

File No. K-22019/7/2018-EOU
Ministry of Commerce & Industry
Department of Commerce
EOU Section

Udyog Bhawan, New Delhi
Dated: 13 Dec, 2018

Subject: 7th Meeting (2018 series) of Board of Approval (BOA) for EOU Scheme scheduled to be held on 19.12.2018 in Room No. 108 at 11.00 A.M. - forwarding of Agenda reg.

The undersigned is directed to forward herewith a copy of Agenda items of the 7th Meeting (2018 series) of the Board of Approval for EOU scheme scheduled to be held on 19.12.2018 under the Chairmanship of Commerce Secretary in Conference Room no.108 at 11.00 A.M.

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

Encl: As Above



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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 7th BOA MEETING (2018 SERIES) FOR EOU SCHEME TO BE HELD ON 19.12.2018 at 11:00 A.M. in Room No. 108.

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7.1 (18) Confirmation of Minutes of the 6th BOA (2018 Series) meeting held on 22.11.2018.

7.2(18) M/s. Roulunds Braking (India) Pvt. Ltd., an EOU under NSEZ – Proposal for consolidation of bought out items alongwith manufactured articles.

M/s Roulunds Braking (India) Pvt. Ltd., an EOU under NSEZ is engaged in manufacture and export of Disc Brake Pads, Brake Linings and Brake Shoes. The unit was issued LOP No. 12-329/2003-100%EOU/4058 on 27.06.2003.

Vide letter dated 15.11.2018, unit had sought permission from DC, NSEZ to export 70,000 Pcs. of Leaflets and 70,000 Pcs of Labels for a total value of Rs. 94,170.00 (USD 1279.46) to one of their overseas buyer M/s Mat (Dalian) Brake Components Co. Ltd., China.

| S. No. | Material description | Sum of Qty. | Net value (USD) |
|--------|----------------------|---------------|-----------------|
| 1 | Hologram Label | 22640 | 38.26 |
| 2 | Fomar New Label | 22720 | 195.86 |
| 3 | Label | 24640 | 81.65 |
| 4 | Leaflet | 62080 | 883.71 |
| 5 | Leaflet | 7920 | 79.98 |
| | Total: | 140000 | 1279.46 |

Performance of the unit during block of 5 years upto 31.03.2017:

| | |
|--|-------------------|
| Export | Rs.156524.43 lakh |
| Deemed exports during the period | Rs. 22449.09 lakh |
| Total Exports | Rs.178973.52 lakh |
| Total imports during the period (CG + RM + Other Outflow) | Rs. 89549.74 lakh |
| Net Foreign Exchange Earnings | Rs. 89423.78 lakh |

Unit's FOB value of exports during preceding financial year 2017-18 is Rs.22833.77 lakh and the 5% of the FOB value of exports comes out to the tune of Rs.1141.689 lakh.

The value of Labels and Leaflets proposed to be exported is USD 1279.46 i.e. Rs.94,170.00, which is much less than 5% of FOB value of manufactured articles exported by the unit in preceding financial year.

Relevant Provision: As per para 6.01(k) of FTP 2015-20 (revised on 05.12.2017):

"BOA may allow, on a case to case basis, requests of EOU / EHTP /STP/ BTP units in sectors other than Gems & Jewellery, for consolidation of goods related to manufactured 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: Development Commissioner NSEZ has recommended that the unit's request for consolidation of bought out items alongwith manufactured articles may be considered in terms of para 6.01 (k) of FTP and also subject to condition that value of such Labels and Leaflets should not be more than 5% of export made in preceding financial year 2017-18.

7.3 (18) M/s Naari Pharma Private Limited, under NSEZ – Proposal for conversion of existing DTA unit into 100%EOU.

M/s Naari Pharma Private Limited, a private limited company established in 1978 (formerly M/s Indo Phyto Chemicals Pvt. Ltd.), has submitted an application for conversion of existing DTA unit, into 100%EOU for manufacture and export of Tablets with annual capacity of 11.50 crores pcs. The company is engaged in manufacturing of Active Pharmaceutical Ingredients (API), Fermentation Intermediaries and Finished Dosage forms (FDF) products in the female healthcare domain. They have informed that currently they produce 12 APIs and have an R&D in pipeline including 9 more under development. Unit has Drug Licence issued on 21.11.2016 and has four existing Open Advance Licences. The value of installed machinery is Rs. 1963.51 lakh (Rs. 1852.43 lakh indigenous and Rs. 111.08 lakh imported machinery). NFE of the unit is Rs. 3,269 lakh (upto Aug 2018). NSEZ has received antecedent verification of the unit and Directors from VSEZ, SEEPZ, MEPZ and FSEZ. Site inspection report from jurisdictional CGST is awaited

The proposal of the unit was placed before the Approval Committee in its meeting held on 17.10.2018. The Approval Committee observed that tentative turnover of the unit in 2018-19 will be Rs.60.00 crore and will increase every year. The Committee advised the unit to submit revised projected foreign exchange balance sheet having details of projected foreign exchange outgo and inflow, alongwith other documents. Unit, vide letter dated 28.11.2018 has submitted revised projected foreign exchange balance sheet. From the revised projected foreign exchange balance sheet, it has been observed that the projected annual turnover is over Rs.50.00 crore.

Item of manufacture and exports

“Tablets”

| | |
|------------------------|-----------|
| Mifepristone Tablets | 30041090 |
| Misoprostol Tablets | 30041090 |
| Levonorgestrel Tablets | 30049099 |
| Norethisterone Tablets | 30049099 |
| Allylestrenol Tablets | 30049099. |

FOB value of Exports for the last Three years:

| Year | FOB value of Export |
|-----------------------|---------------------|
| 2016-17 | 370 lakh |
| 2017-18 | 1673 lakh |
| 2018-19 (till Aug 18) | 2340 lakh |

Unit's Export sales for last 3 years:

| Year | Export (Rs. In crore) |
|---------|-----------------------|
| 2014-15 | 65.98 |
| 2015-16 | 59.50 |
| 2016-17 | 57.76 |

Projection of exports-imports for next 5 years**(Rs. In Crores)**

| | |
|----------------------------|--------|
| Total Inflow | 509.63 |
| Total outflow | 165.71 |
| Net foreign Exchange (NFE) | 343.92 |

Relevant Provision: As per para 6.19 (c) of FTP 2015-20 (updated as on 05.12.2017):

“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, NSEZ has recommended the proposal subject to receipt of positive site inspection report from the jurisdictional Customs authorities. This approval would also be further subject to compliance of Conditions as given in Appendix 6-M of Appendices and Aayat Niryat forms of FTP 2015-2020, in respect of pending Advance Authorization & EPCG.

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 Oct' 2018 | NSEZ |
| B | Approvals granted under delegated powers for the period 01.01.2018 to 30.09.2018. | KASEZ |