

No.14/4/2015-EOU  
Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
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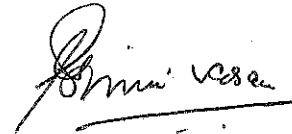
Udyog Bhawan, New Delhi  
Dated 24<sup>th</sup> September, 2015

**OFFICE MEMORANDUM**

Subject: 4<sup>th</sup> Meeting (2015 series) of the Board of Approval (BOA) for EOU Scheme scheduled to be held on **9<sup>th</sup> October, 2015** – forwarding Agenda reg.

The undersigned is directed to forward here with a copy of Agenda Items for the 4<sup>th</sup> Meeting (2015 series) of the Board of Approval for EOU Scheme scheduled to be held on **9<sup>th</sup> October, 2015 at 11:00 A.M. in Room No. 47** Udyog Bhawan, New Delhi under the Chairmanship of Commerce Secretary.

2. May kindly make it convenient to attend the Meeting.



(G. Srinivasan)

Under Secretary to the Govt. of India

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1. D/o Industrial Policy & Promotion.
2. CBEC [Member (Customs)], M/o Finance.
3. CBDT [Member (Income Tax)], M/o Finance.
4. DG, DGFT.
5. The Joint Secretary, M/o Environment & Forest.
6. The Joint Secretary, M/o Science & Technology.
7. M/o Micro, Small and Medium Enterprises.
8. All DCs.

Copy to: PPS to CS/PS to JS(GPM)/PS to Dir (MV)

**AGENDA FOR THE 4<sup>th</sup> BOA MEETING (2015 SERIES) FOR EOU SCHEME TO BE HELD ON 09.10.2015 AT 11.00 A.M.**

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**4.1 (15) Confirmation of Minutes of the 3<sup>rd</sup> BOA (2015 Series) meeting held on 27.08.2015.**

**4.2 (15) M/s Innovassynth Technologies (India) Ltd. situated at Raigad, Maharashtra – Proposal for conversion of existing DTA unit into EOU under SEEPZ**

The applicant company has submitted application for grant of LoP for conversion of existing DTA unit into EOU for manufacture of chemicals as per annexed list at City Survey No. 1774, Old Mumbai Pune Road, Khopoli, Khalapur Tk, District Raigad.

The Deputy Commissioner of Central Excise, Khopoli Division submitted the Inspection Report of the proposed factory premises and informed that the premises is on ownership The proposed plan of premises/building is suitable for necessary permission under Section 58 & 65 to be issued by Central Excise and Customs Authority.

The existing investment and proposed investment in plant and machinery is Rs. 5532.32 lakhs and Rs. 950 lakhs respectively.

The export turnover of the applicant company for 2011-12, 2012-13 and 2013-14 is Rs. 4832.87 lakhs, Rs. 4949.33 lakhs and Rs. 6699.20 lakhs respectively.

**Relevant provision of FTP:** Para 6.07 (d) states that:

*“Applications for conversion into an EOU / EHTP / STP / BTP unit from existing DTA units, having an investment of Rs. 50 crores and above in plant and machinery or exporting Rs. 50 crores and above annually, shall be placed before BOA for a decision”.*

**DC's Recommendation:** The applicant company fulfills the provision as stipulated for setting up of an EOU and DC has recommended that the request of the unit may be considered.

**4.3 (15) Proposal for sharing of resources and services between M/s Perrigo API India Pvt. Ltd. and M/s Perrigo Laboratories India Pvt. Ltd., EOUs under jurisdiction of SEEPZ.**

M/s Perrigo Laboratories India Pvt. Ltd. have requested for sharing of infrastructure and other facilities from M/s Perrigo API India Pvt. Ltd..

M/s Perrigo API India Pvt. Ltd., Thane-I was issued LoP on 06.12.2006 for manufacture and export of a) organic chemicals and b) Research and Development of active Pharmaceutical Ingredients at Survey No. N/39 & N/39-1, MIDC, Additional Ambarnath Industrial Area, Ambarnath (E), District Thane.

M/s Perrigo Laboratories India Pvt. Ltd., Thane-I was issued LoP on 23.07.2014 for manufacture and export of Research & Development of formulations, conducting stability studies for solid dosage forms and preparation of pilot batches for solid dosage forms at Survey No. N/39 & N/39-1, Additional MIDC, Anand Nagar, Ambarnath (E), District Thane.

M/s Perrigo API India Pvt. Ltd. has executed shared costs and services agreement with M/s Perrigo Laboratories India Pvt. Ltd.

The services proposed to be shared are as follows:

- i. Utilities- Centralized power utilities (through DG sets only), water supply, hot water supply, compressed air, chilled air or other utility that may be requested by Perrigo labs and provided by API to Perrigo labs.
- ii. Services- Laboratory testing & Analytical Services, IT maintenance, helpdesk services, telephone services, security, housekeeping, laundry, pest control, maintenance landscaping, effluent treatment, hazardous waste disposal, insurance or any other service that may be requested by Perrigo labs and provided by API to Perrigo labs.
- iii. Facilities- Cafeteria, staff transportation, trainings or any other facility that may be requested by Perrigo labs and provided by API to Perrigo labs.
- iv. HR, Finance and other Resources- to manage similar functions for Perrigo Labs.
- v. Any other services/assistance as requested by Perrigo Labs and provided by API to Perrigo labs.

The unit has also stated that they undertake to discharge service tax wherever payable on sharing of resources, in terms of Chapter V of the Finance Act, 1944 and rules thereof.

The proposal of sharing of infrastructure of M/s Perrigo API India Pvt. Ltd. by M/s Perrigo Laboratories India Pvt. Ltd. was placed before the UAC in its meeting held on 10.08.2015. The Committee recommended the proposal to the BoA.

**Relevant provision of FTP:** Facility of sharing of resources has been introduced in FTP 2015-20 at Para No. 6.12 (g) which states that:

*"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*

*recommendation 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”.*

**DC's Recommendation:** DC has forwarded the proposal for consideration.

**4.4 (15) M/s Medgenome Labs Pvt. Lts., an EOU under CSEZ- Proposal for permission for DTA sale.**

BoA approved the proposal of M/s Medgenome Labs Private Limited for export of (i) Health Care Services (ii) Technical Testing & Analysis & (iii) R & D Services on Human Samples subject to para 6.16 of FTP wherein DTA sale is not allowed, and compliance with other provisions contained in FTP and HBP. The projected NFE for five years is Rs. 1621 lakhs.

The unit requested CSEZ for DTA sale vide letter dated 18.06.2015 but the same was rejected by CSEZ since the LOP was issued on the condition that DTA sale will not be allowed.

CSEZ has informed that the unit has submitted that they are not involved in any kind of reconditioning or repair or re-engineering activities, hence, the unit shall not be subject to the provisions contained in para 6.16 of FTP and has requested that they may be permitted to do DTA supplies in terms of para 6.08 (b) of FTP.

**DC's Recommendation:** Since the LoP was issued on BoA decision, their request for DTA sale is submitted to BoA for consideration.

**Comments of DoC:** It may be noted that the proposal of the unit considered by BoA in its meeting held on 20.02.2015 includes technical testing and analysis which is covered under Para 6.16 of FTP 2009-14. As per para 6.16 of FTP:

“EOU/EHTP/STP/BTP units may be set up with approval of BOA to carry out reconditioning, repair, remaking, testing, calibration, quality improvement, up-gradation of technology and re-engineering activities for export in foreign currency. Provisions of paragraph 6.8, 6.9, 6.10, 6.13, 6.14 of FTP and para 6.28 of HBP v1 shall not, however, apply to such activities”.

However, the other two activities viz health care services and R&D services on human samples are not covered under Para 6.16 of FTP.

**PART II**

**Approval granted by Development Commissioner Under Delegated Powers for  
RATIFICATION OF BOA as per Press Note No. 3 of 1996**

A	Approvals granted under delegated powers for the period July, 2014 to September, 2015	SEEPZ
B	Approvals granted under delegated powers for the period April, 2015 to August, 2015 is NIL	ISEZ
C	Approvals granted under delegated powers for the month of July, 2015 to August, 2015	MEPZ
D	Approvals granted under delegated powers for the month of August, 2015	VSEZ
E	Approvals granted under delegated powers for the month of August, 2015 to September, 2015	NSEZ