

SEEPZ SPECIAL ECONOMIC ZONE

ANDHERI (EAST), MUMBAI.

AGENDA FOR

**MEETING OF THE UNIT APPROVAL COMMITTEE FOR EXPORT
ORIENTED UNITS UNDER THE JURISDICTION OF DEVELOPMENT
COMMISSIONER, SEEPZ-SEZ.**

VENUE : Conference Hall, BFC Building, 2nd Floor, Behind the
Office of the Development Commissioner, SEEPZ-SEZ,
Andheri (East), Mumbai.

DATE : 13th February, 2017.

TIME : 11.00 A.M.

MEETING OF THE UNIT APPROVAL COMMITTEE FOR EXPORT
ORIENTED UNITS UNDER THE CHAIRMANSHIP OF DEVELOPMENT
COMMISSIONER, SEEPZ-SEZ ON 13TH FEBRUARY, 2017.

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| Agenda Item No. | Subject |
|-------------------------------|---|
| Agenda item No. 01 : - | Confirmation of minutes of the meeting held on 13.01.2017. |
| Agenda item No. 02 : - | Application for Permission to transport raw material through pipeline for manufacture and export of IMFL - M/s. Pernod Ricard India Pvt. Ltd. |
| Agenda item No. 03 : - | Application for Broad Banding of items - M/s. RLC Engineers Pvt. Ltd. |
| Agenda item No. 04 : - | Application for Renewal of LOP - M/s. Fiberweb (India) Ltd., |

**ACTION TAKEN REPORT ON THE MINUTES OF THE 9TH MEETING
(2016 SERIES) OF UAC HELD ON 13.01.2017.**

| Case No. | Unit Name | Action taken |
|-----------------|-----------------------------------|---|
| 1. | M/s. Satish Toy Manufacturing LLP | LOP issued to the unit on 30.01.2017 |
| 2. | M/s. Scigen Biopharma Pvt. Ltd. | Letter issued to the unit on 27.01.2017 |
| 3. | M/s. GKB Vision Pvt. Ltd., | Letter issued to the unit on 27.01.2017 |
| 4. | M/s. Tozai Safety Pvt. Ltd. | No further action is required. |

MINUTES OF THE 9TH MEETING (2016 SERIES) OF THE UNIT APPROVAL COMMITTEE FOR EXPORT ORIENTED UNIT HELD UNDER THE CHAIRMANSHIP OF DEVELOPMENT COMMISSIONER, SEEPZ SEZ ON 13.01.2017 AT 11.00 A.M.

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The following were present :-

1. Shri. V. P. Shukla, Joint Development Commissioner, SEEPZ-SEZ.
2. Shri. V. D. Shetiya, Office of the Jt. Director of Industry (MMR)
3. Smt. S. R. Motwani, Assistant DGFT, O/o Additional DGFT, Mumbai.
4. Shri. K. K. Srivastav, Joint Commissioner of Central Excise, Kolhapur.
5. Shri. A. K. Singh, Superintendent of Central Excise, Pune I.
6. Shri. Rakesh Kumar, Superintendent of Central Excise, Belapur.
7. Shri. D.T. Gorede, Superintendent of Central Excise, Nashik II.
8. Shri. G. S. Bhandari, UDC, SEEPZ- SEZ

**1. Confirmation of Minutes of the 8<sup>th</sup> Meeting (2016 Series) held on 05.12.2016.**

The Unit Approval Committee ratified the minutes of its 8<sup>th</sup> meeting held on 05.12.2016.

**2. M/s. Satish Toy Manufacturing LLP.**

After detailed deliberation the Committee approved the proposal of M/s. Satish Toy Manufacturing LLP, for Establishment of New Undertaking for manufacture and export of Plastic Toys, Parts and Accessories thereof at Survey No. 9/2/2, Shade No. 3, Near Coca Cola Godown, Behind Dongar Baba Hotel, Mumbai Agra Highway, Vilholi, Taluka & District Nashik - 422 010.

**3. M/s. Scigen Biopharma Pvt. Ltd.,**

After detailed deliberation the Committee approved the proposal of M/s. Scigen Biopharma Pvt. Ltd., for broad banding of items viz. "Insulin - Lispro, Insulin - Glargine, Insulin - Aspat". The Committee directed that the performance of the unit may be reviewed after six months.

**4. M/s. GKB Vision Pvt. Ltd.,**

After detailed deliberation the Committee directed the representative of the unit to submit the details of inputs proposed to be imported/procured centrally as per Para 6.13 (d) of FTP to consider their request on case to case basis.

**5. M/s. Tozai Safety Pvt. Ltd.,**

The representative of the unit informed the Committee that NFE is negative due to amortization of Capital Goods taken into account while calculating NFE. During the period there was not much export and they have paid duty on proportionate basis at the time of debonding.

The Committee accepted explanation of the unit that Negative NFE is unintentional, hence no further action is required.

Meeting ended with vote of thanks to the Chair.

  
**CHAIRMAN - CUM- DEVELOPMENT COMMISSIONER**

**OFFICE OF THE DEVELOPMENT COMMISSIONER,  
SEEPZ SPECIAL ECONOMIC ZONE, GOVT. OF INDIA,  
ANDHERI (E), MUMBAI**

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**AGENDA NOTE FOR CONSIDERATION OF UNIT APPROVAL COMMITTEE**

**a) Proposal :-**

Application for permission to transport raw material through pipeline for manufacture and export of IMFL from M/s. Pernod Ricard India Pvt. Ltd.,

**b) Specific Issue on which decision of UAC is required :-**

The unit has submitted the application for permission to transport raw material through pipeline for manufacture and export of IMFL at Kekatpur Davargaon to Mozari Road, Taluka & District Amravati, Maharashtra

**c) Relevant Provisions of FTP/HBP :-**

**d) Other Information :-**

M/s. Pernod Ricard India Pvt. Ltd., Wardha were issued LOP No. PER:SEEPZ-SEZ/IA-II/12/02/2015-16/10802 dated 03.05.2016 as amended for manufacture and export of IMFL (Blenders Pride), IMFL (Imperial Blue), IMFL (Royal Stag) at 147, Kekatpur Davargaon to Mozari Road, Taluka & District Amravati, Maharashtra - 444 901.

The unit vide letter dated 16.08.2016 submitted the application for approval to transport raw material through pipeline for manufacture and export of IMFL at Kekatpur Davargaon to Mozari Road, Taluka & District Amravati and stated the following :-

- (i) They would be facing towards manufacturing of IMFL at the EOU. During the initial site inspection by Central Excise officials, they have advised erection of boundary wall in order to have a complete segregation of the proposed EOU from the rest of the factory comprising of Distillery and country liquor unit.
- (ii) They have completely carved out the proposed EOU from the rest of undertaking by a boundary wall and hence ruling out the possibility of any mixing of Raw material & Finished goods with other entities. In that process the pipeline that used to supply Grain Neutral Spirit (GNS), one of the basic raw material procured from the adjacent distillery located at the other side of the boundary wall got dismantled.
- (iii) By dismantling the pipeline, supply of GNS (raw material) to the EOU from the distillery is to be made by tankers which has several adverse implications, viz-

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- (a) Cost of operation goes up substantially;
  - (b) Supply affected due to usage of tankers;
  - (c) Contamination of raw materials-quality issue;
  - (d) Additional investments in storage tanks to store raw material;
- (iv) In order to produce quality products for exports, raw material free from any contamination is of paramount importance from the "Made in India" perspective as well.
- (v) In addition, transportation of GNS through pipelines would be convenient, cost effective, availability would be on demand and above all environment friendly. Globally and in India, pipeline is considered the most preferred mode of transporting bulk liquids due to above reasons.
- (vi) State Excise officials posted at both the factory premises certify the quantity of GNS issued by the distillery and received at the bottling unit (EOU).
- (vii) Looking at the above benefits and specially to make their exports competitive, they have requested to permit them to reinstall the pipeline for supply of raw material from the adjacent distillery.

This office vide letter dated 08.09.2016 requested to the jurisdictional Central Excise Authority to furnish their comments in the matter. The Assistant Commissioner of Central Excise & Customs, Division Amravati vide their letter dated 07.10.2016 stated the following :-

- (i) M/s. Pernod Ricard India Pvt. Ltd., at Anand Distilleries Pvt. Ltd., 147, Kekatpur-Davargaon to Mozari Road, Amravati has been inspected initially by the Range Office and report to that effect was submitted vide their officer letter No. 4165-66 dated 21.10.2015 as "in a single compound wall there are three units of M/s. Anand Distilleries viz. (i) Distillery unit (ii) Country Liquor Bottling Unit (iii) IMFL (Proposed EOU). The Distillery unit is in a separate building where (i) Extra Nutra Alcohol and (ii) Rectified Spirit are manufactured which are major raw material for country Liquor Bottling Unit and IMFL (Proposed EOU) Unit. Separate Entry and Exit was not provided for the proposed EOU and is not physically segregated from other two DTA units to avoid intermingling of goods".
- (ii) M/s. Pernod Ricard India Pvt. Ltd., at Anand Distilleries Pvt. Ltd., 147, Kekatpur-Davargaon to Mozari Road, Amravati has been inspected again on 29.03.2016 by the Range Officer and revised verification report and it was informed vide their office letter No. 1805-06 dated 18.04.2016 that (i) The distillery unit and country Liquor Bottling Unit have been separated by a compound wall and IMFL Unit (Proposed EOU) has separate entry and exit created (ii) Country Liquor Bottling unit building

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and MFL unit (Proposed EOU) have a common inner wall but it does not affect the separation of two units (iii) The raw material supply pipelines from Distillery to IMFL unit (proposed EOU) has been dismantled and proposed EOU is physically segregated from existing two DTA units to avoid intermingling of goods.

- (iii) The site plan of M/s. Pernod Ricard India Pvt. Ltd., at Anand Distilleries Pvt. Ltd., 147, Kekatpur-Davargaon to Mozari Road, Amravati becomes suitable to become an EOU unit.
- (iv) Accordingly, SEEPZ-SEZ, Ministry of Commerce and Industry, Mumbai approved the proposal of converting existing DTA unit into EOU unit.
- (v) M/s. Pernod Ricard India Pvt. Ltd., at Anand Distilleries Pvt. Ltd., 147, Kekatpur-Davargaon to Mozari Road, Amravati now requested to grant permission to reinstall the pipeline which was dismantled for supply of raw material from their distillery unit.
- (vi) The pipeline was dismantled in terms of provision contained in ANF 6A of Appendix 2015-2020. Hence it is submitted that permission may not be granted to reinstall the pipeline; so as to avoid the intermingling of goods.

This office vide letter dated 22.11.2016 requested to the jurisdictional Central Excise Authority to inform how there will be intermingling of goods although the supply of raw material will be one way supply through meter and which law will be violated if the permission for restoration of pipeline is granted by the Competent Authority.

The Assistant Commissioner of Central Excise, Amravati Division vide their letter dated 06.01.2017 stated the following :-

- i) EOU is a separate entity having separate premises as declared by the unit as per Central Excise law.
- ii) If the pipeline passes through the boundary wall of the unit then premises of the unit cannot be treated as separate premises as per Central Excise law even though there may not be any intermingling of goods.
- iii) Therefore, restoration of pipeline through boundary to EOU is contrary to Central Excise Act, 1944 and Rules made thereunder. As per Chapter 2 (Sr. No. 3.2) of CBEC's Excise Manual of Supplementary Instruction 2005, Separate registration is required in respect of separate premises.
- iv) DTA unit and EOU are separate units having separate premises. M/s. Pernod Ricard India Pvt. Ltd., Amravati is registered with Central Excise Department having Registration No. AAACS4781PEM0006.

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- v) In their letter dated 18.04.2016, wherein in Sl. No. 8(iii), it has clearly mentioned that, "the raw material supply pipelines from Distillery to IMFL unit (Proposed EOU) have also been dismantled and at present proposed EOU is physically segregated from above mentioned two DTA units to avoid intermingling of goods".
- vi) By restoration of pipeline, the norms of EOU, on which permission was granted by this office to M/s. Pernod Ricard India Pvt. Ltd., Amravati may be violated.

The proposal of the unit for Inter-unit transfer of inputs between the EOUs is placed before the Unit Approval Committee for consideration.

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**OFFICE OF THE DEVELOPMENT COMMISSIONER,  
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**AGENDA NOTE FOR CONSIDERATION OF UNIT APPROVAL COMMITTEE**

**a) Proposal :-**

Application for Broad Banding of items received from M/s. RLC Engineers Pvt. Ltd.

**b) Specific Issue on which decision of UAC is required :-**

The unit has submitted the application for Broad Banding of items viz. "Silicon Assembly Paste for Cold Shrink and Push on Product and Heat Shrink Power Cable Accessories".

**c) Relevant Provisions of FTP/HBP :-**

Para 6.34 (5) of Hand Book of Procedure 2015-2020.

**d) Other Information :-**

M/s. RLC Engineers Pvt. Ltd., Thane II were issued LOP No. PER:20(2000)/EOB/14/2000 dated 16.03.2000 as amended for manufacture and export of Heat Shrink Power Cable Accessories, Heat Shrink Tele Communication Cable Accessories, Compound of ethylene vinyl acetate copolymer (for power cable accessories), Compound grey (for heat shrink power cable accessories), Cold Shrink and Push on Product for Power Cable Accessories at Vandana Industrial Estate, Waliv, Vasai (east), District Thane – 401 208. The unit commenced production w.e.f. 03.11.2003. The validity of LOP is upto 31.03.2020.

The unit vide letter dated 20.12.2016, 13.01.2017 & 27.01.2017 submitted the application for Broad Banding of item viz. "Silicon Assembly Paste for Cold Shrink and Push on Product and Heat Shrink Power Cable Accessories".

The unit in their application has stated that there is no forward or backward linkage. The proposed product i.e. "Silicon Assembly Paste for Cold Shrink and Push on Product and Heat Shrink Power Cable Accessories" will be used on the surface on which the Heat Shrink or cold Shrink Components is placed.

The unit has achieved positive NFE of ₹ 7230.85 lakhs in the year 2014-15 (with amortization) on cumulative basis.

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The application of the unit was scrutinized and it is noticed that the items proposed to be included in the LOP do not appear similar in nature and no backward or forward linkage seems to be established. The proposed product is a new product to be included in the LOP.

The details of Export performance & NFE achieved by the unit during the last five years is as follows :-

| <b>Year</b> | <b>FOB Value of Export<br/>(Rs. in Lakhs)</b> | <b>NFE Achieved<br/>(Rs. in Lakhs)</b> |
|-------------|-----------------------------------------------|----------------------------------------|
| 2010-11     | 1,686.82                                      | 1,258.09                               |
| 2011-12     | 1,747.76                                      | 2,564.45                               |
| 2012-13     | 1,564.15                                      | 3,769.14                               |
| 2013-14     | 2,116.92                                      | 5,375.52                               |
| 2014-15     | 2,592.94                                      | 7,230.85                               |

The proposal of the unit for broad banding of item viz. "Silicon Assembly Paste for Cold Shrink and Push on Product and Heat Shrink Power Cable Accessories" is placed before the Unit Approval Committee for consideration.

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**AGENDA NOTE FOR CONSIDERATION OF UNIT APPROVAL COMMITTEE**

**a) Proposal :-**

Application for continuation of EOU Status received from M/s. Fiberweb (India) Ltd.

**b) Specific Issue on which decision of UAC is required :-**

Renewal of LOP.

**c) Relevant Provisions of FTP/HBP :-**

Para 6.05 of Foreign Trade Policy 2015-20, read with Para 6.01 (i) of Handbook of Procedure 2015-2020.

**d) Other Information :-**

M/s. Fiberweb (India) Ltd., Daman, were issued LOP No. PER:9(1994/EOB/531/93 dated 13.01.1994 for manufacture and export of Plastic Garbage Bags, Carrier Bags & Plastic Films. The unit was issued LOP on 13.01.1994. The unit commenced production w.e.f. 13.12.1994.

The proposal of the unit for renewal of LOP for further five years period was placed before the Unit Approval Committee meeting held on 22.04.2015. The Committee directed that report from jurisdictional Central Excise regarding liability, if any on the unit may be obtained and thereafter forward the proposal to BOA for consideration.

The Assistant Commissioner of Central Excise, Customs & Service Tax, Division IV, Daman vide their letter dated 28.05.2015 stated the following :-

- i) M/s. Fiberweb (India) Ltd., (100% EOU), Unit-1, Survey No. 106/1 & 3, Kadaiya, Nani Daman, Daman is not functioning since March 2013.
- ii) As per available records with their office, no Show Cause Notice have been issued to the unit.
- iii) There is no duty liability pending in respect of M/s. Fiberweb (India) Ltd.,

It is also seen from the APRs, the unit has not imported any capital goods and there is only import of raw material valued at Rs. 12.35 lakhs. The unit has effected deemed export of Rs. 43.74 lakhs.

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As per Appendix 6L i.e. Guidelines for Revival/Exit of Sick EOU Units, the following is stipulated :-

**1. Revival of Operations**

- (i) A unit which has been declared sick by the appropriate authority shall submit a revival package through the Development Commissioner concerned to the Board of Approval for consideration and approval.

The Board shall consider the following :

- a) Extension in the period for fulfillment of NFE for a further period upto a maximum of 5 years at the prevalent norms of the EOU Scheme.
- b) On extension of the period, unutilized raw material and imported/domestically procured capital goods shall be allowed to be carried forward at their original value.
- c) On grant of extension, the LUT executed by the unit shall be suitably revised.

It is seen from the above that after declaration of Sick the unit can be granted the extension by BOA upto a maximum period of 5 years at the prevalent norms of the EOU Scheme.

In the present case the unit was declared sick during 2007 and this office had already granted permission for renewal of LOP for the period 2010-11 to 2014-15 and now the unit has again sought extension for further five years period.

The proposal of the unit for renewal of LOP was placed before the Unit Approval Committee Meeting held on 10.08.2015. The Committee after detailed deliberation deferred the proposal and directed the unit to submit documentary evidence having export orders to consider their proposal for continuation of EOU status.

The unit vide their letter dated 09.01.2017 submitted a certified copy of the Purchase Order No. 20171001 dated 02.01.2017 for US\$25,258.74 received from M/s. Nonwoven Garbage bags, in February 2017 and March 2017. The unit has also send production samples of the bags for which they have to start the factory which they can do only after they receive renewal of LOP.

The proposal of the unit for renewal of LOP for further 5 years period along with fresh projection for the period 2015-16 to 2019-2020 is placed before the Unit Approval Committee for consideration.

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