

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 : 5th December, 2017.

TIME : 11.30 A.M.

MEETING OF THE UNIT APPROVAL COMMITTEE FOR EXPORT ORIENTED UNITS UNDER THE CHAIRMANSHIP OF DEVELOPMENT COMMISSIONER, SEEPZ-SEZ ON 5TH DECEMBER, 2017.

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Agenda Item No.	Subject
Agenda item No. 01 :-	Confirmation of minutes of the meeting held on 27.10.2017.
Agenda item No. 02 :-	Application for additional of New Products in the LOP – M/s. Phoenix Innovative Heath Manufacturers Pvt. Ltd.
Agenda item No. 03 :-	Application for Sharing of Infrastructure facility – M/s. Watson Pharma Pvt. Ltd.
Agenda item No. 04 :-	Application for Amalgamation – M/s. Sigma Electric Manufacturing Corporation Pvt. Ltd.

ACTION TAKEN REPORT ON THE MINUTES OF THE 5th MEETING

(2017 SERIES) OF UAC HELD ON 27.10.2017.

Case No.	Unit Name	Action taken
1.	M/s Sparkle Diam Pvt. Ltd.	Letter issued to the Jt. DGFT on 14.11.2017
2.	M/s Deccan Fine Chemicals (India) Pvt. Ltd.	Letter issue to the unit on 10.11.2017
3.	M/s Macbrout Engineering Pvt. Ltd.	Letter issued to the Central Excise & Income Tax Officer on 14.11.2017

MINUTES OF THE 5th MEETING (2017 SERIES) OF THE UNIT APPROVAL COMMITTEE FOR EXPORT ORIENTED UNIT HELD UNDER THE CHAIRMANSHIP OF DEVELOPMENT COMMISSIONER, SEEPZ SEZ ON 27.10.2017 AT 12.00 P.M.

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The following were present :-

1. Shri. V. P. Shukla, Joint Development Commissioner, SEEPZ-SEZ.
2. Shri. Pravin Chandra, Joint Development Commissioner, SEEPZ-SEZ.
3. Smt. S. R. Motwani, Additional DGFT, Mumbai.
4. Shri. Sanjay Korabu, Dy. Director of Industries, MMR.
5. Shri. Kamal Dehariya, Income Tax Officer, Mumbai.
6. Shri. Shrikant Patole, Commissioner of CGST, Nashik.
7. Shri. Amol Ket, Joint Commissioner of CGST, Nashik.
8. Shri. S. B. Deshmukh, Joint Commissioner of CGST, Aurangabad.
9. Shri. B. S. Mangat, Dy. Commissioner of CGST, Navi Mumbai.
10. Shri. R. M. Dakshin, Assistant Commissioner of CGST, Goa.
11. Shri. V. K. Sanga, Assistant Commissioner of CGST, Mumbai East.
12. Smt. Sujata Sounderrajan, Superintendent of CGST, Pune I.
13. Shri. G. S. Bhandari, Assistant, SEEPZ- SEZ

**1. Confirmation of Minutes of the 4<sup>th</sup> Meeting (2017 Series) held on 18.08.2017**

The Unit Approval Committee ratified the minutes of its 4<sup>th</sup> meeting held on 18.08.2017.

**2. M/s. Sparkle Diam Pvt. Ltd.,**

The Committee was informed that the proposal of the unit was submitted in the Unit Approval Committee meeting held on 24.04.2017. The Committee directed to the Specified Officer, SEEPZ-SEZ to ascertain the correct fact from the nominated agencies regarding supply of gold to the applicant company as per their demand and the same may be informed in the next meeting. The Specified Officer submitted its report stating that on implementation of GST, IGST is applicable to the Banks and they have not imported gold and it is not known as to which nominated agencies the unit has approached to ascertain the facts.

The representative of the applicant company has informed that in the recent past they have been issued EPCG License for import of machinery and they have fulfilled the export obligation as imposed by DGFT. Even after implementation of GST, they would like to convert their DTA unit into EOU.

The Committee after detailed deliberation approved the project in-principle subject to confirmation from DGFT, regarding performance, status of EPCG obligation and issues, if any, pending against the unit with DGFT.

**3. M/s. Deccan Fine Chemicals (India) Pvt. Ltd.,**

The representative of the unit has informed that they would like to include R & D Activity in the LOP for Capitive use. The same activity is required for process modification, product development and new formulations and molecules.

After detailed deliberation the Committee approved the proposal of M/s. Deccan Fine Chemicals (India) Pvt. Ltd., for addition of New Products viz. "Research and Development Activities (for Captive Use)" in the LOP subject to the condition that the requirement of additional CG will be met by the unit from within the approved projection.

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**4. M/s. Macbrout Engineering Pvt. Ltd.,**

After detailed deliberation the Committee remanded back the proposal to the Jurisdictional Central Excise Authority with a direction to examine the case of the unit as to how they have imported the raw material amounting to Rs. 23 Crore even though there is Nil value envisaged at the time of approval of revised projection and also scrutiny whether the unit has taken the excess stock of raw material in the Audited Annual Report of the unit, as the unit failed to give satisfactory justification for such import.

The UAC also directed the Income Tax Authorities to examine the Audited Annual Report of the unit w.r.t. stock of raw material indicated in the Audited Annual Report & submit a report for further necessary action in the matter.

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 inclusion of additional items in the LOP from M/s. Phoenix Innovative Healthcare Manufacturers Pvt. Ltd.,

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

The unit has submitted the application for inclusion of additional items viz. "Medicine Cup".

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

In terms of Para 6.34 (5) of Handbook of Procedure 2015-2020.

**d) Other Information :-**

M/s. Phoenix Innovative Healthcare Manufacturers Pvt. Ltd., Navi Mumbai were issued LOP No. PER:SEEPZ-SEZ/IA-II/3/05/2013-14/13063 dated 18.11.2013 as amended for manufacture and export of Blood Lancets (Assorted), Alcohol Pre Pads (Assorted), Lancing Device (Assorted), Safety Lancets (Assorted), Pre Pads (Assorted), Towelettes (Assorted), Swabsticks (Assorted) at EL-209, Shil Mahape Road, Electronic Zone, MIDC, TTC Industrial Area, Mahape, Navi Mumbai – 400 710. The unit commenced production w.e.f. 01.01.2014. The validity of LOP is upto 31.12.2019.

The unit vide letter dated 24.10.2017 submitted the application for Broad Banding of items viz. "Medicine Cup".

The unit has stated that the designs of product are different from the existing product. The Horizontal Injection Moulding machines which are used for the production. Also, the unit has stated that there is no forward or backward linkage to existing line of manufacture.

The unit has achieved positive NFE of ₹ 4,297.73 lakhs (with amortization) for the period 2016-17 on cumulative basis.

The proposal of the unit for inclusion of additional item viz. "Medicine Cup" in the LOP 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 :-**

Sharing of infrastructure facilities between Export Oriented Units, M/s. Watson Pharma Pvt. Ltd. & M/s. Tevapharm India Pvt. Ltd.

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

The units have submitted the application for permission for supply of Steam.

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

In terms of Para 6.12 (g) of FTP 2015-2020, "The Units Approval Committee may consider on a case-to-case basis request for sharing of infrastructural facilities among EOUs and it shall forward its recommendations to the Board of Approval for its consideration. While accepting such proposals, the NFE obligations of the Units shall not be altered. Such facilities will be available to Units in EHTP/STP after getting approval from IMSC. However, sharing of facilities between EOUs and SEZ units shall not be permitted".

**d) Other Information :-**

M/s. Watson Pharma Pvt. Ltd., Goa an EOU covered by LOP No. PER:32(2007)/ IA-II/28/07-08/9265 dated 19.12.2007 as amended and valid upto 31.12.2017 for manufacture and export of Allopathic Pharmaceutical i.e. Carisopyramide, Clindamycin Hydrochloride, Disopyramide Phosphate, Doxepin Hydrochloride, Furosemide etc. is located at Plot No. A3 to A6, Phase 1-A, Verna Industrial Estate, Verna, South Goa, Goa - 403 711.

M/s. Tevapharma India Pvt. Ltd., Goa an EOU covered by LOP No. PER/17(2008)/IA-II/21/2008-09/5969 dated 12.08.2008 as amended and valid upto 09.02.2020 for manufacture and export of Regular Product i.e. Allopurinol or other tablet, Candesartan IR Tablet, Candesartan HCT Tablet etc. is located at Plot No. A-1, Verna Industrial Estate, Phase IA, Verna, Salcette, Goa.

**M/s. Watson Pharm Pvt. Ltd.** vide letter dated 25.10.2017 stated the following :-

- (i) M/s. Teva Pharmaceuticals Industries Ltd., has acquired the Global Generic business of M/s. Allergan PLC (mother holding company of M/s. Watson Pharma Pvt. Ltd.) on 02<sup>nd</sup> August, 2016.

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- (ii) M/s. Tevapharm India Pvt. Ltd. (Teva Pharm) another group company of Teva which is operating as 100% EOU and is located at plot No.A-1, Phase IA, adjacent to M/s. Watson Pharma Pvt. Ltd. (which is located at Plot No.A3 to A6, Phase-IA, in Verna, Goa.
- (iii) M/s. Tevapharm India Pvt. Ltd. and M/s. Watson Pharma Pvt. Ltd. are separate legal entities both these legal entities are having separate units as a 100% EOU.
- (iv) Since these entities are located adjacent to each other, strategically the TEVA is looking at the synergy benefits in terms of Energy, Fuel and Environment. In view of this and as per the provisions under Para 6.12 (g) of FTP 2015-2020 read with Sr. No.1 (12) of Notification No.52/ 2003-Cus dated 31.03.2003 as amended, EOU can be permitted sharing of infrastructural facilities by another EOU with the permission of the Board of Approval.
- (v) So, they are planning to have a common Utility of boiler for steam will be supplied by Teva Pharm to Watson Pharma.
- (vi) Currently Teva Pharm is using Solid Mass Briquette as a Boiler Fuel not Furnace Oil. This is due to low cost fuel efficiency and to avoid environmental hazard due to use of petroleum fuel and it has additional capacity and area for storage of Solid Mass Briquette whereas M/s. Watson Pharma is have space constraint to convert and store Solid Mass Briquette.
- (vii) Currently Watson Pharma Goa, generates steam at rate of 11 tons/ day using furnace oil and Tevapharm Goa generates 20 tons/day steam using Solid mass briquette. The steam generated by Tevapharm is very cheaper to Watson Pharma.
- (viii) Therefore, they Waston Pharma hereby accept the proposal of Teva Pharma to extend the steam supply from Teva Goa Site to Watson Pharma Pvt. Ltd. by laying Steam pipeline between the two sites.

**M/s. Tevapharm India Pvt. Ltd.** has also stated as follows:-

- (i) M/s. Teva Pharmaceuticals Industries Ltd., has acquired the Global Generic business of m/s. Allergan PLC (mother holding company of M/s. Watson Pharma Pvt. Ltd.) on 2<sup>nd</sup> August, 2016. However, in India M/s. Tevapharm India Pvt. Ltd. and M/s. Watson Pharma Pvt. Ltd. will continue to operate as separate legal entities as existed. M/s. Watson Pharma Pvt. Ltd., is an EOU located at Verna, Goa for manufacture and export of Allopathic Pharmaceuticals Preparations i.e. Carisoprodol, Clindamycin Hydrochloride, Disopyramide Phosphate etc. covered under Letter of Permission No.PER:32(2007)/IA-II/28/07-08/9265 dated 19.12.2007 as amended.



- (ii) The Custom exemption notification No.52/2003-cus dated 31.03.2003 as amended vide Sr. No.1 (12), provides that the said officer subject to the approval of Commissioner of Customs or Commissioner of Central Excise, as the case may be, may also allow sharing of infrastructural facilities among EOU in accordance with and subject to the terms and conditions specified in Para 6.12 (g) of FTP 2015-2020.
- (iii) They are planning to have a common Utility of Boiler from where the steam will be supplied by Tevapharm to Watson Pharma. Currently, Tevapharm is using Solid Mass Briquette as a Boiler fuel and not Furnace Oil. This is due to low cost fuel efficiency and to avoid environmental hazard due to use of petroleum fuel. M.s, Tevapharm is having additional capacity and area for storage of Solid Mass Briquette whereas M/s. Watson Pharma have space constraint to convert and store Solid Mass Briquette.
- (iv) Watson Pharma, generates steam at the rate of **11 tons/day** using **furnace oil** and Tevapharm, generates **20 tons/day** steam using **Briquette Solid Mass**. The unit cost of generating steam is cheaper at Tevapharm than Watson Pharma, predominantly due to selection of its fuel.
- (v) The proposal regarding steam supply from Tevapharm to Watson Pharma is laying by Steam pipeline both sites.

**Reason for Considering the Proposal :**

- (a) The steam is being generated by M/s. Watson Pharma Pvt. Ltd. using Furnace oil which is very high Cost as compared to Briquette solid Mass.
- (b) M/s. Tevapharm uses Biomass Fuel having additional capacity to generate steam without any additional investment.
- (c) The Steam produced by Tevapharm is Cheaper.
- (d) Biomass Fuel is more good for environment comparing to Briquette solid Mass. Tevapharm has awarded continuously for last two years for being Best Environment, Health and Safety Organization by Green Triangle Society of Goa.
- (vi) **They shall install Flow meter for supply of Steam and proper records shall be maintained. The invoices will be issued as per the provisions of relevant rules and regulations to M/s. Watson Pharma Pvt. Ltd.**
- (vii) They undertake to comply with the relevant provisions under prevailing FTP 2015-2020 and Goods and Service Tax Act, 2017 Rules.

**The details of export and NFE of last five years of M/s. Watson Pharma Pvt. Ltd. are as follows :-**

| Year    | Export (Rs. In Lakhs) |           | NFE (Rs. In Lakhs) |
|---------|-----------------------|-----------|--------------------|
|         | Approved              | Actual    |                    |
| 2012-13 | 41,529.80             | 55,437.22 | 72,052.65          |
| 2013-14 | 70,463.39             | 53,376.00 | 20,042.90          |
| 2014-15 | 80,282.31             | 66,078.98 | 50,590.33          |
| 2015-16 | 84,933.28             | 78,377.22 | 76,857.75          |
| 2016-17 | 89,867.15             | 77,896.07 | 91,921.76          |

There is no outstanding export proceed pending for realisation for the period 2016-17.

**The details of export and NFE of last five years of M/s. Tevapharm India Pvt. Ltd. are as follows :-**

| Year    | Export (Rs. In Lakhs) |           | NFE (Rs. In Lakhs) |
|---------|-----------------------|-----------|--------------------|
|         | Proposed              | Actual    |                    |
| 2012-13 | 26,800                | 25,778.35 | 39,834.64          |
| 2013-14 | 50,200                | 33,759.00 | 70,809.78          |
| 2014-15 | 67,000                | 19,630.48 | 87,108.35          |
| 2015-16 | 22,045                | 21,262.93 | 19,022.97          |
| 2016-17 | 26,252                | 20,854.42 | 34,075.06          |

There is no outstanding export proceed pending for realisation for the period 2016-17.

The proposal of M/s. Tevapharm India Pvt. Ltd. for sharing of infrastructure of facility i.e. a common Utility of Steam/Boiler to M/s. Watson Pharma Pvt. Ltd. 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 amalgamation from M/s. Sigma Electric Manufacturing Corporation Pvt. Ltd.

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

The unit has submitted the application for Change of Implementing Agency consequent upon Amalgamation by virtue of Merger order passed by National Company Law Tribunal Bench, Mumbai with parent company i.e. M/s. Sigma Electric Manufacturing Pvt. Ltd. (Formerly known as Sunk Rock Metal Foundries India Pvt. Ltd.).

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

In terms of Para 6.34 (6) of HBP, 2015-2020, "Authorize change in name of company or implementing agency and change from a company to an other provided new implementing agency/company undertakes to take over assets and liabilities of existing unit".

**d) Other Information :-**

M/s. Sigma Electric Manufacturing Corporation Pvt. Ltd., Pune-I, had been issued LOP No. PER:36(1997)/EOB/587/96 dated 30.01.1997 as amended for manufacture and export of electrical Wiring Accessories & Parts thereof including Dies, Moulds, Jigs, Fixtures, Tooling and parts hereof etc. at Gat No. 154/1 & 155/1, Post Mahalunge, Village Chakan, Talegaon Road, Khed, District Pune - 410 501. The unit commenced production w.e.f. 01.10.1997. The validity of LOP is upto 31.03.2022.

The unit vide letters dated 04.10.2017, 09.10.2017 & 27.10.2017 submitted the application for Amalgamation and stated the following :-

- (i) The unit has pursuant to a Scheme of Amalgamation approved by its shareholders and sanctioned vide the order of the National Company Law Tribunal, Mumbai Bench (NCLT) dated September 14, 2017 has merged and amalgamated in its entirety into its parent company M/s. Sigma Electric Manufacturing Pvt. Ltd.
- (ii) As a result of Amalgamation, the entire business, undertaking, interests, rights and liabilities of Sigma stand transferred and amalgamated into its Parent and the Parent shall be deemed to be automatically substituted in place of Sigma by virtue of the Parent being the successor in interest of

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Sigma, in accordance with, and as per the terms of the Scheme of Amalgamation sanctioned by the NCLT vide its Merger Order.

- (iii) The Amalgamation was carried out for internal corporate restructuring purpose and as a part of the Scheme of Amalgamation as approved by the Merger Order the amalgamated company shall continue its business activity with the same shareholders and under senior management team as before.
- (iv) As per the terms of the Scheme of Amalgamation approved by the NCLT, the amalgamated entity shall continue with the name "Sigma Electric Manufacturing Corporation Pvt. Ltd." after undertaking all procedural requirements under applicable laws relating to change in its name.
- (v) This process for change in name of the amalgamated company is currently under process in lie with applicable laws and with effect from October 6, 2017 and until this name is changed they would be undertaking their business and operations under the name of the Parent i.e. "Sigma Electric Manufacturing Corporation Pvt. Ltd."
- (vi) The tax registration details of the amalgamated company with effect from 06.10.2017 are as set out in the annexure and they would request to kindly note and utilize the tax registrations for all intents and purpose w.e.f. 06.10.2017.
- (vii) Since there is change in name, they will be migrating their business transaction IEC Code, GSTIN number, Pan Number, CIN number etc. of Sigma Electric Manufacturing Pvt. Ltd.
- (viii) During the transaction period there will be overlapping of some transactions on old statutory registration number & name of the company.
- (ix) Being all assets and liabilities "Sigma Electric Manufacturing Corporation Pvt. Ltd." has been taken over by parent company, kindly all transactions done on old registration numbers as new company transactions and tax credits and other benefits/liabilities shall be passed on to parent company.
- (x) They have requested to issue new LOP & Green Card incorporation the details of parent company as per policy HBP 2015-2020 Chapter 6.34 (6) being all assets and liabilities of existing company has been taken over by parent company.

It may be mentioned that the unit has submitted the following documents for amalgamation :-

- (i) Merger order passed by National Company Law Tribunal Bench, Mumbai
- (ii) IEC Code of Parent Company
- (iii) GSTIN of Parent Company

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- (iv) Pan Card of parent Company
- (v) CIN of parent company
- (vi) Board Resolution of Both Company
- (vii) An undertaking confirming that all liabilities of merged company has been taken over.
- (viii) List of existing directors.

The details of export and NFE in last five year period are as follows :-

| Year    | Export (Rs. in Lakhs) | NFE (Rs. in Lakhs) |
|---------|-----------------------|--------------------|
| 2012-13 | 26,012.88             | 11,618.63          |
| 2013-14 | 46,296.26             | 35,722.16          |
| 2014-15 | 52,607.61             | 61,182.96          |
| 2015-16 | 52,238.53             | 89,579.03          |
| 2016-17 | 57,026.04             | 1,20,593.78        |

There is no outstanding export proceed pending for realisation for the period 2016-17.

**e) DC's Recommendation :-**

The proposal of the unit for Change of Implementing Agency consequent upon Amalgamation by virtue of Merger order passed by National Company Law Tribunal Bench, Mumbai with parent company i.e. M/s. Sigma Electric Manufacturing Pvt. Ltd. (Formerly known as Sunk Rock Metal Foundries India Pvt. Ltd.) is placed before the Unit Approval Committee for consideration.

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