

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 : 20th May, 2016.

TIME : 12.00 P.M.

MEETING OF THE UNIT APPROVAL COMMITTEE FOR EXPORT
ORIENTED UNITS UNDER THE CHAIRMANSHIP OF DEVELOPMENT
COMMISSIONER, SEEPZ-SEZ ON 20TH MAY, 2016.

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Agenda Item No.	Subject
Agenda item No. 01 : -	Confirmation of minutes of the meeting held on 22.04.2016.
Agenda item No. 02 : -	Application for Additional Location at C-7, MIDC Industrial Area, Mahad, District Raigad - M/s. Privi Organics Ltd.
Agenda item No. 03 : -	Request for amendment in LOP by deleting the process of Sterilization from all products other than Spices - M/s. KCN Exports Ltd.
Agenda item No. 04 : -	Excess import of Raw Material - M/s. BEC Chemicals Pvt. Ltd.,

**ACTION TAKEN REPORT ON THE MINUTES OF THE 1ST MEETING
(2016 SERIES) OF UAC HELD ON 22.04.2016.**

Case No.	Unit Name	Action taken
1.	M/s. Mediserve Solution Pvt. Ltd.	Letter of Permission issue to the unit on 17.05.2016.
2.	M/s. Repro Knowledgecast Ltd.	Letter of Permission issue to the unit on 17.05.2016.
3.	M/s. Pernod Ricard India Pvt. Ltd.	Letter of Permission issue to the unit on 16.05.2016.

MINUTES OF THE 1ST MEETING (2016 SERIES) OF THE UNIT APPROVAL COMMITTEE FOR EXPORT ORIENTED UNIT HELD UNDER THE CHAIRMANSHIP OF DEVELOPMENT COMMISSIONER, SEEPZ SEZ ON 22.04.2016 AT 11.00 A.M.

The following were present:-

1. Shri. V. P. Shukla, Dy. Development Commissioner, SEEPZ-SEZ.
2. Smt. S. R. Motwani, Assistant DGFT, O/o Additional DGFT, Mumbai.
3. Smt. S. P. Meena, Superintendent of Central Excise, Belapur
4. Shri. Jolly Varghese, Superintendent of Central Excise, Kalyan I
5. Shri. G. S. Bhandari, UDC, SEEPZ-SEZ.

1. Confirmation of Minutes of the 14th Meeting (2015 Series) held on 18.03.2016.

The Unit Approval Committee ratified the minutes of its 14th meeting held on 18.03.2016.

2. M/s. Mediserve Solutions Pvt. Ltd.

After detailed deliberation, the Committee approved the proposal of M/s. Mediserve Solutions Pvt. Ltd., for Establishment of New Undertaking - Services for IT Services and IT Enabled Services at Ground Floor, building no. 2, Sector - 2, Millennium Business Park, Off Thane Belapur Road, Navi Mumbai - 400 710.

3. M/s. Repro Knowledgecast Ltd.

After detailed deliberation, the Committee approved the proposal of M/s. Repro Knowledgecast Ltd., for Establishment of New Undertaking - (Manufacturing) for manufacture and export of Printed Books, Brochures, Leaflets and similar printed matter whether or not in single sheets, Children's picture drawing or colouring books, Newspapers, Journals and Periodicals, whether or not illustrated or containing advertising material, Other printed matters, including printed Pictures and Photographs at Building No. A-1, GEBI Industrial Park, Opp. Reliance Pump, Sonale Village, Thane - 421 302. The condition stipulated by Central Excise as follows may be incorporated in the LOP:-

- i) There must be strict physical separation between the DTA & EOU units by way of concrete walls & there should be no possibility of movement of goods from EOU to DTA, except through their respective entry & exit.
- ii) The EOU shall submit Input-Output ratio by professional Chartered Engineer, who, after detailed examination of manufacturing process, shall certify the input output ratio for different products being manufactured the wastage norms etc.
- iii) E.A. 2000 audit of the EOU may be conducted every year and also Cost Audit and CRA audit of the unit should be done frequently.
- iv) The EOU shall be asked to execute the Bond supported by 100% Bank Guarantee to cover all the raw material and capital goods procured duty free.

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- v) The applicant shall implement SAP software for accounting of the duty free materials. Further the details of receipt and consumption of the same shall be maintained in SAP software in the Unit, right from Gate Register, issue of Goods Receipt Note, Issue Slips for production.
- vi) In view of the limited manpower with field formation to intricately check the records, preventive checks at regular interval may be carried out. Though DTA unit is not registered with Central Excise, records thereof shall be made available to officers of Central Excise Thane I during such checks.
- vii) Separate accounts and production records for the EOU & DTA unit have to be maintained in SAP software and all the movement of goods materials should be recorded and tracked in their accounting system. These record may be reviewed & reconciled by the range office on a quarterly basis.
- viii) All conditions enshrined in the Board Notification no. 53/97 Customs & no. 1/95 Excise & other regulations governing EOUs must be strictly followed.

4. M/s. Pernod Ricard India Pvt. Ltd.,

After detailed deliberation, the Committee approved the proposal of M/s. Pernod Ricard India Pvt. Ltd., for Conversion of Existing DTA unit into an EOU for manufacture and export of IMFL (Blenders Pride), IMFL (Imperial Blue), IMFL (Royal Stag) at Anand Distilleries Pvt. Ltd., 147, Kekatpur Davargaon to Mozari Road, Taluka & District Amravati - 444 901.

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 :-

Application for additional location received from M/s. Privi Organics Ltd.

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

Approval for additional location at C-7, MIDC Industrial Area, Mahad, District Raigad.

c) Relevant Provisions of FTP/HBP :-

Para 6.34 (7) of Handbook of Procedure 2015-2020.

d) Other Information :-

M/s. Privi Organics. Ltd., Raigad were issued LOP No. PER:99(2006)/SEEPZ-SEZ/EOU/IA-II/47/06-07/9109 dated 22.11.2006 as amended for manufacture and export of Alpha Iononel/Iononc 100%, Beta Ionone Perfumery Grade, Citronellyl Nitrile/Citronellal, Dihydromyrcenol etc. at C-3/4/5, C-8, 6, 6/1, 9, C/33-1 and X-9, X-10 and X-11, MIDC Industrial Area, Mahad, District Raigad.

The unit vide letter dated 19.12.2015 submitted the application for additional location at C-7, MIDC Industrial Area, Mahad, District Raigad. This office requested the Assistant Commissioner of Central Excise, Mahad Division to inspect the proposed location.

The Assistant Commissioner of Central Excise, Mahad Division, Raigad Commissionerate, 1st floor, CGO Complex, CBD Belapur, Navi Mumbai - 400 614 vide letter dated 02.03.2016 has submitted the Inspection Report and stated the following :-

- i) The premises is on lease basis.
- ii) The total Plot area is 4050 Square Meters.
- iii) The nature of building is concrete construction with Asbestos Sheet Roof.
- iv) The Source of Power is MSEB Electric Connection of Industrial type & Diesel Generator during electricity power failure.
- v) There is a common gate for entry and exit. Unit is EOU only, No DTA unit is in existence at the said factory premises.

- vi) The proposed plan of premises/building is suitable for necessary permission under section 58 & 65 to be issued by Central Excise & Customs authority.

The proposal of the unit for additional location at "C-7, MIDC Industrial Area, Mahad, District Raigad" 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 :-

Request for amendments in LOP received from M/s. KCN Exports Ltd.,

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

The application is submitted to amend the LOP by deleting the process of Sterilization from all products other than spices.

c) Relevant Provisions of FTP/HBP :-

d) Other Information :-

M/s. KCN Exports Ltd., Navi Mumbai were issued LOP No. PER:SEEPZ-SEZ/IA-II/03/09/2015-16/18781 dated 11.12.2015 for manufacture and export of Spice Powder/Blends (Crushing/Grinding/Sterilization) of following Spices : Black Pepper, Cardamom etc. at S-405, TTC Industrial Area, MIDC Mahape, Navi Mumbai - 400 709.

The unit vide letter dated 30.03.2016 submitted the application with request for amendments in LOP and stated the following :-

- (i) As per their application wherein they mentioned sterilization against every export product since they intended to sterilize all the products, even though not mandatory.
- (ii) Since the process of Sterilization is not viable for products other than Spices, they have requested to consider amending the said LOP by removing the process of sterilization imposed on all the products except on imported spices.
- (iii) Costs minimum \$32 per MT for sterilization. This cost is acceptable for imported spices as the cost work out to hardly 2%. No buyer for oilseeds, cereals, grains and starches is prepared to pay \$ 32 extra for sterilization of products which works out to about 10% of the price.
- (iv) The quantity that can be sterilized in a Sterilization plant is about 5 tons in a batch of 10 to 12 hours which means they can sterilize only one container in about three days and therefore they will not be able to export more than 8 to 10 containers a month.

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- (v) Sterilization is mandatory only for spices are alongwith other value additions like crushing and grounding. One cannot import spices for simple cleaning, grading, repacking etc. under the EOU Scheme.
- (vi) There is no such restriction imposed what so ever for import of any products other than spices.
- (vii) The processes involved in making other products exportable and marketable are fumigating, cleaning, grading, de-stoning, removing of dead or discolored seeds, chipped and broken pieces, weeds, metal pieces, sticks, pebbles, glass pieces and other foreign matters.
- (viii) Thereafter these goods are once again fumigated by Methyl bromide/ Aluminum Phosphate which are subsequently repacked in unit containers with requisite markings including name of the product, Brand name/Logo, Nett Weight, Gross weight, date of packing, date of expiry, FSSAI number etc.
- (ix) The manufacturing activities for other products viz. labeling or relabeling of containers or repacking from bulk packs to retail packs amounts to manufacture as these activities render the products to be marketable to the consumers. These processes "amounting to manufacture" are specifically specified in chapter notes in (Central Excise Tariff) CETA.
- (x) Office of Central Excise will not allow them to export any product without sterilization as LOP has made sterilization mandatory for all the products.
- (xi) It will not be possible to export any product other than species without the said amendment. Therefore they have requested to kindly amend the LOP by deleting the process of Sterilization from all products other than spices.

The proposal of the unit for amendment in LOP 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 Raw Material during the period 2011-12 to 2015-16 (Upto 31.12.2015) from M/s. BEC Chemicals 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 (upto 31.12.2015), the unit has imported 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/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 Rupces, on account of foreign exchange rate fluctuations".

d) Other Information :-

M/s. BEC Chemicals Pvt. Ltd., Raigad were issued LOP No. PER:177/(SEEPZ)/EOU-13/2000-01/8275 dated 07.08.2000 as amended for manufacture and export of Ketoprofen BP/USP, Ketopropene Nitrile etc. at Plot No. 24, MIDC, Dhatav, Roha, District Raigad - 402 116.

The unit vide letter dated 04.02.2016 & subsequent letter dated 16.03.2016 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 (upto 31.12.2015), the unit has imported Raw Material in excess of the approved value. The details are as follows :-

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(₹ in lakhs)

Year	Approved Limit of Imported Raw Material	Actual Import of Raw Material
2011-12	1,350	1,053
2012-13	1,350	1,668
2013-14	1,350	2,310
2014-15	1,350	2,259
01.04.15 to 31.12.15	1,350	3,136
Total	6,750	10,426

This office vide letter dated 29.03.2016 asked the unit to clarify the Excess import of raw material. The unit vide letter dated 31.03.2016 has submitted the following :-

The import of Raw Material due to increase in export turnover as shown below :-

(₹ in lakhs)

YEAR	Approved Export Turnover	Actual Export Turnover	Approved Imported RM	Actual Imported RM
2011-12	1800.00	2693.19	1350.00	1053.00
2012-13	1800.00	3586.05	1350.00	1668.00
2013-14	1800.00	4608.92	1350.00	2310.00
2014-15	1980.00	5292.99	1350.00	2259.00
2015-16 (Upto 31.12.15)	1980.00	2936.00	1350.00	3136.00
TOTAL	9360.00	19117.75	6750.00	10426.00

Due to year wise increase in export turnover simultaneously the import is also increased to achieve the export turnover. However, the company has improved the net foreign exchange earnings.

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