

AGENDA FOR THE 4th BOA MEETING (2023 SERIES) FOR EOU SCHEME TO BE HELD ON 02.09.2023.

4.1(23) Confirmation of Minutes of the 3rd BOA (2023 Series) meeting held on 17.06.2023.

4.2(23) Proposal for inclusion of additional location outside the territorial Jurisdiction of Development Commissioner for storing of exempted goods (imported raw material) - M/s Hikal Limited, EOU under jurisdiction of CSEZ.

M/s Hikal Limited, an EOU located at Jigani, Karnataka under jurisdiction of CSEZ was issued LOP dated 22.02.2002 (as amended) for the manufacture and export of Bulk Drugs and its Intermediates. The unit commenced commercial production on 16.04.2002. The LoP of the unit is valid upto 15.04.2027.

Performance of the unit for the last 5 years:

FY	Export (in Lakhs)
2017-18	53614.27
2018-19	64766.52
2019-20	65222.63
2020-21	92624.86
2021-22	91274.61

The NFE of the unit for the 4th block year period i.e from 2017-22 is Rs. 652.25 crore.

The unit has applied for permission to include an additional location/area of 80 Sq. mtr. of M/s SWB Logistics Private Limited, Private Custom Bonded Warehouse, Gutt No. 55, Behind Bharat Shell, Plot No.T/5, Village-Kharine, Tal- Panvel, District-Raigad, which is outside the territorial jurisdiction of DC, CSEZ, for storing of their exempted goods i.e. imported raw materials.

In support of their request, the unit has submitted that they are importing raw materials through JNPT, Nhava Sheva, Mumbai Port and M/s SWB Logistics Private Ltd, Private Customs Bonded warehouse located at post Gutt No.55, Behind Bharat Shell Plot No. T/5, Village- Khairne, Tal- Panvel, District Raigad - 410208 is used for storing the exempted goods in the specified location. Hence, the unit is intend to include an additional location in the said Private Customs Bonded warehouse.

The unit has also submitted a copy of lease agreement dated 13.09.2021 executed with M/s SWB Logistics Private Limited for a period of three years i.e. from 13.09.2021 to 13.09.2024.

The BOA, in its 6th meeting (2021 series) held on 25.11.2021, has granted approval to one of their EOU unit located in Panoli, Gujarat for inclusion of additional location at the same premises for storing of exempted goods. In this regard, the unit has undertaken that they will maintain separate accounting of goods imported as well as storing in the additional location at M/s SWB Logistics Private Ltd., in respect of both the EOUs located at Panoli (Gujarat) and Jigani (Karnataka).

Relevant Para: Para 6.35 of HBP 2023 states that “BOA may consider change of location of EOU/ EHTP/ STP/ BTP unit from place mentioned in LoP to another and / or to include additional location outside territorial jurisdiction of original DC/ Designated Officer, subject to such conditions as BOA may decide”.

DC's Recommendation: DC-CSEZ has recommended the proposal of the unit.

4.3(23) Proposal for extension of LOP to complete the exit formalities - M/s Motherson Sumi Sytems Limited, EOU under jurisdiction of CSEZ.

M/s Motherson Sumi Sytems Limited, an EOU under jurisdiction of CSEZ, was issued LOP dated 25.04.2002 for manufacture and export of Wiring Harness, Base Plates for Computer Chips, Cooling Systems for computer CPU etc. The unit commenced commercial production on 27.08.2002. The 3rd block of five years expired on 26.08.2017.

Based on the request of the unit, in-principle exit from EOU Scheme was issued on 29.08.2018. Thereafter, the BoA in its 5th meeting of EoU (2020 series) held on 25.09.2020 extended the validity of LoP for the 4th five year block period from 27.08.2017 to 26.08.2021 to complete the exit formalities. The NFE of the unit for the 4th five year block period is Rs. 7.52 crore.

Now, the unit, vide their letter dated 21.03.2023, has submitted all the required documents for exit from EoU Scheme. The unit has informed that due to pending assessment from the Customs department, they could not submit the required documents for final exit within the extended validity period of LoP. The unit has confirmed that they have not done any activities viz., import, export etc., under EOU Scheme after the application has filed for exit. Hence, the unit has sought approval for temporary extension of LoP till 30.11.2023 to complete their exit formalities.

Since the BOA in the year 2020 extended the validity of the LoP of the unit to complete the exit formalities which expired on 26.08.2021, O/o CSEZ is not in a position to grant final exit to the unit. Therefore, DC-CSEZ has forwarded the proposal to extend the validity of LoP of the unit till 30.11.2023 to complete the exit formalities.

It may kindly be noted that the extension of LoP of the unit to complete their exit formalities was granted by BOA in its 5th meeting held on 25.09.2020 as per the earlier provision of HBP 2015-20 which is not in existence now. Currently, the HBP 2023 is in force w.e.f. 01.04.2023. And as per the existing provision, Development Commissioner can grant extension of LoP for completing exit formalities.

The LoP of the unit was expired on 26.08.2017. Therefore, the extension will also be required to regularize the period since 26.08.2021. Accordingly, the proposal is placed before the BOA for consideration.

Relevant provision: Para 6.01 (c) of HBP 2023 states that in case of extension of LoP required for completing exit formalities, the LoP may be extended for a limited period i.e. less than 5 years by the DC

DC's Recommendation: DC-CSEZ has recommended the proposal of the for temporary extension of LoP till 30.11.2023.