

File No. K-22019/2/2019-EOU  
Ministry of Commerce & Industry  
Department of Commerce  
EOU Section

Udyog Bhawan, New Delhi  
Dated: 5 April, 2019

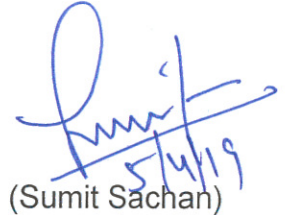
**MEETING NOTICE**

**Subject: 2nd Meeting (2019 series) of Board of Approval (BOA) for EOU Scheme scheduled to be held on 22.04.2019 in Room No. 108 at 11:30 A.M. - forwarding of Agenda reg.**

The undersigned is directed to forward herewith a copy of Agenda items of the 2nd Meeting (2019 series) of the Board of Approval for EOU scheme scheduled to be held on 22.04.2019 under the Chairmanship of Commerce Secretary in Conference Room no.108 at 11.30 A.M.

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

**Encl: As Above**



(Sumit Sachan)

Under Secretary to the Government 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: PSO to CS/PS to AS(BBS)/PS to DS (SNS).**

**AGENDA FOR THE 2nd BOA MEETING (2019 SERIES) FOR EOU SCHEME TO BE HELD ON 22.04.2019 at 11:30 A.M. in Room No. 108.**

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**2.1 (19) Confirmation of Minutes of the 1st BOA (2019 Series) meeting held on 25.02.2019.**

**2.2(19) M/s Brocade Communications Systems Pvt. Ltd., an 100% EOU under CSEZ – Proposal for extension of Letter of Permission for 3<sup>rd</sup> five year block i.e. from 24.08.2017 to 23.08.2022.**

M/s Brocade Communications Systems Pvt. Ltd., 100% EOU, engaged in export of Software Development IT/ITeS. LOP was issued to the unit on 25.06.2007. Unit commenced commercial production w.e.f. 24.08.2007. Second block of 5 year of the unit got expired on 23.08.2017. The unit has been issued in-principle de-bonding for exit from EOU Scheme vide letter dated 27.04.2015, which has been extended till 31.03.2019. The unit submitted application on 29.10.2018 for extension for the third block from 24.08.2017 (after lapse of one year of expiry of LoP).

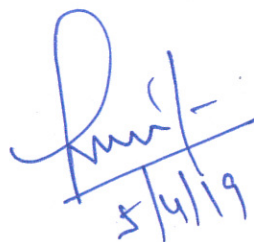
**Performance of the unit (Last 5 years) i.e. 2013-2017:**

(Rs. In Lakhs)

Exports	27,203.52
Import of capital goods	0
Import of raw materials & components	0
Import of Consumables & Spares	664.39
Other Outgo of FE	13.16
Total Import	677.55
Net Foreign Exchange Earnings	26,525.97

**Relevant Provision:** Para 6.01(i) of HBP 2015-20 mentions that "if the unit gives their option to continue in the EOU scheme after expiry of 6 months of the LOP, DC will grant extension after obtaining approval of BOA".

**DC's Recommendation:** DC, CSEZ has recommended the request the unit for renewal of LOP for the 3<sup>rd</sup> 5 year block period i.e. from 24.08.2017 to 23.08.2022.

  
5/4/19



**2.3(19) M/s Vinayak Infotech, an 100% EOU under MEPZ – Proposal for renewal of EOU status for 3<sup>rd</sup> five year block period i.e. from 29.04.2015 to 28.04.2020.**

M/s Vinayak Infotech, an 100% EOU under MEPZ, was issued LOP on 12.04.2005 for setting up an EOU for service activities viz. Software Development at No. 80/96 Chamiers Road, Teynampet, Chennai – 600018. The unit commenced service activities w.e.f. 29.04.2005. Unit's 2<sup>nd</sup> five year period ended on 28.04.2015. The unit had applied for renewal of LOP on 12.02.2019 after more than 3 years of expiry period,

**Performance of the unit for 1<sup>st</sup> and 2<sup>nd</sup> five years block period:**

**(Rs. In lakh)**

	1 <sup>st</sup> five year block period i.e. 2005-06 to 2009-10	2 <sup>nd</sup> five year block period i.e. 2010-11 to 2014-15
<b>Export</b>	498.42	484.65
<b>FE Outgo</b>	NIL	NIL
<b>NFE</b>	498.42	484.65

The unit was issued a Show Cause Notice for non-submission of APR for the period from 2010-11 to 2015-16 & an Order-in-Original was issued to the unit on 05.02.2019 imposing a penalty of Rs. 92,800/-. The unit had paid the penalty amount by way of demand draft.

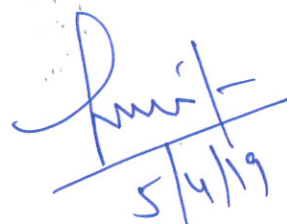
**The unit has projected Positive NFE of Rs. 2024.36 lakh for the 3<sup>rd</sup> five year block period.**

**Relevant Provision:** Para 6.01(b)(i) of HBP 2015-20 states that "if the unit gives their option to continue in the EOU Scheme after expiry of 6 months of the LOP, DC will grant extension after obtaining approval of BOA.

**DC's Recommendation:** DC, MEPZ has recommended the proposal of the unit for renewal of LOP for the 3<sup>rd</sup> five year block period from 29.04.2015 to 28.04.2020.

**2.4(19) M/s R.S. Export (FSEZ) – Proposal for setting up a 100% EOU for manufacture and export of Hooka Tobacco Paste (Jurak).**

M/s R.S. Export has submitted an application for setting up a 100% EOU at 33B, Topsia Road, Kolkata – 700039, West Bengal for manufacture and export of Hooka Tobacco Paste (Jurak) with investment Rs. 49.68 lakhs. The company is engaged in manufacturing of Hooka Tobacco Paste (Jurak) are components, consumables, raddi danthal, farri tobacco, khainie, cigarette dust, bhadha, molasses, nush.

  
5/4/19

FSEZ has received antecedent verification of the unit and Proprietor from MEPZ, SEEPZ and VSEZ. Also received Inspection report. The FOB value Export projected for the next 5 years is 14.31 crores.

The proposal of the unit was placed before the Unit Approval Committee (UAC) Meeting held on 13.12.2018. Committee recommended to forward the matter of the unit to Department of Commerce for placing before the BOA.

**Relevant provision of FTP:** As per para 6.01(b) of HBP 2015-20:

Applications for setting up units under EOU scheme shall be approved or rejected by Units Approval Committee within 15 days, as per criteria indicated in Appendix 6 A of Appendices & ANFs and sector specific conditions relating to approval as in Appendix 6 B of Appendices & ANFs. In other cases, approval may be granted by DC after clearance by BOA.

**Recommendation of DC:** DC, FSEZ has recommended the proposal of the unit.

## APPEAL

**2.5(19) M/s Renaissance Jewellery Ltd., 100% EOU under KASEZ – Permission to transfer studded jewellery from 100% EOU to a Laboratory at BKC, Mumbai for quality testing.**

Renaissance Jewellery Ltd. is incorporated in 1989 and is a public Ltd. company having registered office at Plot No. 36A & 37, SEEPZ SEZ, Andheri (E) Mumbai – 400096. Company engaged in the manufacturing of studded gold, silver and platinum jewellery. Total manufacturing capacity of the company is approx. 1,50,000 sq. ft. and spreads in two states. One EOU unit in Bhavnagar, Gujrat and other units in SEEPZ SEZ, Mumbai. Company's turnover for FY 2017-18 was Rs. 1022.20 crores.

Vide letter dated 06.03.2018, DDC, KASEZ had given permission to the unit to transfer studded jewellery for quality testing to laboratory in DTA and receive back full quantity after testing within stipulated period as per Para 6.28(b) (i) of HBP 2015-20.

Unit needs to send the goods (studded jewellery) to laboratory at BKC, Mumbai for quality test, have to bring back the goods to EOU, Bhavnagar after test and again send to Precious Cargo Customs Centre (PCCCC), BKC, Mumbai for export. This process is more time consuming, delay in export delivery, increasing transportation cost and increasing double risk during transit.

*Pratik*  
5/4/19



**The proposal is for inclusion of the following points in their permission dated 06.03.2018.**

1. Permission to transfer the studded jewellery for quality testing from our EOU Bhavnagar to Laboratory in DTA at BKC, Mumbai.
2. Further permission to transfer the quality approved jewellery directly from Laboratory at BKC, Mumbai to Precious Cargo Customs Clearances Centre (PCCCC), BKC, Mumbai.
3. Permission to bring back the rejected jewellery from Laboratory at BKC, Mumbai to our EOU at Bhavnagar.

The request of the unit had been placed before 28<sup>th</sup> meeting of Unit Approval Committee (UAC) for the EOU held on 26/11/2018 and the committee had rejected the request of the unit as there is no provision in the FTP 2015-20. In this regard, Preventive Officer, KASEZ directed the unit to file an appeal directly before BOA in simple representation format.

**Relevant Provision:** Para 6.28(b) (i) & (ii) states that:

**6.28 Replacement/Repair of Imported/Indigenous Goods:**

(b) EOU /EHTP/STP/BTP units may, on basis of records maintained by them and prior intimation to Customs Authorities:

(i) Transfer goods to DTA/abroad for repair/replacement, testing or calibration and return.

(ii) Transfer goods for quality testing/R&D purpose to any recognized laboratory/institution upto Rs. 5 lakh per annum without payment of duty, on giving suitable undertaking to Customs for return of goods. However, if goods have been consumed/destroyed in process of testing etc. a certificate from laboratory/institution to this effect be furnished to Customs.

*Pruthi*  
5/4/19

PART II

Approval granted by Development Commissioner Under Delegated Powers for  
RATIFICATION OF BOA as per Press Note No. 3 of 1995

A	Approvals granted under delegated powers for the period for February & March, 2019	VSEZ
B	Approvals granted under delegated powers for the period during 01.01.2019 to 31.03.2019.	KASEZ

*Prust*  
*5/4/19*