

Minutes of the 6th Meeting (2017 Series) of the Units Approval Committee (UAC) for EOUs held on 21.03.2017 at 11:00 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

Following were present:

- (1) Shri Krishan Kumar, JDC, KASEZ
- (2) Shri Rajesh Kumar, DDC, KASEZ
- (3) Shri Prashant S. Kaduskar, Additional Commissioner, Central Excise and Service Tax, Daman Commissionerate.
- (4) Shri Manjunatha T., Deputy Commissioner, Division-Jamnagar, Central Excise & Service Tax, Rajkot
- (5) Shri R. G. Khairkar, FTDO, KASEZ.
- (6) Shri L. K. Shriwastav, FTDO, Rajkot

(i) M/s Taj Mahal vision Chemicals Pvt. Ltd.

(a) Central Excise has observed certain points and submitted a letter to this office. It was also decided that Central Excise letter will be sent to the unit for clarification. The Committee, however, noted that Pharma is a sensitive sector and its proposed product is highly sensitive.

(b) The Director (Applicant unit) had submitted his request, that he is out of station and new date of UAC was requested.

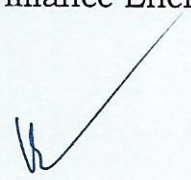
(c) The Committee has decided to defer the proposal for next UAC.

(ii) M/s. Greenbrilliance Renewable Energy LLP, Vadodara

The proposal is for establishment of a new unit under EOU at Plot No. 1408, GIDC Estate, Waghodia, Distt. Vadodara - 391 760, Gujarat, for manufacturing of Solar Photovoltaic Panel.

Shri Arvind G Patel, partner of M/s. Greenbrilliance Renewable Energy LLP and Shri Raman Bhardwaj, Director, M/s Greenbrilliance Energy Pvt. Ltd. appeared before the UAC for personal interview and explained about the proposal. The Chairman questioned why M/s Greenbrilliance Energy Pvt. Ltd was selling their plant and machinery/ other equipment and brand value to M/s. Greenbrilliance Renewable Energy LLP and also whether they are NFE positive. Shri Bhardwaj explained that as of now they have no business activity and they are running in losses due to competition from China Companies that why they want to sell their plant and machinery etc. to M/s. Greenbrilliance Renewable Energy LLP who can take up their activities at a larger scale. He also stated that the EOU (M/s Greenbrilliance Energy Pvt. Ltd.) is NFE positive.

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The Joint Development Commissioner required as to how it is possible for M/s. Greenbrilliance Renewable Energy LLP to sell their product in foreign market when same was not possible for M/s Greenbrilliance Energy Pvt. Ltd. Shri Patel has assured that the propose to supply and market the product to the some African countries, Australia, South American countries. The Committee noted that under Para 6.13 of FTP, sale/transfer of machinery is permissible from one EOU to another EOU. The Committee approved the proposal of setting up of an EOU by M/s. Greenbrilliance Renewable Energy LLP, subject to submission of supporting documents as called for and satisfaction of Office of the Development Commissioner, KASEZ.

(iii) M/s Euro Steel Recycling, Jamnagar, Gujarat

The proposal is for establishment of 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 for switching, making connections, protecting electrical circuits, like switch, plugs, sockets, junction box, etc.; Compressor parts; Brass builder hardware like bolts, nuts, screws, screws hook, rivets washers, anchors, etc.; Sanitary ware, fittings, kitchen fitting, etc.; Parts and accessories of motor vehicles; Brass hand tools; Casted/extruded/rolled bars, rods, profile, section, sheets, etc; Ingots, billets, granules made from brass, copper, zinc, aluminium, stainless steel, MS from all types of ferrous and non ferrous metals; Electrical insulating fitting; and Turning Scrap, Slag (By product).

The proposal was considered in the 21st Meeting (2016 series) of the UAC for EOUs held on 21.12.2016 wherein the Committee rejected the proposal due lower investment (i.e. below Rs. 1 crore, as per requirement) in Plant & Machinery. Thereafter, the unit vide letter dated 03.02.2017 submitted that they will introduce more capital and invest more as per criteria in Plant & Machinery. So the proposal is taken up for consideration in the UAC.

Director of the company appeared before UAC for personal interview and explained about the proposal.

Observation/Decision of the Committee:

As per para 6.06 of FTP 2015-20, only projects having a minimum investment of Rs. 1 Crore in plant & machinery shall be considered for establishment as EOUs.

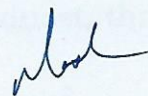


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The applicant has initially proposed to invest Rs. 48.00 lakhs in Plant & Machinery (Indigenous) which is below the limit of Rs. One crore mentioned in Para 6.08 of FTP. Thereafter, the unit vide letter dated 03.02.2017 submitted that they will introduce more capital and invest more as per criteria in Plant & Machinery. They will purchase additional furnance of latest technology and other additional machinery related to the production and final investment will be more than Rs. 1 crore. The Committee observed that this contradicts their earlier proposal in which there was no mention of expansion in their original project report. Being rejected by UAC on the basis of lower investment criteria, the unit changed the figure of total investment in Plant & Machinery. Further, the director could not convincingly explain the funding of the investment. There was no proof of tie-up/ processing of application for bank loan.

The representative of Central Excise, Rajkot, has intimated that many units in the metal recycling units at Jamnagar are closed/inactive/applying for exit from EOU scheme. Therefore, after due deliberation the committee has taken a view to reject the request of the unit.

The meeting ended with thanks to all present.



(Upendra Vasishth)
Development Commissioner
Kandla Special Economic Zone