

Agenda for the Unit Approval Committee for EOUs
to be held on 11.03.2016.

Sub: Request for broadbanding of LoP - M/s. JVS Engineers, Vadodara
for inclusion of repair and maintenance services in their LOP.

M/s. JVS Engineers, was approved for conversion of their existing DTA unit into EOU at Shed No. 33, G.I.D.C., Makarpura, Vadodara for manufacturing of Choke & Valves, X-mas tree assembly, Spool & flanges, Manifold, Manifold vide LoP dated 18.08.2006, as amended. The unit has started its commercial production on 18.08.2006.

Now the unit had sought permission for inclusion of repair and maintenance services for international exports also in their LOP. The unit proposes to commence a Repair and Maintenance Services from their existing premises.

The unit proposes to have permission for Repair and Maintenance activities for the following: -

1. Chokes/Valves/X mas tree Repair & Maintenance
2. BOP Repair & Maintenance
3. Riser Repair & Maintenance
4. Gear Box and accessories
5. Jacking Parts

They will be carrying out repair as per API 6A and API 16A specifications for which they got licence from American Petroleum Institute USA. Their process start from design section since they focus more on providing engineering supports. Repair and maintenance service will be more on engineering and design basis. Material requirement will be very less and they will be getting customer equipment for repair and will be carrying repair and maintenance services at customer site as well on day rate basis.

Further, they will not need any raw material but they will need consumable items like grease, bearing, parts from equipment manufacture etc. They will not need any new machinery for repair and maintenance services.

For the proposed inclusion of Repair and Maintenance Services, they are targeting 1 million USD export every year.

Further, the unit had stated that as per para 6.08 (b) of FTP, they are providing engineering service to Oil & Gas Sector like ONGC and other offshore drilling company wherein they may be allowed to receive payment in Indian currency also. In this regard, para 6.08 of FTP stipulates that for services sale in DTA, the payment of such services is to be received in foreign exchange.

As per para 6.07 of FTP, 2015-2020 application for setting up of units under EOU Scheme shall be approved or rejected by the Units Approval Committee within 15 days as per criteria indicated in HBP. Previously for inclusion of service activities in the existing LOP approval of BOA was required.

For inclusion of service activity in their LOP, the unit should have to maintain separate accounts for services and manufacturing activities and no DTA sale of service activities will be allowed.

The proposal of the unit for broad-banding for inclusion of Repair and Maintenance services for international exports in their LOP dated 18.08.2006 is placed before UAC for consideration.
