

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 : 23rd September, 2016.

TIME : 11.00 A.M.

**MEETING OF THE UNIT APPROVAL COMMITTEE FOR EXPORT
ORIENTED UNITS UNDER THE CHAIRMANSHIP OF DEVELOPMENT
COMMISSIONER, SEEPZ-SEZ ON 23RD SEPTEMBER, 2016.**

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Agenda Item No.	Subject
Agenda item No. 01 : -	Confirmation of minutes of the meeting held on 22.08.2016.
Agenda item No. 02 : -	Transfer of Raw Material to Inoxpa India Pvt. Ltd. – M/s. Candigra Vision Process Equipment Pvt. Ltd.,
Agenda item No. 03 : -	Excess import of Capital Goods – M/s. Godavari Biorefineries Ltd.,
Agenda item No. 04 : -	Excess import of Raw Material – M/s. Seco Tools India Pvt. Ltd.,
Agenda item No. 05 : -	Excess import of Capital Goods – M/s. Tevapharm India Pvt. Ltd.,
Agenda item No. 06 : -	Application for setting up of New Unit – M/s. Ceat Specialty Tyres Ltd.

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**ACTION TAKEN REPORT ON THE MINUTES OF THE 5TH MEETING
(2016 SERIES) OF UAC HELD ON 22.08.2016.**

Case No.	Unit Name	Action taken
1.	M/s. Candigra Vision Process Equipment Pvt. Ltd.,	The Proposal was Deferred.
2.	M/s. Seco Tools India Pvt. Ltd.	The Proposal was Deferred.
3.	M/s. Tevapharm India Pvt. Ltd.	The Proposal was Deferred.
4.	M/s. Prothom Industries India Pvt. Ltd.	Letter issue to the unit on 19.09.2016.
5.	M/s. Precision Camshafts Ltd.,	Letter issue to the unit on 19.09.2016.
6.	M/s. Integrated Equipment (India) Pvt. Ltd.	Show Cause Notice to be issued.
7.	M/s. H. Fillunger & Co. Pvt. Ltd.,	Show Cause Notice to be issued.

MINUTES OF THE 5TH MEETING (2016 SERIES) OF THE UNIT APPROVAL COMMITTEE FOR EXPORT ORIENTED UNIT HELD UNDER THE CHAIRMANSHIP OF JOINT DEVELOPMENT COMMISSIONER, SEEPZ SEZ ON 22.08.2016 AT 11.00 A.M.

The following were present :-

1. Smt. S. R. Motwani, Assistant DGFT, O/o Additional DGFT, Mumbai.
2. Smt. Ritu Bjiwar, Superintendent of Central Excise, Pune - I.
3. Smt. M. K. Jha, Assistant Commissioner of Central Excise, Belapur.
4. Shri. G. S. Bhandari, UDC, SEEPZ- SEZ

1. Confirmation of Minutes of the 4th Meeting (2016 Series) held on 15.07.2016.

The Unit Approval Committee ratified the minutes of its 4th meeting held on 15.07.2016.

2. M/s. Candigra Vision Process Equipment Pvt. Ltd.

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

3. M/s. Seco Tools India Pvt. Ltd.,

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

4. M/s. Tevapharm India Pvt. Ltd.,

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

5. M/s. Prothom Industries India Pvt. Ltd.,

After detailed deliberation the Committee decided not to allow amendment in description of approved items of manufacture and export in the LOP. The Committee directed the unit to apply for Broad Banding of items, if required.

6. M/s. Precision Camshafts Ltd.,

After detailed deliberation the Committee decided not to allow amendment in description of approved items of manufacture and export in the LOP.

7. M/s. Integrated Equipment (India) Pvt. Ltd.,

The Committee after detailed deliberation directed that Show Cause Notice shall be issued to the unit under FTDR Act.

8. M/s. H. Fillunger & Co. Pvt. Ltd.,

The Committee after detailed deliberation directed that Show Cause Notice shall be issued to the unit under FTDR Act.

Meeting ended with vote of thanks to the Chair.

CHAIRMAN - CUM JOINT DEVELOPMENT COMMISSIONER

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**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 :-

Transfer of Raw Material to Inoxpa India Pvt. Ltd., from M/s. Candigra Vision Process Equipment Pvt. Ltd.,

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

The unit has submitted the application for transfer of Raw Material to Inoxpa India Pvt. Ltd., (EOU Unit).

c) Relevant Provisions of FTP/HBP :-

In terms of Para 6.13 (d) of FTP 2015-2020.

d) Other Information :-

M/s. Candigra Vision Process Equipment Pvt. Ltd., Nashik II were issued LOP No. PER:SEEPZ-SEZ/IA-II/05/17/2014-15/214 dated 05.01.2015 as amended for manufacture and export of Pump Accessories viz. Actuator Mounting Bracket, Cone, Pump Feet (LEG), Shroud, Leg Motor, Filters, Pipe Fittings and Accessories Viz. Tee, Bend, Reducer at Plot No. C-117, Supa MIDC, Parner, District Ahmednagar - 414 301.

The unit vide letter dated 13.05.2016 has intimated that they intends to transfer materials as per attached annexure to Inoxpa India Pvt. Ltd (EOU unit) as per Para 6.15 of new Foreign Trade Policy 2015-2020. The reason for transfer of this material is that, they have procured in bulk quantity at Candigra Vision Process Equipment Pvt. Ltd. to save on transportation Cost.

In terms of Para 6.15 (a)(i) of FTP, **“In case an EOU/EHTP/ STP/BTP unit is unable to utilize goods and services, imported or procured from DTA, it may be transferred to another EOU/EHTP/ STP/BTP/SEZ unit”.**

This office vide letter dated 08.06.2016 requested to the unit to clarify as to why they have imported the Raw Material in excess though there was no requirement of the same.

The unit vide letter dated 22.06.2016 has informed that as per Foreign Trade Policy 2015-2020 and as per clause no. 6.13 (d), this material was centrally procured at Candigra Vision Process Equipment Pvt. Ltd. and for Inoxpa India Pvt. Ltd. which is Group Company.

.....2/-

It may be mentioned that, in terms of Para 6.13(d) of FTP 2015-2020, **“in respect of a group of EOUs/EHTPs/STPs/BTP Units which source inputs centrally in order to obtain bulk discount and/or reduce cost of transportation and other logistics cost and/or to maintain effective supply chain, inter unit transfer of goods and services may be permitted on a case-to-case basis by the Unit Approval Committee. In case inputs so sourced are imported and then transferred to another unit, then value of the goods so transferred shall be taken as inflow for the unit transferring these goods and as outflow for the unit receiving these goods, for the purpose of calculation of NFE”**.

The proposal of the unit for transfer of raw material is placed before the Unit Approval Committee for consideration.

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**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 during the period 2011-12 to 2015-16 from M/s. Godavari Biorefineries Ltd.

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

The unit has submitted the application for continuation EOU for a further period of 5 years with fresh projection for the period 2016-17 to 2020-21. On Scrutiny of the application, it was noticed that during the period 2011-12 to 2015-16, the unit has imported Capital Goods 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/Lol 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. Godavari Biorefineries Ltd., Ahmednagar were issued LOP No. PER:SEEPZ-SEZ/EOU/14/02/2010-11/4895 dated 06.04.2011 as amended for manufacture and export of Rectified Spirit, Acetaldehyde, Ethyl Acetate etc. at Sakarwadi, (Stn. Kanhegaon), District Ahmednagar - 413 108.

The unit vide letter dated 31.05.2016 & subsequent letter dated 23.06.2016 submitted application for renewal of LOP for further five years period i.e. 01.07.2016 to 30.06.2021. On Scrutiny of the application, it was noticed that during the period 2011-12 to 2015-16, the unit has imported Capital Goods 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
2011-12	0	0
2012-13	0	0
2013-14	0	0
2014-15	27	26
2015-16	0	20
Total	27	46

This office vide letter dated 07.07.2016 asked the unit to clarify the Excess import of capital goods. The unit vide letter dated 27.07.2016 has submitted the following :-

- (i) During the year 2014, they intended to increase the production of 3-Methyl 3-Penten 2-One (MPO) from 2000 MT to 5000 MT. At the time of application for capacity increase, they estimated import of capital goods valuing USD 45,000/-and submitted their projection accordingly.
- (ii) Their request for enhancement of capacity was approved vide this office letter No. SEEPZ-SEZ/EOU/2010-11/Vol.II/13952 dated 21.11.2014. Out of these capital goods worth, USD 42919.28 has imported in the year 2014-15.
- (iii) However, for optimum utilisation of plant, balancing in some production processes was required, for this purpose, additional capital goods were added in the production process. These capital goods worth USD 29345.12 has imported in the year 2015-16 without payment of duty by claiming benefit of Notification No. 52/2003-Cus.
- (iv) To underestimate the value of fresh capital goods and not to get it enhanced in the LOP was an inadvertent error on their part. Instead of checking the total value of capital goods already imported, they have only checked that the capital goods were included in the LUT.
- (v) They had no intension of violating goods were included of the LOP.

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

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**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 Raw Material during the period 2011-12 to 2015-16 from M/s. Seco Tools India Pvt. Ltd.

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

The unit has submitted the application for continuation EOU for a further period of 5 years with fresh projection for the period 2016-17 to 2020-21. On Scrutiny of the application, it is noticed that during the period 2011-12 to 2015-16, the unit has imported Capital Goods 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. Seco Tools India Pvt. Ltd., Goa were issued LOP No. SEEPZ/IA-II/PER:83(2005)/72/2005-06/723 dated 20.01.2006 as amended for manufacture and export of Cutting Tools viz. Inserts, carriers, Tool Holders & Parts thereof etc at Gat No. 582, Pune Nagar Road, Koregaon Bhima, Taluka Shirur, District Pune - 412 216.

The unit vide letter dated 23.02.2016 submitted application for renewal of LOP for further five years period i.e. 01.04.2016 to 31.03.2021. On Scrutiny of the application, it was noticed that during the period 2011-12 to 2015-16, the unit has imported Raw Material in excess of the approved value. The details are as follows :-

.....2/-

(₹ in lakhs)

Year	Approved Limit of Raw Material	Actual Import of Raw Material
2011-12	2,151	3,535
2012-13	3,067	5,119
2013-14	3,859	6,412
2014-15	4,933	7,628
01.04.15 to 31.12.15	6,079	4,406
Total	20,089	27,100

This office vide letter dated 22.03.2016 asked the unit to clarify the Excess import of raw material. The unit vide letter dated 24.05.2016 has submitted the following :-

- i) The projections given at the time of renewal of LOP are based on estimates made by them at that time on the several factors like anticipated market conditions, Export Market, mix of imported & indigenous materials, expected localization of imported material, trend of raw material cost etc.
- ii) Though the projections given an estimate what the unit will achieve in five years, there is no binding on EOU to achieve the stipulated exports, Imports and accordingly NFE as long it is positive Net Foreign Exchange Earner. Hence, non-fulfillment of approved projections cannot be considered as violation of conditions of LOP.
- iii) Even the Guidelines for Monitoring the Performance of EOU under Appendix 14-I-G issued under Foreign Trade Policy mentions monitoring based on achievement of positive Net Foreign Exchange and does not mentioned about achieving projected export figures and restriction on imports exceeding projections.

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**

AGENDA NOTE FOR CONSIDERATION OF UNIT APPROVAL COMMITTEE

a) Proposal :-

Excess import of Capital Goods during the period 2011-12 to 2015-16 from M/s. Tevapharm India Pvt. Ltd.

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

The unit has submitted the application for continuation EOU for a further period of 5 years with fresh projection for the period 2016-17 to 2020-21. On Scrutiny of the application, it was noticed that during the period 2011-12 to 2015-16, the unit has imported Capital Goods 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/Lol 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. Tevapharm India Pvt. Ltd., Goa were issued LOP No. PER/127 (2005)EOU/10/05-06/4441 dated 05.05.2005 as amended for manufacture and export of Pharma Research & Development Services at Plot No. A-1, Verna Industrial Estate, Phase I-A, Verna, Goa - 403 722.

The unit vide letter dated Nil received in this office on 04.12.2015 & subsequent letter dated 18.02.2016 submitted application for renewal of LOP for further five years period i.e. 01.04.2016 to 31.03.2021. On Scrutiny of the application, it was noticed that during the period 2011-12 to 2015-16, the unit has imported Capital Goods 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
2011-12	550	616
2012-13	150	623
2013-14	150	298
2014-15	150	101
01.04.15 to 30.09.15	150	92
Total	1,150	1,730

This office vide letter dated 29.02.2016 asked the unit to clarify the Excess import of capital goods. The unit vide letter dated 14.04.2016 has submitted the following :-

- (i) They had a fire incident at their plant in the year 2012 (December), in which one of the HPLC equipment room was totally damaged & they have lost around 41 HPLC's.
- (ii) They have written off these assets & on the net block of Rs. 3,74,91,691/- they paid duty as per the provision of Depreciation norms 6.37 (b) as per FTP provision 2009-2014. They have submitted the relevant documents i.e. duty paid challan & working sheet.
- (iii) As a replacement of this equipment they have to procure new equipment & hence they have imported HPLC's amounting to 62.7 Mio INR.
- (iv) They have submitted the detailed information is as follows :-

Year	Approved limit of CG	Actual Import of CG	Replacement due to Fire	Net Actual Procurement	Remark
2010-11	550	616		616	
2011-12	150	623	523	100	Replacement of 34 HPLC's
2012-13	150	298	104	194	Replacement of 7 HPLC's
2013-14	150	101		101	
2014-15	150	92		92	
	1150	1730	627	1103	

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

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**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 :-

Application for establishment of new Undertaking of M/s. Ceat Specialty Tyres Ltd., for manufacture and export of Pneumatic Tyres.

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

Grant of Letter of Permission (LOP) for Establishment of New Undertaking.

c) Relevant Provision of FTP/HBP :-

Para 6.07 (a) of FTP 2015-2020 read with Para 6.01 (b) of Hand book of Procedure.

d) Other information: -

The applicant company has submitted the application for establishment of new Undertaking for manufacture and export of Pneumatic Tyres at Plot No. G-2, Additional Ambernath Industrial Area, Village Bohonali, Ambernath (East), Taluka Ambernath, District Thane - 421 506.

The Deputy Commissioner of Central Excise, Kalyan- IV Division 2nd Floor, Bhagwandas Mansion, Shivaji chowk, Kalyan (West) - 421 301 vide their letter dated 25.08.2016 has submitted the Inspection Report & stated the following :-

- i) The premises is on Ownership basis.
- ii) The total Built up area of Factory premises is 1,96,799 Sq. mtrs.
- iii) The nature of building is combination of concrete and asbestos. The building is presently under construction. The roof is covered with asbestos sheet and the peripheral walls of the factory are yet to be made.
- iv) The details of source of power are not yet available.
- v) The Proposed EOU is under construction hence can't comment about separate entry and exit and is physically segregated from any DTA unit to avoid intermingling of goods.

.....2/-

- vi) The proposed plan of premises/building is suitable for necessary permission under Section 58 & 65 to be issued by Central Excise & Customs Authority.
- vii) The Assessee has orally intimated that the plant will be fully constructed by November, 2016.

INVESTMENT:

The proposed cost of the project is as follows:-

	Existing	Proposed
Land	6000	-
Building		Rs. 3000
Plant & Machinery		
Indigenous	-	Rs. 7500 Lakhs
Imported	-	Rs. 8500 Lakhs
Total	-	Rs. 16000 Lakhs

PROPOSED IMPORT/EXPORT:

The details of Foreign Exchange Balance Sheet is as follows:-
(Figs. Rs in Lakhs)

		1st	2nd	3rd	4th	5th	Total	Total in US\$'000
XII	FOB value of exports in first five years	24227	31853	32055	32055	32055	152245	223890
XIII Foreign Exchange outgo on								
(i)	Import of Machinery	8500	-	-	-	-	8500	12500
(ii)	Import of raw materials and components	8187	10527	10527	10527	10527	50295	73963
(iii)	Import of spares and consumables	-	-	-	-	-	-	-
(iv)	Repatriation of dividends and profits to foreign collaborators	-	-	-	-	-	-	-
(v)	Royalty	-	-	-	-	-	-	-
(vi)	Lump sum know how fee	-	-	-	-	-	-	-

(vii)	Design and drawing fee	-	-	-	-	-	-	-
(viii)	Payment of foreign technicians	100	100	100	100	100	500	735
(ix)	Payment on training of Indian technicians abroad	-	-	-	-	-	-	-
(x)	Commission on Export etc.	-	-	-	-	-	-	-
(xi)	Foreign Travel	30	25	25	25	25	130	191
(xii)	Amount of interest to be paid on external commercial borrowing/deferred payment credit	-	-	-	-	-	-	-
(xiii)	Any other payments	150	-	-	-	-	150	221
	Total (i) to (xiii)	16967	10652	10652	10652	10652	59575	87610
	Net Foreign Exchange earnings in five years	7260	21201	21403	21403	21403	92670	136280

EMPLOYMENT:

The employment proposed is as follows:-

	Men	Women
Supervisory	45	04
Non-supervisory	261	34

The proposal of the applicant company is placed before the Unit Approval Committee for consideration.

