

File No. K-22019/3/2019-EOU
Ministry of Commerce & Industry
Department of Commerce
EOU Section

Udyog Bhawan, New Delhi
Dated: 24th May, 2019

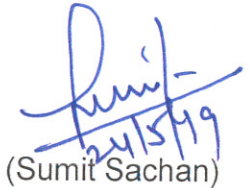
MEETING NOTICE

Subject: 3rd Meeting (2019 series) of Board of Approval (BOA) for EOU Scheme scheduled to be held on 06.06.2019 in Room No. 141 at 11:00 A.M. - forwarding of Agenda reg.

The undersigned is directed to forward herewith a copy of Agenda items of the 3rd Meeting (2019 series) of the Board of Approval (BOA) for EOU scheme scheduled to be held on 06.06.2019 under the Chairmanship of Commerce Secretary in Room No.141 at 11.00 A.M.

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

Encl: As Above


(Sumit Sachan)

Under Secretary to the Government of India

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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 3rd BOA MEETING (2019 SERIES) FOR EOU SCHEME TO BE HELD ON 06.06.2019 at 11:00 A.M. in Room No. 141.

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3.1 (19) Confirmation of Minutes of the 2nd BOA (2019 Series) meeting held on 22.04.2019.

3.2(19) M/s INDIC EMS Electronic Private Limited under CSEZ – Proposal for conversion of existing unit into 100%EOU.

M/s INDIC EMS Electronic Pvt. Ltd., a DTA unit in Karnataka, working from 2007 onwards in DTA supplying goods to major companies like Mahindra, Bharath Electronics & L&T. Unit is exporting Rs. 50 crores and above annually. The unit engaged in manufacturing and exporting PCB Assembly, Solar Charger, Battery Management System and Energy Meters-Service, Solar Charger, Battery Management System and Energy Meters-Service.

Projection for the next 5 years

(Rs. In Lakhs)

FOB value	62443.95
Import of Raw material and components	50027.7
FE	400.5
Net Foreign Exchange	11708.65

Performance of the unit (last 3 years):

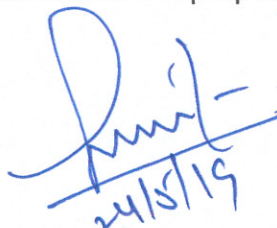
(Rs. In Lakhs)

Particulars	2016-17	2017-18	2018-19
Export	3717.98	7552.49	8503.21
Local sales	1633.40	2668.99	3220.91
Service & Job work	825.83	923.45	1159.53
Net Sales	6278.13	11241.26	12883.65

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, KASEZ has recommended the proposal of the company for conversion of existing DTA unit into EOU.


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3.3(19) M/s Breakpath Information Technology, an 100% EOU under CSEZ – Proposal for extension of LOP for 2nd five year block i.e. from 10.11.2016 to 09.11.2021.

M/s Breakpath Information Technology, 100% EOU, was issued LOP on 03.11.2009 for manufacture and export of Telecom Software testing Services. The unit commenced operation w.e.f. 10.11.2011. First block of 5 year of the unit got expired on 09.11.2016.

As the unit suffered loss due to 2G/3G telecom scam export of the unit was NIL during first five year block period. For negative NFE and for not filing IPR on time, the unit was issued with a SCN and order was issued on 05.03.2019, penalising them for amount of Rs. 50,000/-, which they have paid.

After expiry of two year of LOP, unit submitted application on 08.03.2019 to continue their EOU status.

Performance of the unit:

Export	0
Import of Capital Goods (only CG import, no other items required)	268.37 lakhs
NFE	-268.37 lakhs

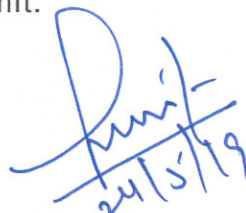
Relevant Provision: Para 6.01(i) of HBP 2015-20 mentions that “if the unit gives their option to continue in the EOU scheme after expiry of 6 months of the LOP, DC will grant extension after obtaining approval of BOA”.

DC's Recommendation: DC, CSEZ has recommended the proposal of the unit for extension of LOP for the 2nd block period i.e. from 10.11.2016 to 09.11.2021.

3.4(19) M/s Goodluck Garments Pvt. Ltd., an 100% EOU under KASEZ – Proposal for renewal of LOP for the 6th five year block period i.e. from 09.06.2018 to 08.06.2023.

M/s Goodluck Garments Pvt. Ltd., an 100% EOU under KASEZ was issued LOP on 17.01.1992 for manufacturing and export of Ready-made Garments viz. Men's, Ladies and Children wears. Unit commenced production on 10.06.1993. Unit's 5th five year block period expired on 08.06.2018.

Before expiry of the LOP, unit had applied for exit from the EOU Scheme on 23.02.2018. In this regard a letter dated 13.03.2018 had been issued to the unit for compliance of required documents prescribed under Para 6.18 of FTP 2015-20. But the unit neither complied for exit from EOU Scheme nor approach for renewal of LOP within stipulated time limit.


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In the meantime, DRI, Ahmedabad has issued a SCN to the unit on 05.10.2018 for evading Customs duty and mis-classification of chapter heading. KASEZ has also issued SCN to the unit under FTDR Act. Adjudication process are under process.

Now, the unit vide letter dated 03.04.2019 i.e. after the expiry of 10 months of LOP, has applied for renewal of LOP. The unit has achieved positive NFE of Rs. 704.10 lakhs during 5th five year block period. **The unit has projected Positive NFE of Rs. 743.59 lakh for the next five year block period.**

Relevant Provision: Para 6.01(i) of HBP 2015-20 mentions that "if the unit gives their option to continue in the EOU scheme after expiry of 6 months of the LOP, DC will grant extension after obtaining approval of BOA".

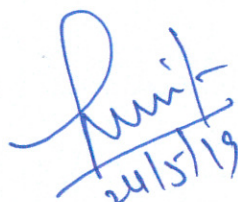
DC's Recommendation: DC, KASEZ has recommended the proposal of the unit for renewal of LOP for the 6th five year block period i.e. from 09.06.2018 to 08.06.2023.

3.5(19) M/s A.R. Sulphonates Pvt. Ltd., an EOU under SEEPZ – Request for debonding.

M/s A.R. Sulphonates Pvt. Ltd. were granted LOP on 08.12.2004 for manufacture and export of Linear Alkyl Benzene Sulphonic Acid (LABSA/Acid Slurry) Spent Acid (By Product) (Spent Sulphuric Acid). They have been in operation since 30.04.2005.

The unit has applied for debonding. Vide letter dt. 02.01.2017, the Asstt. Commissioner of CGST and Central Excise has stated that the unit has paid an amount of Rs. 52,467/- towards Central Excise duty on Stock (closing stock as on 30.11.2016 declared by the assesses). Assessess has paid MOT charges for October 2016 and November 2016 for an amount of Rs. 29,790/-. Assessess has submitted Proof of Export (POE) till July 2016. From August, 2016 till date for the submission of pending POEs the assesses has furnished an undertaking. Assessess has paid penalty of Rs. 1600/- for delay in filing of ER-2 returns dated 21.12.2016.

The unit has furnished Bank guarantee for an amount of Rs. 1,46,260/- with reference to SCN issued dated 11.06.2008 which was confirmed Vide O-I-O dated 27.08.2008 against which an appeal has been filed by the assesses and the same is pending before CESTAT as on 30.11.2016.


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The unit has also furnished Bank guarantee for an amount of Rs. 36,93,855/- with reference to SCN dated 26.05.2014 which was confirmed vide O-I-O dated 26.11.2015 against which an appeal has been filed by the assesses with the Commissioner (Appeals) and the same is pending as on 30.11.2016.

Further, the unit has 2 pending CRA objection regarding Non levy on SAD (Special Additional Duty) on clearance of finished goods into DTA (Rs. 53,94,000/- & Rs. 9,41,000/-). Reply of the unit has been forwarded to CRA and CRA has been requested to drop the Audit Para on merit.

Further, vide letter dated 13.03.2019, the CRA has requested to the O/o Commissioner of GST, Thane to give the updated status of SCN and comment on their letter dated 20.04.2014 and also send proof of the VAT given by the unit on DTA sale. The updated status of the CRA is awaited.

It is to be mentioned that in the similar case wherein a CRA objection was pending in respect of M/s Accusynth Speciality Chemical Pvt. Ltd. (an EOU under SEEPZ) wherein the unit intended to debond from the EOU Scheme was forwarded to BOA and BOA has considered the request and approved the debonding of the unit in its 1st BOA Meeting (2019 series) held on 22.02.2019.

Relevant Provision: Appendix 6K of APPENDICES AND AAYAT NIRYAT FORMS OF FTP 2015-2020 provides that "In case the unit has failed to fulfill the terms and conditions of LOA and **penal proceedings are to be taken up/are in process**, a legal undertaking for payment of penalties, that may be imposed, would be executed with the concerned Development Commissioner

DC Recommendation: DC, SEEPZ has recommended the proposal of unit.

Unit
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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 01.02.2019 to 09.04.2019	SEEPZ
B	Approvals granted under delegated powers for the period Dec'2018 to March'2019	NSEZ
C	Approvals granted under delegated powers	VSEZ

D
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