

**Minutes of the 5<sup>th</sup> Meeting (2017 Series) of the Units Approval Committee (UAC) for EOUs held on 28.02.2017 at 11:00 Hrs. in the Office Chamber of the Development Commissioner, Administrative Building, Kandla SEZ, Gandhidham under the Chairpersonship of Shri Upendra Vasisht, NDC, Development Commissioner, KASEZ.**

Following were present:

- (1) Shri Krishan Kumar, JDC, KASEZ
- (2) Shri Rajesh Kumar, DDC, KASEZ.
- (3) Shri D.S. Biswas, Asstt. Commissioner, Div-II, Anand Commissionerate.

**1. M/s. ATC Tires Pvt Ltd., Bharuch.**

M/s. ATC Tires Pvt Ltd., was approved for setting up a 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'.

The unit has requested for Amendment in LoP as follows:

Item of Manufacture	Amended Items of Manufacture
New Pneumatic Tyres of Rubber, Tyre flap, Inner Tubes of Rubber, Solid Tyre of Rubber and Tyre Assembly Activities.	New Pneumatic Tyres of Rubber, Tyre flap, Inner Tubes of Rubber, Solid Tyre of Rubber and Tyre Assembly Activities including "Tyre & Tube", "Tyre, Tube & Flap, Tube Flap & Rim".

2. The representatives of the company appeared before the UAC and explained about their proposal and stated that presently they do not manufacture tubes, flaps etc. in their plant, which are required for Tyre Assembly and they outsourced the same from Domestic Suppliers. He has also stated that they will supply tyres and Inner Tubes, Tyre Flap, Rim & Valve as per Customer's specific need in assemblies to overseas buyers as well as DTA OEM (original equipment manufacturer) buyers. The inner tubes, tyre flap, Rim will put inside the tyres and then checked and tested as per the customers specification. Further, he also stated that tyre assembly activities has already been included in LOP but excise authorities has asked clarification so the same is to be elaborated to avoid any confusion.

3. They have also produced a copy of Hon'ble court's order of Balkrishna industries Ltd. vs Customs, Central Excise and Gold Tribunal- Delhi and brief back ground regarding tyre assembly activities and also shown a copy of Board of Approval's decision in respect of their SEZ unit at Tamilnadu.

The Chairman said that there is difference between SEZ and EOU Rules Both are governed by separate Acts. The main point to be emphasized that in EOU trading is not allowed.





4. Joint Development Commissioner, KASEZ informed that LoP issued to the unit showed 'New Pneumatic Tyres of Rubber, Tyre flap, Inner Tubes of Rubber, Solid Tyre of Rubber' and items to be manufactured and though thereafter Tyre Assembly Activity is also shown. Now the unit has explained that they only manufacture 'Pneumatic Tyres of Rubber' and other items are procured domestically and then they take manufacturing activity. Thus, the two items are there – one manufacturing of items is not taking place as per LoP and the other is whether in this case provisions of para 6.01(K) will be attracted in this case.

5. The committee also noted that out of the total goods manufactured by the EOU of Rs. 23619.00 lakhs in April, 2016 to November, 2016, value of imported & indigenous goods (Rs. 15453.48 lakhs & 2486.10 amounted to Rs. 17939.58 lakhs which has been used for assembly purpose. The committee also observed that in conventional sense, putting of tubes, etc., inside tyre may not be taken as manufacturing (assembling in true sense) activity. The committee felt that keeping in view of provisions of Para 6.01(K) of FTP, the unit may not be allowed so called 'assembly activity'.

## **2. M/s. NISOL Mfg. Co. Pvt. Ltd., Anand.**

M/s. Nisol Mfg. Co. Pvt. Ltd. was approved for setting up a unit at Anand for manufacture of "Nicotine Sulphate".


The unit has requested for inclusion of raw material and capital goods in LoP as follows:

Sr. No	Name of raw material and Capital Goods	Quantity	ITC HS Code
1.	Tobacco dust and/or Tobacco Leaf from field	10,000 Tons per annum	24012090
2.	Bag Slitting machine	01 No.	84798999

Shri Ashish Patel, Managing Director, of the company appeared before the UAC for personal interview and explained about the proposal. He stated that they are already importing Tobacco dust from tobacco processing houses and now they want to procure indigenously Tobacco Leaf. They also want to procure Bag Slitting machine indigenously. He also clarified that this will not be used in enforcement of production capacity.

The Committee after due deliberation decided to approve this proposal.

The meeting ended with thanks to all present.

  
(Upendra Vasishth)  
Development Commissioner  
Kandla Special Economic Zone