

BY SPL. MESSENGER/SPEED POST

No.14/5/2016-EOU
Government of India
Ministry of Commerce & Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 26 October, 2016

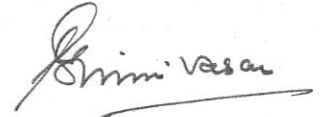
OFFICE MEMORANDUM

Subject :5th Meeting (2016 series) of the Board of Approval (BOA) for EOU Scheme scheduled to be held on 3rd November, 2016 – Forwarding of supplementary agenda regarding.

The undersigned is directed to refer to this Ministry's Office Memorandum of even number dated 24th October, 2016 forwarding the agenda for the 5th Meeting (2016 Series) of the Board of Approval for EOU Scheme.

An additional agenda namely the case of M/s MSP Sponge Iron Ltd., Odisha for conversion of existing DTA unit into an EOU is also forwarded to be discussed in this meeting.

Encl.: As above.



(G. Srinivasan)

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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: PSO to CS/PPS to AS(AVC)/PS to Dir (TVR)/PA to Dir (AK)

AGENDA FOR THE 5th BOA MEETING (2016 SERIES) FOR EOU SCHEME TO BE HELD ON 03.11.2016 AT 11.00 A.M.

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5.8 (16) M/s. MSP Sponge Iron Ltd., Odisha- Proposal for conversion of a DTA unit into an EOU under FSEZ.

M/s MSP Sponge Iron Ltd., has submitted application for conversion of its DTA unit into an EOU located at Haldiguna, Gabardhan, Dist. Keonjhar, Odisha for manufacture and export of Iron Ore Pellet, Iron Ore Concentrate + 5 MM, Iron Ore Concentrate - 5 MM.

The Exports for the existing unit:

(Rs. In Crores)

Year	Exports
2013-14	83.12
2014-15	Nil
2015-16 (Presently not in operation)	Nil

The total fixed capital investment is Rs. 260 crores including investment in Plant and Machinery of Rs. 197 crores (apprx). The projected export turnover of the unit during the next 5 years is Rs. 804 crores with NFE for Rs. 798 Crores.

The inspection report of Dy Development Commissioner, FSEZ and Asst. Commissioner of Central Excise, Customs and Service Tax, Keonjhar, mentions that the authorized representatives of the unit have assured that after getting EOU status from FSEZ authorities, the unit will become commercially profitable and viable with a scope of future earning of positive NFE and the unit will create additional employment in local area.

Relevant provision of FTP:

Para 6.07 (d) of FTP, 2015-2020 provides 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: DC has recommended the proposal of unit for conversion of existing DTA unit into an EOU.