MEETING NOTICE

Subject: 5th Meeting (2020 series) of Board of Approval (BOA) for EOU Scheme scheduled to be held on 25.09.2020 at 11:30 A.M. through video conferencing - forwarding of Agenda reg.

The undersigned is directed to forward herewith a copy of an agenda items of the 5th Meeting (2020 series) of the Board of Approval (BOA) for EOU scheme scheduled to be held on 25.09.2020 under the Chairmanship of Commerce Secretary at 11.30 A.M. through video conferencing. The Commerce Secretary will be in Room No. 141, Udyog Bhawan, New Delhi during the meeting and officers of nearby building may attend the meeting in that room, if they so like.

2. The addressees are requested to make it convenient to attend the meeting.

Encl: As Above

(Sumit Kumar Sachan)
Under Secretary to the Government of India
Tel: 23062496
E-mail: sumit.sachan@nic.in

1. Department for Promotion of Industry and Internal Trade (DPIIT).
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
8. All DCs.

Copy to: PSO to CS/PS to AS(SK)/PS to DS (SNS).
AGENDA FOR THE 5\textsuperscript{th} BOA MEETING (2020 SERIES) FOR EOU SCHEME TO BE HELD ON 25.09.2020 at 11:30 A.M. through NIC Video Conferencing.

5.1(20) Confirmation of Minutes of the 4\textsuperscript{th} BOA (2020 Series) meeting held on 31.07.2020.

5.2(20) M/s Motherson Sumi Systems Ltd. (EOU under jurisdiction of CSEZ) - Proposal for extension of LoP for 5 years i.e. 27.08.2017 to 26.08.2022.

M/s Motherson Sumi Systems Ltd. was issued LoP dated 25.04.2002 for manufacturing Wiring Harness, Base Plate for Computer, Cooling Systems for Computer CPU etc. The unit commenced commercial production w.e.f. 27.08.2002. The 3\textsuperscript{rd} block of five years of operation has already expired on 26.08.2017. The unit was issued in-principle permission to exit from EOU Scheme on 29.08.2018. However, the unit has not completed the exit formalities till date, since assessment of duty to be paid on Capital Goods and raw materials is not completed. In this regard, after expiry of three years of the LoP, the unit vide application dated 21.01.2020 & 10.08.2020 has applied for renewal of their LoP w.e.f. 27.08.2017 to 26.08.2022 for completing exit formalities.

Performance of the unit for the last 5 years:

2013-14: Rs. 7671 lakh
2014-15: Rs. 8019 lakh
2015-16: Rs. 7350 lakh
2016-17: Rs. 3297 lakh
2017-18: NIL
2018-19: NIL

Relevant Provision: Para 6.01(i) of HBP 2015-2020 states that "if the units gives their option to continue in the EOU Scheme after expiry of six months of the LoP, DC will grant extension after obtaining approval of BOA."

DC's Recommendation: DC-CSEZ has recommended the request of the unit for extension of LoP w.e.f. 27.08.2017 to 26.08.2022.

5.3(20) Proposals for renewal of LOA of Worn and used clothing units & Plastic Recycling units under KASEZ for next five years i.e. from 01.10.2020 to 30.09.2025.

Total six proposals w.r.t. worn and used clothing units & Plastic Recycling units under jurisdiction KASEZ for renewal of their LOAs for the next five years have been received. The LoA of all these units is valid upto 30.09.2020. These units are as under:

<table>
<thead>
<tr>
<th>Worn and Used clothing units (2)</th>
<th>BOA decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) M/s Prayas Woollens Pvt. Ltd.</td>
<td>BOA in its 4\textsuperscript{th} meeting held on 31.07.2020 had granted extension of LoA of these units upto 30.09.2020.</td>
</tr>
<tr>
<td>ii) M/s Geetanjali Woollens Pvt. Ltd.</td>
<td></td>
</tr>
<tr>
<td>iii) M/s Prime Exporters</td>
<td></td>
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<tr>
<td>iv) M/s Aaacorp Exim India Pvt. Ltd.</td>
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<tr>
<td>v) M/s Aasu Plastics Pvt. Ltd.</td>
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<tr>
<td>vi) M/s PMS Exports Pvt. Ltd.</td>
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</tbody>
</table>

Plastic recycling units (4) | BOA decision |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>i) M/s Prayas Woollens Pvt. Ltd.</td>
<td>BOA in its 3\textsuperscript{rd} meeting held on 29.05.2020 had granted extension of LoA of these units upto 30.09.2020.</td>
</tr>
</tbody>
</table>
The Board in its 4th meeting held on 31.07.2020 also directed to expedite the interdepartmental consultation to finalise the policy on used clothing units and plastic units so that same may be implemented.

The finalization of policy on used clothing and plastic units is under deliberation. The details of performance of the units is enclosed as Annexure-A.

**Relevant Provision:** i) As per Public Notice No. 31/2015-20 dated 26.08.2015 issued by DGFT (amendment in para (7) of Appendix 6B):

"Activities pertaining to reprocessing of garments/ used clothing/secondary textiles materials /clipping/rags/ industrial wipers/shoddy wool/ yarn/blankets/ shawls and other recyclable textile materials will not be allowed under EOU schemes. Provided that extension of Letter of Permission for an existing unit shall be decided by the Board".

ii) As per Policy Guidelines dated 17.09.2013 issued by DoC extension of LOA for an existing plastic units shall be decided by the Board.

**DC’s Recommendation:** DC-KASEZ has recommended all the six proposals for renewal of their LoAs for further 5 years i.e. from 01.10.2020 to 30.09.2025.
PART – II

Approval granted by Development Commissioner under Delegated Powers for RATIFICATION of BOA as per Press Note 3 of 1995

<table>
<thead>
<tr>
<th></th>
<th>Approval granted under delegated powers for the period as on June</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>VSEZ</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>Approval granted under delegated powers for the period from 01.02.2020 to 30.06.2020</td>
<td>SEEPZ</td>
</tr>
</tbody>
</table>
ANNEXURE - A

5.3.1(20)  M/s Prayas Woollens Pvt. Ltd., EOU under KASEZ – Proposal for renewal of LOA for next five year i.e. 01.10.2020 to 30.09.2025.

The unit had been issued LOA dated 02.01.2002 for rags, completely mutilated & sorted into colours, shoddy wool fibres/blends, shoddy synthetic fibres/blends etc. The unit commenced its operation w.e.f. 21.10.2004. LOA of the unit was earlier valid upto 31.08.2020. BOA in its 4th meeting (2020 series) held on 31.07.2020, extended the validity of the LOA for 1 month i.e. upto 30.09.2020.

It is to be mentioned that DoC vide letter dated 18.05.2018, physical export obligation/condition for EOU units engaged in reprocessing of used/worn clothing was amended as below and made applicable to EOUs w.e.f 13.02.2018:

“To ensure that worn/used clothing Export Oriented Units fulfill their export obligations, in addition to meeting their NFE obligation, all such units would be required to export not less than 66.67% i.e. 2/3rd of the total annual turnover. Further, physical export obligation (by volume) of 50% shall also apply.”

**Physical export obligation achieved by the unit as per the above amendment is as below:**

<table>
<thead>
<tr>
<th>Period</th>
<th>Total turnover</th>
<th>% of Physical export to total turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.12.2018 to 30.11.2019</td>
<td>1088.47</td>
<td>81.41%</td>
</tr>
<tr>
<td>01.12.2019 to 31.05.2020</td>
<td>459.22</td>
<td>81.84%</td>
</tr>
</tbody>
</table>

The unit has also achieved the physical export obligation (by volume) of 50% during the above mentioned period.

NFE for 2013-2018 = Rs. 771.27 lakhs
NFE for 2018-2019 = Rs. 404.05 lakhs

Proposed NFE for the next five year = Rs. 3233.00 lakhs

5.3.2(20)  M/s Geetanjali Woollens Pvt. Ltd., EOU under KASEZ – Proposal for renewal of LOA for next five year i.e. 01.10.2020 to 30.09.2025.

The unit had been issued LOA dated 01.10.1997 for Non-woven Blankets, Wipers and Clippings, Shoddy Wool Blends, etc. The unit commenced its operation w.e.f. 24.10.2002. LOA of the unit was earlier valid upto 31.08.2020. BOA in its 4th meeting (2020 series) held on 31.07.2020, extended the validity of the LOA for 1 month i.e. upto 30.09.2020.

It is to be mentioned that DoC vide letter dated 18.05.2018, physical export obligation/condition for EOU units engaged in reprocessing of used/worn clothing was amended as below and made applicable to EOUs w.e.f 13.02.2018:

“To ensure that worn/used clothing Export Oriented Units fulfill their export obligations, in addition to meeting their NFE obligation, all such units would be required to export not less than 66.67% i.e. 2/3rd of the total annual turnover. Further, physical export obligation (by volume) of 50% shall also apply.”

**Physical export obligation achieved by the unit as per the above amendment is as below:**

(Rs. In lakhs)
<table>
<thead>
<tr>
<th>Period</th>
<th>Total turnover</th>
<th>% of Physical export to total turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.12.2018 to 30.11.2019</td>
<td>713.73</td>
<td>100%</td>
</tr>
<tr>
<td>01.12.2019 to 31.05.2020</td>
<td>63.74</td>
<td>100%</td>
</tr>
</tbody>
</table>

The unit has also achieved the physical export obligation (by volume) of 50% during the above mentioned period.

NFE achieved for 2013-2018 = Rs. 936.92 lakhs
NFE achieved for 2018-2019 = Rs. 627.72 lakhs

Proposed NFE for the next five year = Rs. 4370.00 lakhs

It is to be mentioned that an SCN dated 18.09.2017 was issued to the unit for non-fulfillment of stipulated NFE and penalty of Rs. 75 lakhs has been imposed vide O-I-O No. 15/2017-18 dated 07.11.2017. The unit appeal against said O-I-O and the same is pending before appellate authority.

5.3.3(20)  M/s Aasu Plastics Pvt. Ltd., EOU under KASEZ – Proposal for renewal of LOA for next five year i.e. from 01.10.2020 to 30.09.2025.

The unit had been issued LOA dated 24.10.1996 for manufacturing of “Recycled Granules of Plastics, Recycled Granules of Plastics Polypropylene, Polyethylene LDPE/LLDP/HD/PM, etc”. The unit commenced its operation w.e.f. 03.08.1998. LOA of the unit was earlier valid upto 30.06.2020. BOA in its 3rd Meeting (2020 series) held on 29.05.2020 extended the LOP of the unit for 3 months upto 30.09.2020.

It is to be mentioned that DoC vide letter dated 18.05.2018 had amended physical export obligation required to be achieved by Plastic recycling EOU (as mentioned in Policy guidelines for SEZ issued on 17.09.2013) as under and made applicable to EOU’s w.e.f 13.02.2018:

“To ensure that plastic reprocessing EOU units fulfill their export obligation, in addition to meeting their NFE obligation, all such units would be required to export not less than 35% of the total annual turnover.”

Physical export obligation achieved by the unit as per the above amendment is as below:

It is to be mentioned that due to fire accident in the factory premises, the unit had not exported goods during the period of FY 2014-15 to 2016-17.

<table>
<thead>
<tr>
<th>Period</th>
<th>Total turnover</th>
<th>NFE achieved</th>
<th>Physical Export (Rs. In lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.01.2017 to 31.12.2017</td>
<td>21.35</td>
<td>21.35</td>
<td>100%</td>
</tr>
<tr>
<td>01.01.2018 to 31.12.2018</td>
<td>45.21</td>
<td>45.21</td>
<td>100%</td>
</tr>
<tr>
<td>01.12.2018 to 30.11.2019</td>
<td>31.96</td>
<td>-</td>
<td>73.19%</td>
</tr>
<tr>
<td>01.12.2019 to 31.03.2020</td>
<td>6.23</td>
<td>-</td>
<td>0</td>
</tr>
</tbody>
</table>

Proposed NFE for the next five year i.e. from 2020-2025 = Rs. 2007.00 lakhs
It is to be mentioned that as per para 5(i) & (v) of Appendix 6B of Appendices and Aayat Niryat Forms of FTP 2015-20:

a) Extension of LOP of the existing EOU may be granted based on the terms & conditions of earlier LOP.
b) Existing units shall make physical exports as may be stipulated by BOA.

5.3.4(20) M/s Aacorpc Exim India Pvt. Ltd., EOU under KASEZ – Proposal for renewal of LOA for next five year i.e. 01.10.2020 to 30.09.2025.

The unit had been issued LOA dated 27.01.1998 for Recycled Plastics Crums, Agglomerers, Granules, Garbage Bags/Refuse Bags and Extruded & Moulded Goods of Virgin HDPE/LDPE/PP. The unit commenced its operation w.e.f. 27.09.2001. The unit was formerly known as M/s Aishwarya Plast Exports Pvt. Ltd. LOA of the unit was earlier valid upto 30.06.2020. BOA in its 3rd Meeting held on 29.05.2020 extended the LOP of the unit for 3 months upto 30.09.2020.

It is to be mentioned that DoC vide letter dated 18.05.2018 had amended physical export obligation required to be achieved by Plastic recycling EOU (s as mentioned in Policy guidelines for SEZ issued on 17.09.2013) as under and made applicable to EOU (s w.e.f 13.02.2018:

"To ensure that plastic reprocessing EOU (s units fulfill their export obligation, in addition to meeting their NFE obligation, all such units would be required to export not less than 35% of the total annual turnover."

Physical export obligation achieved by the unit as per the above amendment is as below:

<table>
<thead>
<tr>
<th>Period</th>
<th>Total turnover</th>
<th>% of Physical export to total turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.12.2018 to 30.11.2019</td>
<td>2652.87</td>
<td>34%</td>
</tr>
<tr>
<td>01.12.2019 to 31.05.2020</td>
<td>693.64</td>
<td>48.5%</td>
</tr>
</tbody>
</table>

NFE achieved for 2013-14 to 2017-2018 = Rs. 6887.42 lakhs
NFE achieved for 2018-19 = Rs. 189.75 Lakhs
Proposed NFE for the next five year = Rs. 3058.29 lakhs

A SCN dated 20.01.2020 was issued to the unit for non-compliance of physical export conditions and the same is pending for adjudication.

It is to be mentioned that as per para 5(i) & (v) of Appendix 6B of Appendices and Aayat Niryat Forms of FTP 2015-20:

a) Extension of LOP of the existing EOU may be granted based on the terms & conditions of earlier LOP.
b) Existing units shall make physical exports as may be stipulated by BOA

5.3.5(20) M/s Prime Exporters, EOU under KASEZ – Proposal for renewal of LOA for next five year i.e. 01.10.2020 to 30.09.2025

The unit had been issued LOA dated 18.09.1998 for manufacturing of Black Regenerated Methyle Metha Acrylate Monomer etc. The unit commenced its operation w.e.f. 06.11.2000.
LOA of the unit was earlier valid upto 01.07.2020. BOA in its 4th Meeting held on 31.07.2020 extended the LOP of the unit unto 30.09.2020.

It is to be mentioned that DoC vide letter dated 18.05.2018 had amended physical export obligation required to be achieved by Plastic recycling EOU's (as mentioned in Policy guidelines for SEZ issued on 17.09.2013) as under and made applicable to EOU's w.e.f 13.02.2018:

"To ensure that plastic reprocessing EOU's units fulfill their export obligation, in addition to meeting their NFE obligation, all such units would be required to export not less than 35% of the total annual turnover."

Physical export obligation achieved by the unit as per the above amendment is as below:

<table>
<thead>
<tr>
<th>Period</th>
<th>Total turnover</th>
<th>% of Physical export to total turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.12.2018 to 30.11.2019</td>
<td>763.45</td>
<td>100%</td>
</tr>
<tr>
<td>01.12.2019 to 31.05.2020</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

NFE for 2014-15 to 2017-2018 = Rs. 380.94 lakhs
NFE for 2018-19 = Rs. – 57.75 lakhs (Due to fire accident in the factory premises, the unit had not exported goods during the FY 2018-19).

Proposed NFE for the next five year = Rs. 3682.38 lakhs.

It is to be mentioned that as per para 5(i) & (v) of Appendix 6B of Appendices and AayatNiyat Forms of FTP 2015-20:

a) Extension of LOP of the existing EOU may be granted based on the terms & conditions of earlier LOP  
b) Existing units shall make physical exports as may be stipulated by BOA

5.3.6(20) M/s PMS Exports Pvt. Ltd., EOU under KASEZ – Proposal for renewal of LOA for next five year i.e. from 01.10.2020 to 30.09.2025.

The unit had been issued LOP dated 22.05.1995 for manufacturing of Plastic (Polymer) Bags, Films, Layfalt Tubings, Refuse Bags and Moulded Articles of Plastics, etc. The unit commenced its operation w.e.f. 15.11.1997. The LOP of the unit was earlier valid upto 30.06.2020. BOA in its 3rd Meeting held on 29.05.2020 extended the LOP of the unit for 3 months upto 30.09.2020.

It is to be mentioned that DoC vide letter dated 18.05.2018 had amended physical export obligation required to be achieved by Plastic recycling EOU's (as mentioned in Policy guidelines for SEZ issued on 17.09.2013) as under and made applicable to EOU's w.e.f 13.02.2018:

"To ensure that plastic reprocessing EOU's units fulfill their export obligation, in addition to meeting their NFE obligation, all such units would be required to export not less than 35% of the total annual turnover."

Physical export obligation achieved by the unit as per the above amendment is as below:
Since the unit has not received renewal permission from the pollution department, they have not undertake any kind of imports or export. Therefore, the unit has made no sale during 01.12.2018 to 31.03.2020.

NFE for 2014-15 = 873.15 lakhs
NFE for 2015-16 to 2017-18 = 0

Proposed NFE for the next five year = Rs. 987.80 lakhs.

It is to be mentioned that as per para 5(i) & (v) of Appendix 6B of Appendices and Aayat Niryat Forms of FTP 2015-20:

a) Extension of LOP of the existing EOU may be granted based on the terms & conditions of earlier LOP
b) Existing units shall make physical exports as may be stipulated by BOA.