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NO.14/3/2012-EOU
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
EOU SECTION

Udyog Bhawan, New Delhi
Dated 10th July, 2012

OFFICE MEMORANDUM

Subject : Minutes of the 3rd Meeting (2012 series) of the Board of Approval (BOA) for
EOU Scheme held on 6th July, 2012

The undersigned is directed to forward herewith a copy of the minutes of the 3rd meeting (2012 series) of the Board of Approval for EOU Scheme held on 6.7.2012 for necessary action.

2. Implementation report on the decisions taken by the Board of Approval may please be forwarded to this Department on priority basis.



(Sanjeet Singh)
Director
Telefax: 23062109
e-mail: sanjeet@nic.in

Encl: as above

1. D/o Industrial Policy & Promotion
2. CBEC [Member (Customs)], M/o Finance.
3. CBDT [Member (Income Tax)], M/o Finance.
4. 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. The Development Commissioners, CSEZ, FASEZ, ISEZ, KASEZ, MSEZ, NSEZ, SEEPZ-SEZ and VSEZ
9. The Director General, EPCES
10. All Concerned Administrative Ministries.

Copy to: PPS to CS/PPS to AS (MP)/PS to JS (AW)/PS to Dir (SS)

Minutes of 3rd BOA (2012) for EOUs, 6th July, 2012

MINUTES OF THE 3RD MEETING (2012 SERIES) OF BOARD OF APPROVAL FOR EOU SCHEME HELD UNDER THE CHAIRMANSHIP OF COMMERCE SECRETARY ON 6TH JULY, 2012 AT 1000 HOURS IN ROOM NO. 47, UDYOG BHAWAN, NEW DELHI

The 3rd Meeting (2012 Series) of the BoArd of Approval for EOU was held on 6.7.2012 under the Chairmanship of Shri S. R. Rao, Commerce Secretary in Room No.47, Udyog Bhawan, New Delhi. The Chairman welcomed all the members of the BOA to the meeting and thereafter agenda was taken up for discussion.

3.1(12) Confirmation of the minutes of the 2nd BOA (2012 Series) meeting held on 13th March, 2012

The Board ratified the minutes of 2nd Meeting (2012 Series) with the following modifications in respect of item No.2.2(12) and 2.3(12):

2.2(12): Para 6.14(b) of FTP mentioned in the minutes may be read as **6.15(b) of FTP**.

2.3(12): The decision of BOA, allowing procurement of 'pre-engineered building structure' under para 6.5.1(f), by M/s. Pilkington Automotive India Pvt. Ltd. **will not be cited as a precedent.**

3.2(12) M/s. Goodrich Aerospace Services Pvt. Ltd. for inclusion of additional items under broad-banding of item(s) of manufacture

The BOA considered the request of the Unit for permission for inclusion of additional items under broad-banding of item(s) of manufacture, viz., "Electronics Assemblies for Aircrafts with an annual capacity of 3814 Nos." and in view of the recommendations of DC, CSEZ and the DGEP, approved the proposal for broadbanding of item(s) of manufacture.

3.3(12) M/s. General Motors Technical Centre India Pvt. Ltd. for broad-banding of item(s) of manufacture

The BOA observed that the Unit is involved in service activities such as Computer Aided Designing (CAD) based design & Engineering Development and Information Technology enabled services and its export under EOU scheme to GM's Global Engineering efforts and Vehicle Benchmarking Activity and that the Company has also achieved positive NFE. The BOA took into account the DC's recommendation of the proposal as well as the submissions of the applicant that the unit envisages an additional export of Rs 100 lakhs per annum from the export of the above services and also no additional capital goods import is envisaged. The BOA after deliberations approved the request of the Unit for inclusion of additional service activities i. e. (a) Capital Project Engineering Services, (b) Environment Engineering Services, (c) Energy and Utility Engineering Services (d) Facility Management and Contract



Engineering Services (e) Industrial Cleaning Engineer in so far as the proposed activities are related to the core business of the Unit.

3.4(12) M/s. SMC Medical Manufacturing Pvt. Ltd., (i) inclusion of service activities under banding of item(s) of manufacture and (ii) inclusion of additional items i.e. Molds and Components under banding of item(s) of manufacture

The BOA observed that the Unit is involved in the manufacture and export of Plastic and Plastic goods including Industrial Components & Parts including Assemblies and sub assemblies of Electrical, Electro-mechanical, Electronic and Medical Products and the unit has achieved positive NFE. The unit has projected an additional export of Rs.12.50 lakhs per annum after inclusion of requested service activities i. e. Design and Engineering Services (Tooling Repair of Mould, Modification, Spare Building and Design) of capital goods. In light of the recommendations of the DC, CSEZ as well as the DGEP, the BOA approved the proposal.

3.5(12) M/s. Wheels India Ltd. for consolidation of goods related to manufactured articles and export thereof alongwith manufactured articles

The BOA has observed that the unit holds LOP for the manufacture and export of Aluminium wheels & Components, Forged Aluminium Blanks, Aluminium Pulley and Forged Aluminium wheel for tank (armoured vehicle). The company has requested for permission to export alongwith the manufactured items goods such as Aluminium Wheel Cut Sections, Bolts/Studs, Nuts, Wheel Cleaning Kit, Wheel cleaner in containers, etc. The BOA after deliberations in light of recommendation the DC, MSEZ and DoR, approved the request as per para 6.2(i) of FTP 2009-14, subject to conditions that the details of such items will be listed separately in the export documents and their value will not be taken into account for calculation of NFE, DTA sale entitlement and other export benefits etc. Further such procured/imported goods shall not be allowed to be sold in DTA.

3.6(12) M/s. Nutra Specialities Pvt. Ltd., for extension of time-limit for adjustment of advance DTA sale for a further period of 12 months from 1.3.2012

The BOA has observed that the Unit is involved in the manufacture and export of Nutraceutical product 'Solanesol', 10-DAB, Policosanol, Boswellic etc. It was granted advance DTA sale for a total value of Rs.1800.00 lakhs. It however, could not effect sufficient exports. The unit has obtained the approval of WHO-GMP for their mainstay products and is confident of getting the approval from US-FDA & European authorities in the next few months and obtain more export orders. Considering the above reasons, the unit were granted extension from 1.3.2011 to 29.2.2012 in the BOA held on 25.3.2011. The unit had now again requested for extension of one more year i.e. from 1.3.2012 to 28.2.2013. The Unit has submitted that manufacture of bulk and intermediate products for Pharma Industry, requires longer gestation period for stabilization of process and technology, as also 18-24 months are needed for validation batches, stability data certificates as per the formalities approval by FDA in US, Europe etc. The BOA keeping in view the recommendations of DC,

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VSEZ that the unit has made an investment of 32 crores and has affected exports of 27.62 crores and has a good export potential, approved extension of advance DTA sale for period upto 31.8.2012.

3.7(12) M/s. Innvol Medical India Ltd. for revival of sick unit.

The BOA observed that the Unit started production in 2000 but could not export due to quality standard issues. Due to poor performance, the Unit was referred to BIFR in 2003. However the unit was taken over by a NRI group and in May 2007, the proposal for revival of this unit was placed before BOA and as per provision of HBP (Appendix 14-I-M), BOA had approved the proposal for revival with the extension of period for fulfillment of NFE for 5 years to utilize raw material and procured capital goods by 30.5.2012. However, due to management problems the Unit could not be revived and has again approached the BOA for another extension for five years for fulfillment of its NFE obligations and has submitted a fresh revival plan. DC, MPSEZ has recommended the case.

The DGEP however, pointed out that there, a SCN has been issued by Central Excise Commissionate, Chennai on 03.05.2011 which is still pending adjudication. DGEP requested that the matter be deferred to seek a detailed report in this regard. The BOA accordingly decided to defer the case to enable the DGEP to obtain and submit detailed information in this regard before the next BoA meeting.

3.8(12) M/s. Hindustan Zinc Ltd. (Vedanta) – Appeal - clarification on treating Electric Energy as consumable

The BOA took note of the provisions of para 9.51 of the FTP which defines 'consumables' and para 6.5.1 of the HBP 2009-14 which provides for duty exemptions to consumables treating them as eligible goods and submissions made by DC, NSEZ as well as the DGEP that it will not be practicable to segregate the quantum of power that is used in relation to manufacturing process from that consumed otherwise in EOU. The BOA after deliberations did not find merit in the appeal and accordingly rejected the stand of the Unit.

3.9(12) M/s. Mizoram Venus Bambow Products for relaxation of Export Obligation and permission to sell products in DTA

The BOA observed that the Unit is a Joint Venture unit of Mizoram Govt. and was granted LOP in July, 2003 for export of bamboo & wood products. DC, FSEZ informed BoA that though the unit started commercial activity in Jan. 2007 but it could not continue production because of objections raised by the Forest Dept. The Unit has not made any exports so far. It is also yet to meet its NFE obligations. However the DC, FASEZ has conveyed that as there is a strong recommendation from the Government of Mizoram for supporting this EOU which is located in a backward region, the LOP has been extended for 2 years vide DC's letter of 12.4.12. The Unit has requested for relaxation of export obligation and permission for advance DTA sale. The DC, FASEZ also informed the BOA that the team sent by him to



inspect the Unit has given a positive report. The BOA in view of the unit being located in a dis-advantaged region and strong recommendation and keen interest being taken by the State Govt. (in view to develop backward area through direct employment) approved the proposal for relaxation of Export Obligation and to allow advance DTA sale for one year from the date of commencement of production.

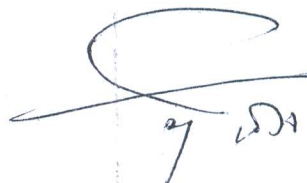
3.10(12) M/s. Industrial Mineral Company for permission to import Production Automation Equipments (Video Conferencing equipment)

The BOA has observed that the Unit is involved in export of Garnet-Abrasive Grit Super Garnet and Limonite and has requested for permission for import of Production Automation Equipments (video conferencing equipment under Heading Office equipments) for a value of Rs.13,22,110/- from M/s. Intellicon Private Limited. This is in view to remain in constant contact with their overseas partner updating their installations. The video conferencing equipment will curtail foreign exchange outflow by avoiding personal visits required for experts advise and technical support. The BOA, in view of the recommendation of the DC, MSEZ, and in view of export performance of the Unit, approved the proposal.

3.11(12) M/s. Ripple Fragrances Exports Private Ltd., for enhancement in the value limit with extension validity period of Advance DTA sale permitted

The BOA observed that unit is involved in manufacture & export of Agarbathies, Cones, Dhoops, Handicrafts, Perfumed Candle, Fragrant Oils, Air Freshener etc. The unit commenced commercial production on 13.07.2009.

The unit was permitted Advance DTA sale of Rs.50.00 lakhs on 23.04.2010 and subsequently enhanced to Rs.200.00 lakhs on 27.10.2010. The unit has made DTA sale for Rs. 199 .00 lakhs so far. The validity period of Advance DTA sale permission expired on 22.04.2012 and the unit could not regularize the Advance DTA sale effected so far. In light of the recommendation of DC, CSEZ, BOA after deliberations approved the proposal for a further extension of advance DTA sale for a period of six months from 23.4.2012 and also to extend the DTA sale limit to Rs.250 lakhs.

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Minutes of 3rd BOA (2012) for EOUs, 6th July, 2012

The BOA ratified following approvals granted by UAC/Development Commissioners under delegated powers as per Press Note No.3 of 1995.

A	Approval granted under delegated powers for the period of February and March'2012	CSEZ
B	Approvals granted under delegated powers for the period of January, February and March, 2012	FASEZ
C	Approvals granted under delegated powers for the period of February and May' 2012 is NIL	ISEZ
D	Approvals granted under delegated powers for the period 1.1.2012 to 31.3.2012	KASEZ
E	Approval granted under delegated powers for the period February, March, April and May, 2012	MSEZ
F	Approvals granted under delegated powers for the period of January, 2012	NSEZ
G	Approvals granted under delegated powers from 21.2.2012 to 23.4.2012 is 'NIL'	SEEPZ-SEZ
H	Approvals granted under delegated powers for the period of March, 2012	VSEZ

List of Participants:

1. Shri S R Rao, Commerce Secretary - Chairman
2. Sh. Madhusudan Prasad, Addl Secretary, Dept. of Commerce
3. Shri Sanjeet Singh, Director, Dept. of Commerce - Member Secretary
4. Mrs. Ruchira Pant, DG, DGEP, Deptt. of Revenue
5. Shri Manoj Kumar Arora, Addl. Director, DGEP, CBEC, Dept. of Revenue
6. Shri S.Kishore, Development Commissioner, VSEZ and CSEZ
7. Shri C.P.S.Bakshi, Development Commissioner (In-charge), NSEZ
8. Shri Mahendra Jain, Development Commissioner, KASEZ
9. Shri Anil Bamba, Development Commissioner , MSEZ
10. Shri A.K.Rathore, Jt. Development Commissioner, Indore SEZ
11. Shri Sanjeev Nandwani, Development Commissioner, FASEZ
12. Smt. Lata Shukla, Development Commissioner, Mundra Port & SEZ
13. Shri Vijay N. Shewale, Development Commissioner, Surat SEZ, Surat
14. Shri. S.N. Patil, Joint Development Commissioner, Dahej SEZ
15. Shri P.S.Raman, Dy. Development Commissioner, SEEPZ-SEZ
16. Ms. Deepshikha Sharma, Dy. Secretary, (ITA-1), CBDT, Deptt. of Revenue
17. Ms. Surabhi Sharma, Under Secretary, (ITA-1), CBDT, Deptt. of Revenue
18. Dr. L.B.Singhal, Addl. DGFT
19. Shri S S Kumar, Under Secretary, Deptt. of Commerce
20. Shri O.P.Kapoor, Dy. DGFT, EPCES
