

SEEPZ SPECIAL ECONOMIC ZONE

ANDHERI (EAST), MUMBAI.

AGENDA FOR

**MEETING OF THE UNIT APPROVAL COMMITTEE FOR EXPORT
ORIENTED UNITS UNDER THE JURISDICTION OF DEVELOPMENT
COMMISSIONER, SEEPZ-SEZ.**

**VENUE : Conference Hall, BFC Building, 2nd Floor, Behind the
Office of the Development Commissioner, SEEPZ-SEZ,
Andheri (East), Mumbai.**

DATE : 18th August, 2017.

TIME : 12.00 P.M.

**MEETING OF THE UNIT APPROVAL COMMITTEE FOR EXPORT
ORIENTED UNITS UNDER THE CHAIRMANSHIP OF DEVELOPMENT
COMMISSIONER, SEEPZ-SEZ ON 18th AUGUST, 2017.**

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| Agenda Item No. | Subject |
|------------------------------|--|
| Agenda item No. 01 :- | Confirmation of minutes of the meeting held on 11.07.2017. |
| Agenda item No. 02 :- | Excess import of Capital Goods & Raw Material - M/s. Flamingo Pharmaceuticals Ltd., (Taloja) |
| Agenda item No. 03 :- | Excess import of Capital Goods & Raw Material - M/s. Flamingo Pharmaceuticals Ltd., (Rabale) |

ACTION TAKEN REPORT ON THE MINUTES OF THE 3rd MEETING
(2017 SERIES) OF UAC HELD ON 11.07.2017.

| Case No. | Unit Name | Action taken |
|-----------------|--|--|
| 1. | M/s. Sandvik Asia Pvt. Ltd., | Letter issued to the unit on 18.07.2017. |
| 2. | M/s. Floressence Perfumes Pvt. Ltd. | Letter issued to the unit on 20.07.2017. |
| 3. | M/s. Floressence Perfumes Pvt. Ltd. | Letter issued to the unit on 20.07.2017. |
| 4. | M/s. Phoenix Mecano (India) Pvt. Ltd. | Letter issued to the unit on 18.07.2017. |
| 5. | M/s. Jai Corp Ltd. | Letter issued to the unit on 18.07.2017. |
| 6. | M/s. Suru International Pvt. Ltd. | Letter issued to the unit on 18.07.2017. |
| 7. | M/s. Privi Organics India Ltd. | Letter issued to the unit on 18.07.2017. |
| 8. | M/s. Renishaw Metrology Systems Ltd. | Letter issued to the unit on 08.08.2017. |
| 9. | M/s. Macbrout Engineering Pvt. Ltd. | The proposal was deferred. |
| 10. | M/s. OmniActive Health Technologies Ltd. | Letter issued to the unit on 18.07.2017. |
| 11. | M/s. Flamingo Pharmaceuticals Ltd., (Taloja) | The proposal was deferred. |
| 12. | M/s. Flamingo Pharmaceuticals Ltd., (Rabale) | The proposal was deferred. |
| 13. | M/s. Wockhardt Ltd. | Letter issued to the unit on 19.07.2017. |

MINUTES OF THE 3rd MEETING (2017 SERIES) OF THE UNIT APPROVAL COMMITTEE FOR EXPORT ORIENTED UNIT HELD UNDER THE CHAIRMANSHIP OF DEVELOPMENT COMMISSIONER, SEEPZ SEZ ON 11.07.2017 AT 11.00 A.M.

The following were present :-

1. Shri. V. P. Shukla, Joint Development Commissioner, SEEPZ-SEZ.
2. Shri. Pravin Chandra, Joint Development Commissioner, SEEPZ-SEZ
3. Smt. Reshma Lakhani, Commissioner of Central Excise, Daman.
4. Smt. S. R. Motwani, Additional DGFT, Mumbai.
5. Smt. Kirti Jagtap, Dy. Director of Industries.
6. Shri. Amit Bhashker, Deputy Commissioner of Central Excise, Raigad.
7. Shri. R. K. Lal, Assistant Commissioner of Central Excise, Pune I.
8. Shri. D. C. Herma, Assistant Commissioner of Central Excise, Daman.
9. Shri. R. M. Dakshini, Assistant Commissioner of Central Excise, Goa.
10. Shri. Jitendra Singh, Assistant Commissioner of Central Excise, Raigad.
11. Shri. Krishanlal Kela, Assistant Commissioner of Central Excise, Palghar.
12. Shri. F. F. Nazareth, Superintendent of Central Excise, Daman.
13. Shri. Umashankar Lal, Superintendent of Central Excise, Raigad.
14. Shri. G. S. Bhandari, UDC, SEEPZ- SEZ

1. Confirmation of Minutes of the 2nd Meeting (2017 Series) held on 30.05.2017.

The Unit Approval Committee ratified the minutes of its 2nd meeting held on 30.05.2017.

2. M/s. Sandvik Asia Pvt. Ltd.

The Committee after detailed deliberation decided that the proposal will be considered only after adjudication of SCN. The Committee deferred the proposal.

3. M/s. Floressence Perfumes Pvt. Ltd.

After detailed deliberation the Committee approved the proposal of M/s. Floressence Perfumes Pvt. Ltd. for inclusion of additional items viz. "Printed/Coated Empty Glass Bottles" in the LOP.

4. M/s. Floressence Perfumes Pvt. Ltd.

After detailed deliberation the Committee decided to regularize excess import of Capital Goods and also directed to issue caution letter to the unit.

5. M/s. Phoenix Mecano (India) Pvt. Ltd.

After detailed deliberation the Committee decided to regularize excess import of Capital Goods and also directed to issue caution letter to the unit.

6. M/s. Jai Corp Ltd.

After detailed deliberation the Committee decided to regularize excess import of Capital Goods and also directed to issue caution letter to the unit.

7. M/s. Suru International Pvt. Ltd.

After detailed deliberation the Committee decided to regularize excess import of Raw Material and also directed to issue caution letter to the unit

.....2/-

8. M/s. Privi Organics Pvt. Ltd. (formerly known M/s. Adi Aromatic Ltd)

After detailed deliberation the Committee decided to regularize excess import of Raw Material and also directed to issue caution letter to the unit.

9. M/s. Renishaw Metrology Systems Ltd.

The Committee after detailed deliberation recommended to re-examine the figures in the File.

10. M/s. MacBrout Engineering Pvt. Ltd.

The representative of the unit did not attend the meeting. The Committee deferred the matter.

11. M/s. OmniActive Health Technologies Ltd.

After detailed deliberation the Committee decided to regularize excess import of Raw Material and also directed to issue caution letter to the unit.

12. M/s. Flamingo Pharmaceuticals Pvt. Ltd., Taloja

The representative of the unit did not attend the meeting. The Committee deferred the matter.

13. M/s. Flamingo Pharmaceuticals Pvt. Ltd., Rabale

The representative of the unit did not attend the meeting. The Committee deferred the matter.

14. M/s. Wockhardt Ltd.

The committee directed to the representative of the unit to re-examine their proposal in view of amended FTP due to GST implementation and thereafter may submit revised proposal.

Meeting ended with vote of thanks to the Chair.



CHAIRMAN - CUM- DEVELOPMENT COMMISSIONER

**OFFICE OF THE DEVELOPMENT COMMISSIONER,
SEEPZ SPECIAL ECONOMIC ZONE, GOVT. OF INDIA,
ANDHERI (E), MUMBAI**

AGENDA NOTE FOR CONSIDERATION OF UNIT APPROVAL COMMITTEE

a) Proposal :-

Excess import of Capital Goods & Raw Material during the period 2012-13 to 2016-17 from M/s. Flamingo Pharmaceuticals Ltd.

b) Specific Issue on which decision of UAC is required :-

The unit has submitted the application for continuation of EOU for a further period of 5 years with fresh projection for the period 2017-18 to 2021-22. On Scrutiny of the application, it is noticed that during the period 2012-13 to 2016-17, the unit has imported Capital Goods & Raw Materials in excess of the approved value.

c) Relevant Provisions of FTP/HBP :-

In terms of Para 6.01 (f) of Handbook of Procedure 2015-2020, "LOP/LOI shall specify item(s) of manufacture/service activity, annual capacity, projected annual export for first five years in dollar terms, Net Foreign Exchange (NFE) earnings, limitations, if any, regarding sale of finished goods, by-products and rejects in DTA and such other matter as may be necessary and also impose such conditions as may be required".

Further in terms of Para 6.34 (3) of Handbook of Procedure 2015-2020, "To allow increase in value of capital goods in terms of Indian Rupees, on account of foreign exchange rate fluctuations".

d) Other Information :-

M/s. Flamingo Pharmaceuticals Ltd., Navi Mumbai were issued LOP No. PER:77(2006)/SEEPZ-SEZ/EOU/IA-II/36/06-07/7222 dated 21.09.2006 as amended for manufacture and export of Tablets & Capsules at Plot No. E-28, Village Tandore, MIDC, Industries Area, Talaja, Raigad - 410 208.

The unit vide letter dated 27.03.2017 & subsequent letter dated 05.04.2017 submitted application for renewal of LOP for further five years period i.e. from 01.04.2017 to 31.03.2022. On Scrutiny of the application, it was noticed that during the period 2012-13 to 2016-17, the unit has imported Capital Goods & Raw Materials in excess of the approved value. The details are as follows :-

.....2/-

(₹ in lakhs)

| Year | Approved Limit of Capital Goods | Actual Import of Capital Goods | Approved Limit of Raw Material | Actual Import of Raw Material |
|----------------------------|---------------------------------|--------------------------------|--------------------------------|-------------------------------|
| 2012-13 | 48 | 0 | 865 | 1086 |
| 2013-14 | 48 | 0 | 865 | 929 |
| 2014-15 | 48 | 0 | 865 | 930 |
| 2015-16 | 48 | 0 | 865 | 876 |
| 01.04.16 to 31.12.16 | 48 | 475 | 865 | 16903 |
| Total | 124 | 475 | 2249 | 20724 |

This office vide letter dated 13.04.2017 asked the unit to clarify the Excess import of Capital Goods & Raw Materials. The unit vide letter dated 10.05.2017 has submitted the following :-

- i) This facility is WHO-GMP and UK-MHRA accredited one.
- ii) Since this facility is undertaking contract manufacturing only, the Raw material (API)/capital goods has to be procured from MHRA approved sources.
- iii) Whenever domestic approved suppliers are unable to meet their requirements, they have perforce, to import to meet the requirement of export orders.
- iv) Hence as against their estimate of raw material/capital goods consumption from domestic sources, import content has increased.
- v) The industrial relations at this plant remained uncordial during some period in the current block affecting production and resulting in lesser exports.
- vi) Their net foreign exchange earning still stands positive during last block period of five years 2012-2017.
- vii) They have requested to kindly condone deviations, if any, which is purely due to business condition and is not foreseen in their estimates given at the time of renewal of LOP.

The proposal of the unit for regularisation of excess import is placed before the Unit Approval Committee for consideration.

**OFFICE OF THE DEVELOPMENT COMMISSIONER,
SEEPZ SPECIAL ECONOMIC ZONE, GOVT. OF INDIA,
ANDHERI (E), MUMBAI**

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The unit has submitted the application for continuation of EOU for a further period of 5 years with fresh projection for the period 2017-18 to 2021-22. On Scrutiny of the application, it is noticed that during the period 2012-13 to 2016-17, the unit has imported Capital Goods & Raw Material in excess of the approved value.

c) Relevant Provisions of FTP/HBP :-

In terms of Para 6.01 (f) of Handbook of Procedure 2015-2020, "LOP/LOI shall specify item(s) of manufacture/service activity, annual capacity, projected annual export for first five years in dollar terms, Net Foreign Exchange (NFE) earnings, limitations, if any, regarding sale of finished goods, by-products and rejects in DTA and such other matter as may be necessary and also impose such conditions as may be required".

Further in terms of Para 6.34 (3) of Handbook of Procedure 2015-2020, "To allow increase in value of capital goods in terms of Indian Rupees, on account of foreign exchange rate fluctuations".

d) Other Information :-

M/s. Flamingo Pharmaceuticals Ltd., Navi Mumbai were issued LOP No. PER:29/(2006)/SEEPZ/EOU/35/06-07/7227 dated 21.09.2006 as amended for manufacture and export of Tablets, Capsules, Dry Syrup, Injectable, Liquid Syrup & Cream & Ointment at R-662, TTC Industrial Area, Rabale, Navi Mumbai - 400 701.

The unit vide letter dated 27.03.2017 & subsequent letter dated 05.04.2017 submitted application for renewal of LOP for further five years period i.e. from 01.04.2017 to 31.03.2022. On Scrutiny of the application, it was noticed that during the period 2012-13 to 2016-17, the unit has imported Capital Goods & Raw Material in excess of the approved value. The details are as follows :-

.....2/-

(₹ in lakhs)

| Year | Approved Limit of Capital Goods | Actual Import of Capital Goods | Approved Limit of Raw Material | Actual Import of Raw Material |
|----------------------------|---------------------------------|--------------------------------|--------------------------------|-------------------------------|
| 2012-13 | 48 | 0 | 2750 | 4615 |
| 2013-14 | 48 | 0 | 2750 | 6705 |
| 2014-15 | 48 | 0 | 2750 | 4615 |
| 2015-16 | 48 | 0 | 2750 | 6633 |
| 01.04.16 to 31.12.16 | 48 | 1270 | 2750 | 65719 |
| Total | 124 | 1270 | 7150 | 88287 |

This office vide letter dated 13.04.2017 asked the unit to clarify the Excess import of Capital Goods & Raw Material. The unit vide letter dated 10.05.2017 has submitted the following :-

- i) This facility is WHO-GMP accredited and cater regulated and semi-regulated markets.
- ii) The Raw material (API)/capital goods has to be procured from Customers approved sources only.
- iii) Whenever domestic approved suppliers are unable to meet their requirements, they have perforce, to import to meet the requirement of export orders.
- iv) Hence as against their estimate of raw material/capital goods consumption from domestic sources, import content has increased.
- v) Their net foreign exchange earning still stands much higher during last block period of five years 2012-2017.
- vi) They have requested to kindly condone deviations, if any, which is purely due to business condition and is not foreseen in their estimates given at the time of renewal of LOP.

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