

Minutes of the 20th Meeting (2018 series) of the Units Approval Committee for EOUs held on 17.10.2018 at 15:30 Hours, under the Chairpersonship of Dr. Amiya Chandra, ITS, Development Commissioner, KASEZ at the Office of Development Commissioner, Kandla SEZ, Gandhidham.

Following were present:-

- (1) Shri Satyadeep Mahapatra, Joint Development Commissioner, KASEZ.
- (2) Shri Rajesh Kumar, Deputy Development Commissioner, KASEZ.
- (3) Shri Rajesh Tripathi, Deputy Commissioner, GST, Gandhidham.
- (4) Shri C. N. Rupani, Superintendent(Tech.), Customs, Jamnagar.
- (4) Shri P C Ravindran, Assistant DGFT, KASEZ.

At the outset, the chairman welcomed all the members of the Approval Committee present in the meeting. Thereafter, the following point in the Agenda was discussed.

M/s Hindustan Adhesive Limited, Mundra, Gujarat

The proposal is for conversion of DTA unit under 100% EOU scheme at Survey No. 380/P1, Village – Bhadreswar, Tehsil – Mundra, District – Kutch, Gujarat – 370410 for manufacturing of BOPP self adhesive tapes (ITC HS Code No. 39191000).

The proposal was considered in 19th Meeting (2018 series) of the UAC for EOUs held on 19.09.2018 wherein the Committee deferred the proposal as representative of the project did not explain as to why they want to convert DTA unit into 100% EOU and also he did not explain about business plan clearly.

Manager HR Admin of the company appeared before UAC for personal interview and explained about the proposal.

Observation/Decision of the Committee:

The applicant has submitted that they want to convert their DTA unit to 100% EOU because they are exporting more than 85% of their products. At present they have to pay Customs duty as well as IGST for raw material and imported goods and thereafter seek refund of the same for raw material used in exported goods which is a time-consuming process. If they convert their DTA unit to 100% EOU, they can purchase the raw material without payment of Customs Duty and IGST and need not block the capital till they get refund of the duties & taxes paid.

The unit has submitted power point presentation showing business plan including their market/clients etc.

The Committee, therefore, decided to approve the proposal subject to standard terms and conditions.

M/s Mayank Brassfit Private Limited, Jamnagar, Gujarat

The proposal is for conversion of DTA unit into 100% EOU scheme at Plot No. 14-15, Yogi Industrial Estate, Dwarka Bypass, Kansumra, Jamnagar - 361004, for manufacturing of High quality brass fittings for hydraulic and Pneumatic applications, heating & refrigeration applications, DOT air brake systems, Fluid transfer systems, Gas Transfer Systems and Plumbing Systems etc.

Shri Mayank Gopal Patel, Director of the company appeared before UAC for personal interview and explained about the proposal.

On being asked by the Chairman regarding as to why they wish to convert their DTA unit into 100% EOU and the business plan the Director stated that they want to convert their DTA unit to 100% EOU because they are mainly exporting their products. Further, they would be procuring raw material in the form of Brass rods from Italy and other countries since their clients insist on procuring finished goods of brass to be used for plumbing/ heating etc. which needs to have zero lead content which is not easily available in India. He further explained that since the unit would be procuring their raw material mostly by way of import working in the EOU scheme would enable them to procure raw material without payment of Duty and thereby prevent blockage of working capital.

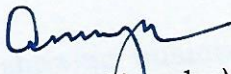
Observation/Decision of the Committee:

- Projected Export for the 5 year period is Rs. 16904.04 lakhs
- Net Foreign Exchange Earnings projected for the 5 year period is Rs. 3789.60 lakhs. *Ami*
- The company ~~has~~ *can* not import any brass scrap.

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.

However, no import of Brass scrap would be permitted.

The meeting ended with thanks to all present.


(Dr. Amiya Chandra)
Development Commissioner
Kandla Special Economic Zone