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 : 8th July, 2015.
TIME : 11.00 A.M.

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MEETING OF THE UNIT APPROVAL COMMITTEE FOR EXPORT ORIENTED UNITS UNDER THE CHAIRMANSHIP OF DEVELOPMENT COMMISSIONER, SEEPZ-SEZ ON 8th JULY, 2015.

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<th>Subject</th>
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<td>Excess import of Capital Goods – M/s. Precision Camshafts Ltd.,</td>
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</tbody>
</table>

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MINUTES OF THE 4th MEETING (2015 SERIES) OF THE UNIT APPROVAL COMMITTEE FOR EXPORT ORIENTED UNIT HELD UNDER THE CHAIRMANSHIP OF DEVELOPMENT COMMISSIONER, SEEPZ SEZ ON 05.06.2015 AT 11.00 A.M.

The following were present:-
1. Shri. P. S. Raman, Jt. Development Commissioner, SEEPZ-SEZ.
2. Shri. K. K. Srivastav, Specified Officer, SEEPZ-SEZ.
5. Shri. V. V. Pandit, Dy. Commissioner of Central Excise, Raigad Commissionerate.
7. Shri. S. A. Avasare, Asstt. Commissioner of Central Excise, Belapur-II.
8. Shri. G. S. Bhandari, UDC, SEEPZ-SEZ.


The Unit Approval Committee ratified the minutes of its 2nd meeting held on 22.04.2015.

1. M/s. Ravechi Floritech Pvt. Ltd.

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


The representative of the unit informed the Committee that they were awarded bid by World Health Organization (WHO) for supply of medical kit containing different medicines. Some of the medicines in the kit will be manufactured by them and some will be procured from other suppliers (authorized by WHO) in India free of cost. The Committee approved the proposal of M/s. Svizera Labs Pvt. Ltd., for broad banding of item viz. Kit containing different medicines/pharmaceuticals formulation and Neutaceutical/Natural Medical Capsules and Tablets in terms of Para 6.34 (S) of Handbook of Procedure 2015-2020 subject to the condition that the unit shall maintain separate account in respect of the medicine being procured free of cost for export of medical kit. The Committee also approved Broad Banding of items, i.e. Neutaceutical/Natural Medical Capsules and Tablets, to include in the LOP.


The representative of the unit informed that due to increase in exports they imported additional raw materials than the approved limit. The price of Raw Material has also increased as against the projected figures. Henceforth, they will obtain permission in case of any increase in the value of approved CG/RM. The Committee after considering their export volume and the unit has achieved positive NFE, regularized excess import of Capital Goods and Raw Materials and also directed to issue cautionary letter to the unit.

4. M/s. Laxmi Enterprises

The representative of the unit informed that due to sudden demand for Cummins by their foreign buyer and due to inferior quality of Cummins available in the local market, they were compelled to import Cummins which is the main reason for the increase of value than the approved limit. This situation has only
occurred in the year 2013-14. The Committee after considering the circumstances explained and their export volume and the unit has achieved positive NFE, regularized excess import of Raw Material and also directed to issue cautionary letter to the unit.


The representative of the unit informed that the import/export projection made during the year 2010-11 was based on the prevailing market condition compared to the estimated exports, the actual exports have increased manifold. The under estimation of exports lead under estimation of imports. The actual exports & imports far exceeded the estimated limit. Considering the substantial volume of exports and the unit has achieved positive NFE the Committee regularized excess import of Raw Material and also directed to issue cautionary letter to the unit.

6. M/s. Sarla Performance Fibers Ltd.

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

7. M/s. Precision Camshafts Ltd.

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

8. M/s. Indo Schottle Auto Parts Pvt. Ltd.,

The representative of the unit informed the Committee that they have effected total import of capital goods permitted to the unit during the five year block period of Rs. 5726/- lakhs as against the total permitted value import of capital goods valued at Rs. 4834/- lakhs. Thus there is no excess import of Capital Goods. The Audit has also closed the Para.

The Committee noted that the unit had imported Capital Goods during the intervening period i.e. 31.10.2006 to 13.03.2007 in which the permission for Revision of Projection was under consideration. Such import was considered in the approval granted by Development Commissioner revising the import export projection for the remaining period of 5 year block period i.e. 2007-08 to 2008-09. Thus the total import of Capital Goods effected during the five year block period is within the permitted value.

The Committee considering the fact that the projection for the period 2004-05 to 2008-09 was approved and thereafter revised projection for the period 2007-08 to 2008-09 including the Capital Goods imported was approved by the Development Commissioner, approves the projections for the block period 2004-05 to 2008-09. Hence any import made during 2006-07 is regularized.

II. SUPPLEMENTARY AGENDA

1. M/s. Solid Carbide Tools Ltd.,

After detailed deliberation the Committee approved the proposal of continuation of EOU Status for five years w.e.f. 01.04.2012 to 31.03.2017 with fresh projection for the period 2012-13 to 2016-17.

Meeting ended with vote of thanks to the Chair.

[Signature]

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
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a) Proposal :-

Sharing of infrastructure and other facilities among Export Oriented Units from M/s. Perrigo API India Pvt. Ltd.

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

The unit has submitted the application for permission to share resources and services between Perrigo India and Perrigo Laboratories.

c) Relevant Provisions of FTP/HBP :-

In terms of Para 6.12(g) of FTP 2015-2020, “The Units Approval Committee may consider on a case-to-case basis request for sharing of infrastructural facilities among EOUs and it shall forward its recommendations to the Board of Approval for its consideration. While accepting such proposals, the NFE obligations of the Units shall not be altered. Such facilities will be available to Units in EHTP/STP after getting approval from IMSC. However, sharing of facilities between EOUs and SEZ units shall not be permitted”.

d) Other Information :-


The unit vide letter dated 28.05.2015 stated the following :-

(i) Perrigo API Private Limited ("Perrigo India or "the Company") is writing this letter with the request for grant of permission to share infrastructure and other facilities among EOUs of Perrigo Group to optimize costs and be competitive in international market. Perrigo India and Perrigo Laboratories India Private Limited ("Perrigo Laboratories") has signed Shared Costs and Services Agreement dated May 8, 2015 ("the Agreement") for the purpose, copy of which is marked and annexed as Annexure-I.
(ii) Perrigo India is a 100% Export Oriented Unit ("EOU") having manufacturing facility at Plot No. N-39/N-39/1, Anand Nagar MIDC, Ambernath (East), District Thane – 421 501 ["the Plant"] for manufacture of API. Perrigo India is exporting API manufactured in the Plant to Perrigo Group companies.

(iii) Perrigo India has been issued Letter of Permission ("the LOP") No. PER:51:2006):SEEPZ:EOU:48/06-07/9415 dated December 6, 2006 by the Development Commissioner under its former name Vedants Drugs & Fine Chemicals Pvt. Ltd. ("Vedants Drugs"), for manufacture of specified items on terms and conditions mentioned therein, which is valid upto April 30, 2017.

(iv) Perrigo India commenced production in May 2012.

(v) Considering increased requirement in R&D, Perrigo Laboratories decided to expand existing facilities and convert itself from DTA unit to EOU for operational convenience, reduction of cost on account of duty free procurements of capital equipments, raw materials and consumables required for research activity. Accordingly, Perrigo Laboratories applied for conversion from DTA unit to EOU unit which has been granted vide this office letter issued under No. PER:SEEPZ-SEZ/EOU/IA-II/2/10/2013-14/ 8067 dated 23.06.2014.

(vi) Perrigo Laboratories has been granted license under Sections 58 and in-bond manufacture under 65 of the Customs Act vide F. No. V/K-IV/T-1/Perrigo/Warehouse/07/2014/2132 dated October 14, 2014 by the Deputy Commissioner of Customs and Central Excise Division-IV, Kalyan, Further more the Department of Scientific and Industrial Research in the Ministry of Science and Technology vide letter issued under F. No. TU/IV-RD/3613/2013 dated September 26, 2014, granted registration to Perrigo Laboratories as a research institution.

(vii) Perrigo Laboratories has started operations as EOU with effect from November 14, 2014 and intimated the learned Authority of the same. Perrigo Laboratories vide letter issued under F.No.V/K-IV/T-1/Perrigo/Warehouse/07/2014/2132 dated October 14, 2014 by the jurisdictional Central Excise Authorities has been granted Private Customs Bonded Warehouse License in terms of Section 58 of the Customs Act, 1962 and permission to in-bond manufacture in terms of Section 65 thereof. Since November 14, 2014 Perrigo Laboratories is operating as a 100% EOU.

(ix) Accordingly Perrigo India and Perrigo Laboratories signed the Agreement to share costs in relation to shared resources and services used by Perrigo Laboratories, including while operating as a domestic tariff area unit and as EOU.

(x) The unit undertakes to discharge Services Tax, wherever payable on sharing of resources, in terms of Chapter V of the Finance Act, 1994 and rules thereof.

The proposal of the unit for sharing of infrastructure of M/s. Perrigo API India Pvt. Ltd. By M/s. Perrigo Laboratories (I) Pvt. Ltd. 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 Broad Banding facility with revision of projection from M/s. Renishaw Metrology Systems Ltd.

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

The unit has submitted the application for Broad Banding of items viz. “Equator Enclosure Assembly & Equator Rack Assembly” with revision of projection for remaining period of 2 years from 2015-16 to 2016-17.

c) Relevant Provisions of FTP/HBP :-


d) Other Information :-


The unit vide letter dated 15.05.2015 and subsequent letter dated 05.06.2015 submitted the application for Broad Banding of item viz. “Equator Enclosure Assembly & Equator Rack Assembly” with revision of projection for remaining period of 2 years from 2015-16 to 2016-17.

The unit is stated that the proposed product is a new product, falls under same CTH i.e. 9031 of their earlier products i.e. Arms Assembly/MCU Assembly.

The unit has submitted the projection for remaining two years is as follows :-

.....2/-
<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Description</th>
<th>Existing of 5 years (approved)</th>
<th>Proposed for 2 years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2012-13 to 2016-17</td>
<td>2015-16 to 2016-17</td>
</tr>
<tr>
<td></td>
<td></td>
<td>लाख रु में</td>
<td>ह र अम. डॉलर में US'000</td>
</tr>
<tr>
<td>1</td>
<td>निर्माण का एफ.ओ.ए गुल्ला, FOB value of exports</td>
<td>44,449</td>
<td>74,083</td>
</tr>
<tr>
<td>2</td>
<td>मशीनरी का आयात, Import of Machinery</td>
<td>770</td>
<td>1,283</td>
</tr>
<tr>
<td>3</td>
<td>क ो माल का आयात, Import of Raw Material</td>
<td>29,610</td>
<td>49,350</td>
</tr>
<tr>
<td>4</td>
<td>अर्थवित्त पु लों का आयात, Import of Spares &amp; Consumables</td>
<td>752</td>
<td>1,253</td>
</tr>
<tr>
<td>5</td>
<td>Repatriation of dividends and profits to foreign collaborators</td>
<td>800</td>
<td>1,333</td>
</tr>
<tr>
<td>6</td>
<td>Royalty</td>
<td>440</td>
<td>733</td>
</tr>
<tr>
<td>7</td>
<td>तक. झाँस का एक मुख्त शुल्क, Lumpsum Know how fee</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>8</td>
<td>Design &amp; Drawing fees</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>भारतीय तकनीकीयों को विदेश में प्रशिक्षित करने का मुद्रायात</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>10</td>
<td>Commission on export</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>11</td>
<td>विदेश यात्रा, Foreign Travel</td>
<td>91</td>
<td>151</td>
</tr>
<tr>
<td>12</td>
<td>Amount of interest to be paid on ECB</td>
<td>71</td>
<td>118</td>
</tr>
<tr>
<td>13</td>
<td>Reimbursement of salaries of foreign technicians employed in India</td>
<td>50</td>
<td>83</td>
</tr>
<tr>
<td>14</td>
<td>Management Services fees paid</td>
<td>642</td>
<td>1,070</td>
</tr>
<tr>
<td>15</td>
<td>कुल तथ्य (2 से 14 तक का)</td>
<td>33,225</td>
<td>55,374</td>
</tr>
<tr>
<td></td>
<td>Total (2 to 14)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>आधुनिक विदेशी मुद्रा लाभ (1-15) NFE (1-15)</td>
<td>11,225</td>
<td>18,709</td>
</tr>
</tbody>
</table>

(1 US $ = ₹ 60/-)
The unit has achieved positive NFE of ₹ 5,080.21 (with amortization) lakhs on cumulative basis.

The proposal of the unit for Broad Banding of items viz. Equator Enclosure Assembly and Equator Rack Assembly with revision of projection for remaining period of 2 years from 2015-16 to 2016-17 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
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AGENDA NOTE FOR CONSIDERATION OF UNIT APPROVAL COMMITTEE

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a) Proposal :-

Application for renewal of LOP for further five years period received from M/s. Ravechi Floritech Pvt. Ltd.

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

Renewal of LOP for a further period of five years.

c) Relevant Provisions of FTP/HBP :-


d) Other Information :-


The unit vide their letter dated 15.01.2014 applied for renewal of LOP and approval of fresh projection for the next block of five years commencing from January, 2014.

Shri S.S. Kumar, Under Secretary to the Govt. of India, MOC&I has forwarded a copy of letter dated 15.09.2014 received from M/s. Ravechi Floritech Pvt. Ltd. regarding the renewal of LOP.

It may be mentioned that the unit was granted LOP on 29.01.1998. The unit executed the LUT. The unit commenced production on 24.01.2004.

On completion of the 1st five year block period, the unit submitted fresh projections for the period 2009-10 to 2013-14. The application was processed and it was noticed that the request of the unit has not been received within the prescribed period of 6 months. The proposal was therefore, forwarded to BOA for consideration in terms of para 6.2.9 of HBP. The BOA in its meeting held on 14.09.2012 considered the proposal of unit. The deliberation of BOA is as follows:-

"The request of the unit was considered by the BOA. In the light of the submissions made by DC that the hindrances faced by the units in export of its products has since been sorted out and that the unit has assured of positive outcome, the BOA approved the renewal of LOP for a period of five years w.e.f. 01.04.2009 on the condition that no further import will be allowed to the unit till such time that it meets the NFE positive criteria".

......2/-
Accordingly, this office granted continuation of EOU status for further 5 year period from 2009-10 to 2013-14 on 11.10.2012. Accordingly, the unit submitted the Legal Agreement. The Legal Agreement was accepted on 24.01.2013 and green card was issued to the unit.

The Jurisdictional Central Excise Authority vide letter dated 16.04.2013 informed that the Commissioner Central Excise has adjudicated the show cause notice dated 25.03.2009 vide Order-In-Original dated 29.07.2010 confirmed the demand of Customs duty of Rs.3,37,20,021/- and imposed penalty of Rs.3,37,20,021/- and redemption fine of Rs.1,00,00,000/- along with recovery of interest on the amount confirmed. The unit has filed Appeal in the CESTAT against the Order In Original dated 29.07.2010 passed by the Commissioner of Customs & Central Excise, Raigad with stay application. The matter is pending with CESTAT. The Range Supdt. has inspected the plant on 29.01.2013 and it was noticed that there were green house sheds which may have been constructed long back, which were all in bad shapes. Further some goods such as impellers, worned out nets, etc. were lying over there and the farm/factory appeared to be not in use.

The jurisdictional Central Excise further stated that the unit will not be able to achieve NFE positive within one year time especially with the old and outdated machinery. Hence, requested that the grant of extension of LOP issued on 11.10.2012 to the said unit may be revisited.

This office vide letter dated 30.05.2013 granted personal hearing to the unit so that their plan of business can be ascertained.

The unit vide letter dated 18.07.2013 informed this office that they have brought the capital goods in working conditions. They have also re-started their activities and would be soon in a position to commence the exports and would be making all efforts to effect as much as export as they can within the remaining 6 months.

This office vide letter dated 30.07.2013 requested the jurisdictional Central Excise Authority to inspect the unit and send a report to this office specifically mentioning therein whether the unit has re-started their production activities or otherwise. This office vide letter dated 19.08.2013 again requested the Central Excise authority to submit the inspection report.

The Deputy Commissioner, Central Excise vide letter dated 3.9.2013 informed that they had visited the premises of the unit and it was seen that there are 7 Nos. Of Green House, out of which House No.2, 3 & 7 are fully geared up with plants and flowers sprouting. It was informed to the Officers that the export would start from mid September, 2013 as the present quality is not strong enough to sustain for 10 days vase life. House No.1, 4, 5 & 6 are ready with levelling, all ground work done and steel structures is in place. However due to heavy rains, putting up plastic shades and nets are delayed and will be completed in September, 2013.

.....3/-

It may be mentioned that as per the APRs there is no export and import activity carried out by the unit till 2012-13. As per the APRs for the year 2013-14, the unit has indicated the following details:

<table>
<thead>
<tr>
<th>Details of Production</th>
<th>5.89 MT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>Rs.14.38 Lakhs</td>
</tr>
<tr>
<td>Export Inflow</td>
<td>Rs.32.76 Lakhs</td>
</tr>
<tr>
<td>GCA Exports</td>
<td>0.60 Lakhs</td>
</tr>
<tr>
<td>Country of Exports</td>
<td>UAE</td>
</tr>
<tr>
<td>Total Stem</td>
<td>24,000</td>
</tr>
<tr>
<td>Value in Lakhs</td>
<td>0.82 Lakhs</td>
</tr>
</tbody>
</table>

Despite giving extension of LOP to the unit, the unit has not shown any performance to consider their request for renewal of LOP.

The proposal of the unit for renewal of LOP is submitted to the Unit Approval Committee meeting held on 09.01.2015. The Committee deferred the proposal and directed to the unit to bring sufficient evidence regarding export prospect to consider their proposal.

The unit vide their letter dated 04.03.2015 stated that they have effected two shipments of cut flowers to UAE. The FOB value of exports effected by the unit Rs. 40,479/- and Rs. 2,300/-.

The proposal of the unit for continuation of LOP for a further period of five years i.e. from 2014-15 to 2018-19 with fresh projection. 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  
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a) Proposal :-

Excess import of Raw Material during the period 2010-11 to 2014-15 from M/s. Sarla Performance Fibers 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 2015-16 to 2019-20. On Scrutiny of the application, it is noticed that during the period 2010-11 to 2014-15, 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 Rupees, on account of foreign exchange rate fluctuations”.

d) Other Information :-

M/s. Sarla Performance Fibers Ltd., Silvassa were issued LOP No. PER:248(1994):EOB/215/94 dated 29.07.1994 for manufacture and export of a) All types of Synthetic Filament Yarn like Polyester, Polyamide (Nylon), Polypropylene, Acrylic and Viscose Filament yarn, Texturised and/or Crimped and/or Twisted and/or Dyed, Medium/High Tenacity Nylon, Polyester Flat Yarn, Nylon Polyester Monofilament Yarns. Nylon/ Polyester Sewing Threads, Nylon/ Polyester High Tenacity Sewing Threads, b) Knitted Fabrics (Grey/ Processed) made out of Synthetic Yarn/ Manmade, c) Polyester/Nylon/ Cotton covered Spandex/Lycra Yarn/Rubber Yarn at Survey No. 59/1/4, 64/2/3/4, 61/1, 61/2, 62/5, 63/5, 63/7, Anli Piparia Indsutrial Estate, Silvassa – 396 230, UT Dadra & Nagar Haveli.

.....2/-
The unit vide letter dated 27.02.2015 & subsequent letters dated 16.03.2015, 18.03.2015 & 13.03.2015 submitted application for renewal of LOP for further five years period i.e. 01.04.2015 to 31.03.2020. On Scrutiny of the application, it is noticed that during the period 2010-11 to 2014-15, the unit has imported Raw Material in excess of the approved value. The details are as follows :-

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Approved Limit of RM (₹ in lakhs)</th>
<th>Actual Import of RM (₹ in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-11</td>
<td>5,043</td>
<td>6,434</td>
</tr>
<tr>
<td>2011-12</td>
<td>5,354</td>
<td>6,353</td>
</tr>
<tr>
<td>2012-13</td>
<td>5,838</td>
<td>6,378</td>
</tr>
<tr>
<td>2013-14</td>
<td>6,357</td>
<td>7,364</td>
</tr>
<tr>
<td>01.04.14 to 30.12.2014</td>
<td>6,929</td>
<td>5,421</td>
</tr>
</tbody>
</table>

**TOTAL** | 29,523 | 31,950 |

This office vide letter dated 20.03.2015 asked the unit to clarify the Excess import of Raw Material. The unit vide letter dated 04.04.2015 has submitted the following :-

i) There is no Excess Import of Raw Material, the Permission granted in the LOP was for USD 6,28,16,340/- calculated @ ₹ 47/- USD (₹ 29523 lakh), however during the course of five years the rate of USD has increased to Rs. 62/- USD.

ii) While calculating the Import of Raw Material at the Average of Five years the limit of USD 6,28,16,340/- (₹ 29523 Lakh) still remains unutilized to the extent of USD 21,37,999/- (₹ 1088.78 Lakh), the details working for the same is given as following :-

<table>
<thead>
<tr>
<th>F. Year</th>
<th>Approved Limit (₹ in Lakh)</th>
<th>RM Import (₹ in Lakh)</th>
<th>RM Import in USD</th>
<th>Avg Ex Rate (USD/INR)</th>
<th>RM Import at Average Rate (₹ in Lakh)</th>
<th>Limit Rate As per LOP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-11</td>
<td>5043</td>
<td>6434</td>
<td>14310498.2</td>
<td>44.96</td>
<td>5726.00</td>
<td>47.0</td>
</tr>
<tr>
<td>2011-12</td>
<td>5354</td>
<td>6353</td>
<td>1338830.35</td>
<td>47.45</td>
<td>5653.92</td>
<td>47.0</td>
</tr>
<tr>
<td>2012-13</td>
<td>5838</td>
<td>6378</td>
<td>11750184.2</td>
<td>54.28</td>
<td>5676.16</td>
<td>47.0</td>
</tr>
<tr>
<td>2013-14</td>
<td>6357</td>
<td>7364</td>
<td>12177939.4</td>
<td>60.47</td>
<td>6553.67</td>
<td>47.0</td>
</tr>
<tr>
<td>2014-15</td>
<td>6929</td>
<td>5421</td>
<td>8870888.56</td>
<td>61.11</td>
<td>4824.47</td>
<td>47.0</td>
</tr>
</tbody>
</table>

.....3/-
<table>
<thead>
<tr>
<th>Total</th>
<th>29523</th>
<th>31950</th>
<th>60498340.83</th>
<th>52.81</th>
<th>28434.22</th>
<th>47.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less :- Approved Limit as per LOP</td>
<td>62816340.00</td>
<td></td>
<td></td>
<td></td>
<td>29523.00</td>
<td></td>
</tr>
<tr>
<td>Unutilised Limit</td>
<td>2317999.17</td>
<td></td>
<td></td>
<td></td>
<td>1088.78</td>
<td></td>
</tr>
</tbody>
</table>

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

***************
AGENDA NOTE FOR CONSIDERATION OF UNIT APPROVAL COMMITTEE

a) Proposal :-

Excess import of Capital Goods during the period 2010-11 to 2014-15 from M/s. Precision Camshafts 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 2015-16 to 2019-20. On Scrutiny of the application, it is noticed that during the period 2010-11 to 2014-15, 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. Precision Camshafts Ltd., Pune-I were issued LOP No. PER:50 (1999)/EO/61/99 dated 18.03.2015 for manufacture and export of Camshafts casting and other valve train components, Chills, Valvetrain Components (tappets), Machined camshafts, Resin Coated Sand (Reclaimed Burn Sand), Assembled Camshafts (Tabular) at D-5, 6, 7, 7/1, MIDC, Chincholi, Solapur – 413 255.

The unit vide letter dated 20.02.2015 submitted application for renewal of LOP for further five years period i.e. 01.04.2015 to 31.03.2020. On Scrutiny of the application, it is noticed that during the period 2010-11 to 2014-15, the unit has imported Capital Goods in excess of the approved value. The details are as follows :-

.....2/-
This office vide letter dated 18.03.2015 asked the unit to clarify the Excess import of Capital Goods. The unit vide letter dated 15.04.2015 has submitted the following :-

i) They have predicted the import machinery for 2010-2011 for casting/machined camshafts manufacturing only.

ii) They have not predicted for 2011-2012 to 2014-2015 for the expansion of Machining and supply of machined camshafts and hence the quantity for 2011-12 to 2013-14 was shown as ₹ Nil.

iii) However, they have gone through all procedure of procurement certificate filling.

iv) Rewarehousing verification from local Custom Authorities.

v) Their export performance is increased in every year and they have earned more NFE for their nation.

vi) Their sale performance for the year wise as under :-

<table>
<thead>
<tr>
<th>Year</th>
<th>Approved Limit of CG</th>
<th>Actual Import of CG</th>
<th>Export Sale</th>
<th>DTA Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-2011</td>
<td>1,193</td>
<td>719</td>
<td>18,468</td>
<td>2,541</td>
</tr>
<tr>
<td>2011-2012</td>
<td>0.00</td>
<td>1,585</td>
<td>20,075</td>
<td>3,888</td>
</tr>
<tr>
<td>2012-2013</td>
<td>0.00</td>
<td>3,281</td>
<td>24,422</td>
<td>4,266</td>
</tr>
<tr>
<td>2013-2014</td>
<td>0.00</td>
<td>227</td>
<td>33,452</td>
<td>4,628</td>
</tr>
<tr>
<td>2014-2015 (upto Dec 2014)</td>
<td>0.00</td>
<td>0.00</td>
<td>28,862</td>
<td>4,740</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,193</strong></td>
<td><strong>5,812</strong></td>
<td><strong>1,25,279</strong></td>
<td><strong>20,063</strong></td>
</tr>
</tbody>
</table>

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
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AGENDA NOTE FOR CONSIDERATION OF UNIT APPROVAL COMMITTEE
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a) Proposal :-


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 2015-16 to 2019-20. On Scrutiny of the application, it is noticed that during the period 2010-11 to 2014-15, 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 Rupees, on account of foreign exchange rate fluctuations”.

d) Other Information :-

M/s. Worldwide Oilfield Machine Pvt. Ltd., Pune-III were issued LOP No. L1/1146(85)/E.O.No.134(85)-IL dated 31.10.1985 as amended for manufacture and export of High Pressure Gate Valves, its parts, Christmas Tree Head Assembly for Oil & Drilling and Production of Gas and Oil at Gat No. 778, At & Post Velu, Near Shindewadi, Pune Satara Road, Taluka Bhor, District Pune – 412 205.

The unit vide letter dated 16.03.2015 & subsequent letter dated 01.04.2015 submitted application for renewal of LOP for further five years period i.e. 01.04.2015 to 31.03.2020. On Scrutiny of the application, it is noticed that during the period 2010-11 to 2014-15, the unit has imported Raw Material in excess of the approved value. The details are as follows :-

.....2/-
<table>
<thead>
<tr>
<th>YEAR</th>
<th>Approved Limit of RM</th>
<th>Actual Import of RM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-11</td>
<td>3,600</td>
<td>3,361</td>
</tr>
<tr>
<td>2011-12</td>
<td>3,780</td>
<td>4,898</td>
</tr>
<tr>
<td>2012-13</td>
<td>3,969</td>
<td>6,458</td>
</tr>
<tr>
<td>2013-14</td>
<td>4,167</td>
<td>6,869</td>
</tr>
<tr>
<td>01.04.14 to 30.12.2014</td>
<td>4,376</td>
<td>20,091</td>
</tr>
<tr>
<td>TOTAL</td>
<td>19,892</td>
<td>41,677</td>
</tr>
</tbody>
</table>

This office vide letter dated 30.03.2015 asked the unit to clarify the Excess import of Raw Material. The unit vide letter dated 01.04.2015 has submitted the following :-

a) Their export has increased significantly during past five years. They have increased the import of the raw material to achieved their export targets.

b) The prices of their raw material imported have also increased in more proportion compared to export selling price which results into the higher raw material cost both in terms of US $ as well as INR.

c) They have also imported semi finished components whose prices were also high. As such, raw material cost became higher.

d) Due to competition in international market, they have to restrict their selling price at particular point. As such, through their exports have increased but the raw material cost has increased in more proportion.

e) The same scenario reflects in Rupee terms also where impact of increase in exchange rates also result in higher raw material cost.

f) Such increase in exchange rate i.e. Rupee per US $ which is ranging from ₹ 45.00 (approx) per US $ in FY 2010-11 to ₹ 61.00 (approx) per US $ in FY 2014-15.

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 :-


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 2015-16 to 2019-20. On Scrutiny of the application, it is noticed that during the period 2010-11 to 2014-15, 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 Rupees, on account of foreign exchange rate fluctuations”.

d) Other Information :-


The unit vide letter dated 16.03.2015 & subsequent letter dated 01.04.2015 submitted application for renewal of LOP for further five years period i.e. 01.04.2015 to 31.03.2020. On Scrutiny of the application, it is noticed that during the period 2010-11 to 2014-15, the unit has imported Raw Material in excess of the approved value. The details are as follows :- 

.....2/-
<table>
<thead>
<tr>
<th>YEAR</th>
<th>Approved Limit of RM</th>
<th>Actual Import of RM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-11</td>
<td>1,750</td>
<td>780</td>
</tr>
<tr>
<td>2011-12</td>
<td>1,873</td>
<td>1,866</td>
</tr>
<tr>
<td>2012-13</td>
<td>2,004</td>
<td>2,410</td>
</tr>
<tr>
<td>2013-14</td>
<td>2,144</td>
<td>3,357</td>
</tr>
<tr>
<td>01.04.14 to 30.12.2014</td>
<td>2,294</td>
<td>4,151</td>
</tr>
<tr>
<td>TOTAL</td>
<td>10,064</td>
<td>12,564</td>
</tr>
</tbody>
</table>

This office vide letter dated 30.03.2015 asked the unit to clarify the Excess import of Raw Material. The unit vide letter dated 01.04.2015 has submitted the following :-

a) Their export has increased significantly during past five years. They have increased the import of the raw material to achieved their export targets.

b) The prices of their raw material imported have also increased in more proportion compared to export selling price which results into the higher raw material cost both in terms of US $ as well as INR.

c) Due to competition in international market, they have to restrict their selling price at particular point. As such, through their exports have increased but the raw material cost has increased in more proportion.

d) The same scenario reflects in Rupee terms also where impact of increase in exchange rates also result in higher raw material cost.

e) Such increase in exchange rate i.e. Rupee per US $ which is ranging from ₹ 45.00 (approx) per US $ in FY 2010-11 to ₹ 61.00 (approx) per US $ in FY 2014-15.

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

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