

Agenda Item of the 6th Meeting (2019 Series) of the Units Approval Committee (UAC) for EOUs to be held 19.12.2019 at 12:00 Hrs., under the Chairpersonship of Shri Satyadeep Mahapatra, Development Commissioner, KASEZ.

Sub: - Proposal for setting up a new unit under 100% EOU Scheme -
M/s. Can Ends (India) Pvt. Ltd., Kheda (Gujarat)

(1) The Proposal

M/s. Can Ends (India) Pvt. Ltd., 4800/24, II Floor, Bharat Ram Road, Darya Ganj, Delhi-110002 have applied for setting up a new unit under 100% EOU Scheme situated at Survey No. 231, 228, Village-Punaj, Tal. Matar, Dist. Kheda, Gujarat-387530 for manufacturing of Plain/printed/coated Tinplate or tin free steel sheets, open top sanitary cans, easy open ends, etc.

The Promoter Group has been in the trading of Metal Cans and Components for more than a decade. The Group supplies cans and can components to top tier Food and Beverages Companies in Europe, Middle east and south east Asia. The Group established Can Ends FZE (UAE) & Can Ends Packaging Limited (HK) in 2015 for local distribution. The Group is approved vendor to national bottlers of Coca Cola, Pepsi Co., Nestle and Silver Ice Bev, with sales volume of 100 million Cans.

(2) Highlights of the proposal (for next five years from proposed EOU)

1. FOB value of exports	: Rs.	199.79 crores
2. Import of capital goods	: Rs.	39.69 crores
3. Import of raw materials & components	: Rs.	144.85 crores
4. Other outflow of Foreign Exchange	: Rs.	11.07 crores
5. Total outflow of Foreign Exchange	: Rs.	195.61 crores
6. Net Foreign Exchange Earnings.	: Rs.	04.18 crores

(3) In their proposal unit has shown total investment of Rs. 51.14 crores and the source of finance are as under:

Can Ends FZE, UAE	: Rs. 26.80 crores (Foreign Collaborator)
Director's Investment	: Rs. 10.45 crores
Loan from Bank	: Rs. 13.89 crores

The proposed shareholding Pattern is as under:

Can Ends FZE, UAE	: 75.26%
Promoter's shareholding	: 24.74%

Policy Provision and comments

As per para 4 of of Notification dated 22.03.2006 of Appendix-6C (Board of Approval Notification) of Appendices and Aayat Niryat Forms of FTP, 2015-20, “ **EOU cases involving foreign equity, including investment by NRIs and OCBs that fall outside the automatic route shall continue to be dealt with by the Foreign Investment Promotion Board (FIPB). In such cases, the units will apply directly to Secretariat for Industrial Assistance (SIA) for FIPB approval with a copy to the Development Commissioner concerned.**”

In view of above, this office vide letter dated 21.11.2019 asked unit to follow the directions contained in the above Notification. Thereafter the unit has approached the “Invest Inda- The National Investment Promotion and Facilitation Agency” who has clarified that as per the FDI Policy, for setting up a metal cans manufacturing unit, FIPB approval is not required. Further unit has stated that they don't fall in restricted products list category hence they don't need to seek permission from FIPB.

Hence the proposal is placed before UAC for consideration.
