

**Agenda Item for 10<sup>th</sup> Meeting (2017 Series) of the Units Approval Committee (UAC) for the EOUs to be held on 11.07.2017 at 11:30 Hrs. under Automatic Approval Scheme.**

**1. M/s. ATC TIRES PVT LTD., BHARUCH**

Sub: Request for Amendment in LOP.

The proposal of M/s. ATC Tires Pvt Ltd., Bharuch, Gujarat was placed before the 5<sup>th</sup> meeting (2017 series) of the UAC held on 28.02.2017, "the committee has felt that keeping in view of provisions of Para 6.01(K) of FTP, the unit may not be allowed so called "assembly activity" and the same was communicated to the unit vide this office letter dated 24.03.2017(Copy enclosed) and again in 9<sup>th</sup> meeting of UAC held on 27.06.2017, the unit has informed that their concerned team is on travelling and requested for another date to appear before UAC. Hence case was deferred.

Copies of Agenda note and minutes of 5<sup>th</sup> meeting (2017 series) of the UAC held on 28.02.2017 are also enclosed herewith.

M/s. ATC Tires Pvt. Ltd. had filed an appeal before the Board of Approvals, New Delhi, against the decision of DC, KASEZ on 20.03.2017 and Ministry vide its letter dated 26.004.2017(copy enclosed) has informed the unit that the matter was examined by that Department and it was observed that the appeal under section 9(g) read with Section 9(2)(b) of SEZ Act is not tenable for a unit under EOU Scheme. Therefore their appeal was returned to the unit. Ministry has also endorsed a copy of the said letter to the Development Commissioner, KASEZ with a request to re-examine the matter in light of the definition of Manufacturing as mentioned in Para No. 9.31 of FTP 2015-20.

Para 9.31 stipulates that. "*Manufacture" means to make, produce, fabricate, assemble, process or bring into existence, by hand or by machine, a new product having a distinctive name, character or use and shall include processes such as refrigeration, re-packing, polishing, labeling, Re-conditioning repair, remaking, refurbishing, testing, calibration, re-engineering. Manufacture, for the purpose of FTP, shall also include agriculture, aquaculture, animal husbandry, floriculture, horticulture, pisciculture, poultry, sericulture, viticulture and mining.*"

The proposal is placed before UAC for consideration.

**2. M/s. Q V LABS PVT. LTD., BHARUCH**

Sub: Request for develop a new set up of Research and Development (R&D) Laboratory in existing premises - M/s. Q V Labs Pvt. Ltd., Ankleshwar, Bharuch.

Contd....2/-

The proposal of M/s. Q V Labs Pvt. Ltd., Ankleshwar, Gujarat was placed before the 9<sup>th</sup> meeting (2017 series) of the UAC held on 27.06.2017, the committee has decided to defer the proposal as no person of the unit has appeared before the UAC.

Copies of Agenda note and minutes of 9<sup>th</sup> meeting (2017 series) of the UAC held on 27.06.2017 are also enclosed herewith.

M/s. Q V Labs Pvt. Ltd., was approved for setting up a new unit at Plot No. 4616, GIDC Indl. Estate, Ankleshwar, Dist. Bharuch-393 002 for manufacturing of Isopropyl Thiogalactose Tetraacetate (Fine Chemical), etc. vide LoP dated 17.01.2008. The unit has started its commercial production on 03.10.2008.

The unit has stated that their plant is multi product plant and their range of products is very large, so to develop the New Products, they are in process to develop a new set up of Research and Development (R&D) in their existing premises.

The proposal of the unit regarding for New Research and Development is placed before UAC for consideration.

**Agenda for the Unit Approval Committee for EOUs  
to be held on 11.07.2017.**

**1. M/s. Reliance Defence and Engineering Ltd., Port of Pipavav,  
Dist. Amreli, Gujarat : Request for broadbanding of LoP.**

M/s. Reliance Defence and Engineering Ltd., Port of Pipavav, Dist. Amreli was approved for setting up a new unit at Pipavav Port, Part of Survey No. 42, Post Ucchaiya, Via. Rajula, Dist. Amreli for manufacturing of Ship Building, Ship Repair/Refit, as amended, vide LoP dated 04.04.2006. The unit has started its commercial production w.e.f. 01.04.2009.

The unit vide letter dated 12.05.2016 have requested for broad-banding of their LOP for inclusion of activities of decommissioning/ dismantling of topside structure and cutting of structures. In the said letter, the unit had stated that ONGC has invited tender for "Life Extension of Well Platform (Tender-3)" Project for which NPCC, Abu Dhabi will be submitting bid to ONGC. Reliance Defence and Engineering Ltd. intends to participate as a subcontractor of NPCC for the activity of decommissioning/dismantling topside structure and transportation of scrap structure to the premises of 100% EOU for further cutting into smaller pieces. The equipment salvaged and waste and scrap so produced will be sold into DTA.

The unit vide letter dated 21.06.2016 have furnished the details such as Manufacturing process along with flow chart of the items to be included in LOP duly certified by Chartered Engineer. Regarding backward or forward linkage the unit had submitted that backward linkage - topside removed from offshore field after making it hydrocarbon free and forward linkage - the scrap generated will be exported or alternatively sold in DTA. The proposed items for export are Salvaged Equipment (ITC HS 8907 9000) and MS Scrap (ITC HS 7204 4900). The unit proposes annual production capacity of 8000 MT per demolition out of which 5000 MT will be exported and they will earn foreign exchange to the tune of US \$ 1035000 per annum.

The proposal was considered in the 11th Meeting (2016 series) of UAC held on 21.10.2016. The Committee was not satisfied with the proposal and raised some issues and asked the unit to submit detailed modified proposal so that it can be deliberated upon by the UAC.

In relation to minutes of 11th Meeting (2016 series) of UAC, the unit vide letter dated 13.05.2016 submitted the modified proposal for consideration. The unit requested for broad-banding of their LOP for inclusion of activities of decommissioning/dismantling of offshore structures and cutting of structures. The background of the proposal as submitted by the unit is as under:

- The Panna-Mukta-Tapti joint venture (PMT JV), consisting of ONGC, RIL and BGEPIIL as joint operators, carries out petroleum operations in the Panna & Mukta and Mid & South Tapti Contract Areas situated in western India Offshore.
- The PMT JV plans to carry out decommissioning of 05 well head platforms in the Tapti field in 2018-19. Each platform consists of a Jacket and the Topsides.
- These structures are proposed to be removed from the Tapti field and transported on onshore by the PMT JV's offshore works contractor for further onshore demolition/scraping/disposal.
- RDEL has submitted Expression of Interest (EOI) to BGEPIIL for scope: Onshore disposal of Topsides and Jackets.

The unit has submitted the note on the proposal (copy enclosed) wherein it mentioned the activities to be done alongwith flow chart. A copy of manufacturing process/flow chart furnished by the applicant is enclosed herewith.

As per the unit, proposed items for export are salvaged (89079000) and MS Scrap (72044900). Annual demolition of scrap is estimated at 8000 MT per year demolition out of which 5000 MT will be exported and precious Foreign exchange to the sum of USD 1035000 per year will be earned.

The proposal of the unit for broad-banding for inclusion of activities of decommissioning/dismantling of topside structure and cutting of structures in their LOP is placed before UAC for consideration.

## **2. M/s Euro Steel Recycling, Jamnagar, Gujarat : Request for new unit.**

M/s. Euro Steel Recycling, Survey No. 89/2/3, Jamnagar Rajkot Highway, Opp. Hotel Mansi, Khijadiya Bypass, Village-Khijadiya, Taluka-Jamnagar-361120, have applied for setting up a new unit under 100% EOU scheme at Survey No. 89/2/3, Jamnagar Rajkot Highway, Opp. Hotel Mansi, Khijadiya Bypass, Village-Khijadiya, Taluka-Jamnagar-361120, for manufacturing of Brass parts for electrical & electronic apparatus, compressor parts, brass builder hardware, sanitary ware, kitchenfitting, motor vehicles, brass hand tools, casted/rolled bars, non ferrous metals and electrical insulating fitting. The nature of the applicant firm is Proprietor Ship.

Total project cost is Rs.117.00 lakhs (Rs.115.00 lakhs in Plant and Machinery) which will be invested through Promoter Group's Contribution and bank loan. The applicant had earlier applied for setting up 100% EOU unit at the abovementioned address with proposal to invest Rs.48.00 lakhs in the

Plant and Machinery. The proposal was placed before UAC in 6th meeting (2017 series) held on 21.03.2017 and was rejected for having an investment below Rs. 1.00 crore (Para 6.06 of FTP refers). Further, the director could not convincingly explained the funding of the investment.

Summary of their 5 year proposal is as follows:

1. FOB value of exports	: Rs. 2634.00 lakhs
2. Import of capital goods	: Rs. 00.00 lakhs
3. Imports - RM & components	: Rs. 1561.00 lakhs
4. Other outflow of Foreign Exchange	: Rs. 50.00 lakhs
5. Total outflow of Foreign Exchange	: Rs. 1611.00 lakhs
6. Net Foreign Exchange Earnings.	: Rs. 1023.00 lakhs

A copy of manufacturing process/flow chart furnished by the applicant is enclosed herewith.

The proposal meets with the requirements of approval under EOU Scheme under Automatic Approval. Therefore, the proposal for setting up a new unit under 100% EOU scheme is placed before UAC for reconsideration. A copy of minutes of UAC meeting held on 21.03.2017 is enclosed.

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