

Udyog Bhawan, New Delhi  
Dated: 4<sup>th</sup> March, 2021


**MEETING NOTICE**

**Subject: 2<sup>nd</sup> Meeting (2021 series) of Board of Approval (BOA) for EOU Scheme scheduled to be held on 18.03.2021 at 11:30 A.M. in Room No. 141 through video conferencing - forwarding of Agenda reg.**

The undersigned is directed to forward herewith a copy of Agenda items of the 2<sup>nd</sup> Meeting (2021 series) of the Board of Approval (BOA) for EOU scheme scheduled to be held on 18.03.2021 under the Chairmanship of Commerce Secretary at 11.30 A.M. through video conferencing. The Commerce Secretary will be in Room No. 141, Udyog Bhawan, New Delhi during the meeting and officers of nearby building may attend the meeting in that room, if they so like.

2. The addressees are requested to make it convenient to attend the meeting.

**Encl: As Above**

  
04/03/2021

(Vijay Kumar Meena)  
Deputy Director  
Tel: 23038608  
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1. Department for Promotion of Industry and Internal Trade (DPIIT).
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(SK)/PS to AK(JS)/PS to Dir(SNS).**

**AGENDA FOR THE 2<sup>nd</sup> BOA MEETING (2021 SERIES) FOR EOU SCHEME TO BE HELD ON 18.03.2021 at 11:30 A.M. at Room No. 141 through NIC Video Conferencing.**

**2.1(21) Confirmation of Minutes of the 1<sup>st</sup> BOA (2021 Series) meeting held on 06.01.2021.**

**2.2(21) Proposal for conversion of existing DTA unit into 100% EOU - M/s. VN Creative Chemicals Pvt. Ltd.**

M/s VN Creative Chemicals Pvt. Ltd. (a DTA unit situated in Raigad, Maharashtra) has applied for conversion of their existing DTA unit into 100% EOU unit for manufacture and export of Aroma Chemicals, Essential Oils & Resinoids.

The unit was incorporated on 14<sup>th</sup> March'2017 for manufacturing aroma ingredients and TONALID in particular. The unit started its commercial production in the 2<sup>nd</sup> quarter of FY 2018-19. The company has also export obligation of 598000 kgs (balance) under Advance Licensing Scheme.

**Performance of the unit for the last three years:**

| Year    | FOB value of Export (Rs. in lakhs) |
|---------|------------------------------------|
| 2017-18 | 0.00                               |
| 2018-19 | 1386.05                            |
| 2019-20 | 6529.85                            |

**INVESTMENT:**

(Rs. in lakhs)

| Particulars         | Existing | Proposed |
|---------------------|----------|----------|
| Land & Building     | 339.98   | Nil      |
| Plant and Machinery | 6084.45  | 647      |

**Proposed performance of the unit for the next five year:**

(Rs. in lakhs)

|                                      |          |
|--------------------------------------|----------|
| FOB value of exports                 | 46525.43 |
| Import of Machinery                  | 447.00   |
| Import of raw materials & components | 33700    |
| Net Foreign Exchange Earnings.       | 10871.72 |

The existing investment of the unit in Plant & Machinery is Rs. 60.84 cr. and the export of the unit is Rs. 65.29 cr.

**Relevant Provision:** Para 6.19 (c) 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-SEEPZ has recommended the proposal of the unit.

**2.3(21) Proposal for renewal of LOP for 4<sup>th</sup> five year block period after expiry of six months of validity of LOP – M/s Salem Spices Pvt. Ltd. (under jurisdiction of MEPZ).**

M/s Salem Spices Pvt. Ltd. was issued LOP on 17.04.2003 for manufacturing following items:

“Dried and Dyed Flowers & Parts of plants, Dried and Dyed Flowers & Parts of plants with fragrance, Non botanical fragrance items, Seasonal, Decorative items and gift articles made of dried flowers and parts of plants, products from coconut fiber/pith, cluster bean seeds, cluster bean gums, coconut shell products/Charcoal etc.”

The unit had commenced its production on 01.02.2004. The 3<sup>rd</sup> five year block of the unit was ended on 31.01.2019. In this regard, the unit vide letter dated 18.11.2020, has requested for renewal of LOP for the 4<sup>th</sup> five year block period from 01.02.2019 to 31.01.2024, after expiry of one year and 10 months of validity of LOP.

**The details of performance is as under:**

|            | <b>Performance for 3<sup>rd</sup> five year block period (i.e. from 01.02.2014 to 31.01.2019)</b> | <b>Projection for 4<sup>th</sup> five year block period</b> |
|------------|---|---|
| Export     | Rs. 1319.60 lakhs   | Rs. 2242.21 lakhs   |
| FE outgo   | Rs. 11.60 lakhs   | Rs.0.0  |
| <b>NFE</b> | <b>Rs. 1308.00 lakhs</b>  | <b>Rs.2242.21 lakhs</b>                                     |

Proposed investment of the unit for expansion of plant for the next five years is Rs. 23 lakh.

**Reason for delay:** Due to sudden & unannounced resignation of their employee dealing with the EOU related matters, they were not aware of the expiry of validity of LOP and hence, they have not applied for renewal of LOP upon due date.

**Relevant Provision:** In terms of para 6.01(i) of HBP 2015-20, if units give their option to continue in the EOU scheme after expiry of six month of LOP validity, the renewal of LOP status to the unit may be granted after getting approval from BOA.

**DC's Recommendation:** DC-MEPZ has recommended the proposal of the unit.

**2.4(21) Proposal for consolidation of goods – M/s Ramesh Flowers Pvt. Ltd. (under jurisdiction of MEPZ).**

M/s Ramesh Flowers Pvt. Ltd., an EOU under jurisdiction of MEPZ, was issued LOP dated 22.09.1993 for manufacturing and export of following items:

| <b>Description</b>  | <b>Permission dated</b>              |
|---|--------------------------------------|
| <b>For manufacture of the following items:</b>  | Letter dated 22.05.2009 & 12.08.2016 |
| Dried Flowers/Parts of plants etc., Postpourris, Assorted Flower & Parts of Plants, Flowers Bouquets, Home fragrance Products, Reed Diffusers, Fragrance Beads, |                                      |

|   |                                      |
|---|--------------------------------------|
| Perfumery Compounds, Fragrance Products, Room Freshner, Refresher Oil, Fragrance Candles and gift sets, Candles with glassware Articles, Candles with Brass/Ironware Articles, Candles with Woodenware Articles, Candles with Incense articles etc. |                                      |
| <b>To consolidate with manufactured products for export:</b>  | Letter dated 10.10.2011 & 09.06.2014 |
| Incense sticks, coil, cone, burner, holder & Ash catches, Handicraft items – Glassware articles, Metal ware articles, brass wire for decorative ornamental articles etc.  |                                      |

The unit had commenced commercial production on 01.06.1994. The LOP of the unit was renewed for the 6<sup>th</sup> five year block period w.e.f. 01.06.2019 and the validity is upto 31.05.2024.

The unit has requested permission for export of the following items along with the manufactured goods under consolidation of goods:

| Item proposed for consolidation & export        | ITC HS code | Annual capacity |
|---|-------------|-----------------|
| Fragrance Diffusing Devices (with fragrance)    | 33074900    | 7,50,000 Nos    |
| Fragrance Diffusing Devices (without fragrance) | 85437099    | 5,00,000 Nos    |

The unit has informed that they intend to import or procure indigenously, various types of fragrance diffusing device in bulk. These devices may operate electrically, electronically, mechanically, pneumatically or any other technology with or without using batteries for diffusing the fragrances. The said devices may be sold along with fragrance oils or separately as per the customers preference. As the said items are inter-related items and utilized for home fragrancing, these items would provide linkage to the existing line of home fragrance manufacture.

**Relevant Provision:** Para 6.01(k) of FTP 2015-20 stated that, BOA may allow, on a case to case basis, request of EOU in sectors other than Gems and Jewellery, for consolidation of goods related to manufacture articles and export thereof along with manufactured article.

*Such goods may be allowed to be imported/procured from DTA by EOU with or without payment of duty and/or taxes as provided at para 6.01(d) (ii) and (iii) above, as the case may be to the extent of 5% FOB value of such manufactured articles exported by the unit in preceding financial year. Details of procured/imported goods and articles manufactured by the EOU will be listed separately in the export documents. In such cases, value of procured/imported goods will not be taken into account for calculation of NFE and DTA sale entitlement. Such procured/imported goods shall not be allowed to be sold in DTA. BOA may also specify any other conditions.*

**DC's Recommendation:** DC-MEPZ has recommended the proposal of the unit.