existing DTA unit into EOU at 735/5, Village Shekdadi, Pandoli Road, Taluka Petlad, Dist. Anand for manufacture and export of Khaini and filter Khaini, Chuna Mix/Zarda, Panderpuri, Chewing Tobacco and Tobacco.

Shri Parvez A. Khatri, Proprietor of the company appeared before the UAC for personal interview and explained about the proposal. Shri Khatri gave a brief about their company and stated that they are in the same line of business since 1971. They do business of pure tobacco, raw tobacco of different variety. No supari is produced in their existing DTA unit. They have made exports of Rs. 104 crores in the financial year 2015-16 and have good worldwide market.

Observation/Decision of the Committee:

- Projected Export for the 5 year period is Rs. 7268.00 lakhs
- It was noted that the investment in plant and machinery is Rs. 30.30 lakhs which includes existing investment in DTA unit.
- Net Foreign Exchange Earnings projected for the 5 year period is Rs. 7218.00 lakhs.
- They are in the business of pure tobacco and also includes khaini and zarda which are basically pure tobacco mixed with lime and edible perfumes.
- They also informed that there are already functioning and have made an export of about Rs. 104 crores last year.
- Government of Gujarat vide Notification dated 10.09.2015 had prohibited manufacture, storage, distribution and sale of Gutka and Pan Masala in which tobacco or nicotine is widely used as an ingredient. During discussion, it was noticed that there is no ban on pure tobacco as such. The applicant confirmed that the products manufactured by them in their DTA unit are not covered under ban of Government of Gujarat.
- Unit is already functioning as DTA. However, as a further safeguard, the applicant was asked to furnish undertaking declaring that they will not be manufacturing any products covered under ban as per Government of Gujarat's Notification dated 10.09.2015.

The proposal meets with the requirement of approval under EOU Scheme under the Automatic Approval Route. The Committee, therefore, decided to approve the proposal subject to standard terms and conditions.

5. **M/s. Shah Pareshkumar Kumarpal, Borsad**

The proposal is for setting up new EOU unit at Survey Nos. 536/3B, Nisaya Road, Near Railway Station, Borsad for manufacture and export of Guthka, Khaini, Zarda, etc.





The applicant did not pursue their proposal after June, 2015 and failed to appear before UAC; thus, it seems that they are not interested in setting up EOU unit. Therefore, the request of the unit is rejected.

6. **M/s. Thrishul Zarda Pouches, Vadodara**

The proposal is for setting up new EOU unit at R. S. No. 350 [(1) 45\*160 Ft(2) 35\*160 Ft(3) Open Chowk 60\*160], Chimanbhai Jorabhai Patel, At Raniya, Tal. Savli, Dist. Vadodara for manufacture and export of Guthka, Khaini, Zarda, etc.

Shri Ashok M. B., Partner of the company along with Shri G. E. Prashanth, authorized representative appeared before the UAC for personal interview and explained about the proposal. They are in the business of pan masala in Karnataka. They want to set up new EOU unit at Vadodara for doing export business.


Observation/Decision of the Committee:

- Government of Gujarat Notification dated 10.09.2015 exempts 100% EOUs for manufacture, storage, distribution and sale of Gutka and Pan Masala, which otherwise is prohibited for DTA units. Accordingly, units making 100% exports have been given LOAs in SEZs. The Committee deliberated on this issue at length and felt that SEZs are surrounded by high walls and are controlled through a Customs gate and thus, there is no possibility of leakages of manufactured items into DTA; whereas same is not true for EOUs. To avoid any leakage into DTA and to ensure that State Government's ban on sale in DTA is not violated, the Committee felt that it would be prudent not to permit establishing EOUs for manufacture of these items.
- The unit was, however, given an option for setting up a unit in any SEZ or to set up an EOU leaving items other than those covered in Government of Gujarat Notification dated 10.09.2015.
- The unit was asked to come back with such a proposal within a fortnight, if interested.

7. **M/s. Renown Pharmaceuticals Pvt. Ltd., Vadodara**

The proposal is for conversion of existing DTA unit into EOU at 143/A, 143/B, Ranu, Ranu-Dabhasa, Taluka Padra, Dist. Vadodara for manufacture and export of Soft Gelatin Capsules, Tablets, etc.

The applicant did not pursue their proposal after August, 2015 and failed to appear before UAC; thus, it seems that they are not interested in setting up EOU unit. Therefore, the request of the unit is rejected.



8. **M/s. Sugandha Exports, Valsad**

The proposal is for setting up new EOU unit at Plot No. 761, Gala No. 1/B, 40 Shed Area, GIDC, Vapi, Dist. Valsad for manufacture and export of Guthka, Khaini, Zarda, etc.

Shri Babulal G. Bhati, Proprietor of the company appeared before the UAC for personal interview and explained about the proposal. He is in the assembly business of LED light. He has already registered the Trade mark in 2009 for Leoza brand Gutka. He want to set up new EOU unit at Vapi for manufacture and export of Pan Masala, Gutka, etc.

Observation/Decision of the Committee:

- Government of Gujarat Notification dated 10.09.2015 exempts 100% EOUs for manufacture, storage, distribution and sale of Gutka and Pan Masala, which otherwise is prohibited for DTA units. Accordingly, units making 100% exports have been given LOAs in SEZs. The Committee deliberated on this issue at length and felt that SEZs are surrounded by high walls and are controlled through a Customs gate and thus, there is no possibility of leakages of manufactured items into DTA; whereas same is not true for EOUs. To avoid any leakage into DTA and to ensure that State Government's ban on sale in DTA is not violated, the Committee felt that it would be prudent not to permit establishing EOUs for manufacture of these items.
- The unit was, however, given an option for setting up a unit in any SEZ or to set up an EOU leaving items other than those covered in Government of Gujarat Notification dated 10.09.2015.
- The unit was asked to come back with such a proposal within a fortnight, if interested.

9. **M/s. Best Value Chem Pvt. Ltd., Vadodara**

The proposal is for conversion of existing DTA unit into EOU at Survey No. 306, Sankarda Bhadarwa Road, At & PO: Moxi, Taluka Savli, Dist. Vadodara for manufacture and export of Amyl Salicylate, Verdyl Acetate, Verdyl Propionate, etc.

The unit vide email dated 25.05.2016 had shown their inability to appear before UAC on 26.05.2016 as their CEO is leaving abroad for business tour and requested for another date after 11.06.2016 to appear before UAC.

The Committee, therefore, decided to defer the proposal.

The meeting ended with thanks to all present.



(Upendra Vasishth)  
Development Commissioner  
Kandla Special Economic Zone