

File No. K-22019/4/2022-EOU
Ministry of Commerce & Industry
Department of Commerce
EOU Section

Udyog Bhawan, New Delhi
Dated: 21st July, 2022

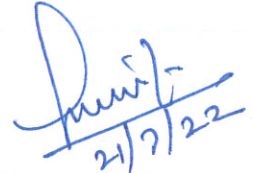
MEETING NOTICE

Subject: 4th Meeting (2022 series) of Board of Approval (BOA) for EOU Scheme scheduled to be held on 28.07.2022 – Agenda regarding.

The undersigned is directed to enclose herewith the Agenda for the 4th Meeting (2022 series) of the BOA for EOU scheme scheduled to be held on 28th July, 2022 at 4:00 PM in Room No. 427, Vanijya Bhawan, New Delhi under the Chairmanship of Commerce Secretary for information and necessary action. The Agenda has also been hosted on the website: www.sezindia.gov.in.

2. The weblink for the said meeting will be shared by this Department shortly.

Encl: As above.



Sumit Kumar Sachan
Under Secretary to govt. of India
Tel: 23062496
Email: sumit.sachan@gov.in

1. Department for Promotion of Industry and Internal Trade (DPIIT).
2. CBIC [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: PPS to CS/PPS to AS(AI)/PPS to JS(VB)/PPS to DIR(SNS).

AGENDA FOR THE 4th BOA MEETING (2022 SERIES) FOR EOU SCHEME TO BE HELD ON 28.07.2022.

4.1(22) Confirmation of Minutes of the 3rd BOA (2022 Series) meeting held on 26.05.2022.

4.2(22) Proposal for addition of new location in LOP – M/s Allied Nippon Limited, 100% EOU under jurisdiction of NSEZ.

M/s Allied Nippon Limited, 100% EOU unit is located at A-12, Site-IV, Sahibabad Industrial Area, Ghaziabad under the jurisdiction of NSEZ. The unit was issued LOP dated 23.05.1990 and is engaged in manufacturing and export of Brake Pad Disc Break Pad and Disc Brake Shoes.

The unit has requested for addition of new location i.e. Godown No. 5, Plot No. 1, Survey No. 55/2, Nana Kapaya, Distt. Kachchh, Gujarat in their LOP dated 23.05.1990. The unit has stated they have taken the proposed additional location on lease and will use the location for warehousing purpose. O/o Commissioner of Customs, Mundra has informed that the Godown is in existence and clearly demarcated, equipped with electricity/lighting facilities and sufficient space inside the godown.

It is to be mentioned that the unit is located under the jurisdiction of NSEZ and the proposed additional location is in State of Gujarat which comes under the jurisdiction of KASEZ.

Performance of the unit for the last five year:

FY	NFE (In lakhs)
2017-18	9360.86
2018-19	6215.19
2019-20	8072.66
2020-21	8626.90
2021-22	10538.97
Total	42814.58

Relevant Provision: Para 6.35 of HBP 2015-20 provides that the BOA may consider change of location of EOU 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-NSEZ has recommended the proposal.

4.3(22) Proposal for conversion of existing DTA unit into 100% EOU unit – M/s Novartis Healthcare Private Limited.

M/s Novartis Healthcare Private Limited (located at Synergy Square 3, building No. 1800 & 2700, Plot No. 4, Sy. Nos. 101 and 101/2, Lalgadi Malakpet Village, Shameerpet Mandal, Medchal-Malkajgiri District,

Telangana) has applied for conversion of existing DTA unit into 100% EOU for manufacture and export of “Pharmaceutical R&D Services including Analytical Development Activities and Formulation Development Activities”.

Performance of the unit:

Year	FOB value of Export (Rs. in lakhs)
2017-18	41,805.00
2018-19	52,806.00
2019-20	60,890.45

Investment in Plant and Machinery:

(In lakhs)

Particulars	Existing	Proposed	Total
Imported	24,279.93	10,927.64	35,207.57
Indigenous	10,212.66	8,375.17	18,587.83
Total	34,492.59	19,302.81	53,795.40

The investment of the unit in Plant and Machinery is Rs. approx. 345 crore.

Proposed performance for the next three years:

(In lakhs)

FOB value of exports	535127.34
Import of Capital Goods	10927.64
Import of raw material, component etc.	32745.43
Total FE outgo	43673.08
NFE	491454.26
Indigenous capital goods	8375.17
Indigenous raw material, consumables, packing material, fuel etc.	5959.40
Foreign Holding	600.00

The unit has submitted the said proposal to simplify procedures and also help them in meeting the timelines:

- i. Exemptions from obtaining import license as per “Schedule D” of Drug & Cosmetic Act.
- ii. Faster clearance by DC office
- iii. Exemption of duties on import of equipment, consumables, spares and other items
- iv. Tax can be refunded for local purchases

Relevant Provision: As per para 6.19 (c) of FTP 2015-20 (updated as on 05.12.2017):

“Applications for conversion into an EOU 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-VSEZ has recommended the proposal.

4.4(22) Proposal for conversion of existing DTA unit into 100% EOU unit – M/s Sun Plast.

M/s Sun Plasts (manufacturing plant at Masat Silvassa, Dist. Silvassa) has applied for conversion of existing DTA unit into 100% EOU for manufacture and export of Polyethene Bags, Plastic Cup, Plastic Film and Aluminium Foil. The unit was incorporated on 14.01.2020. The annual capacity of the unit is as under:

Item Description	Annual Capacity (MT)
Polyethene Bags	6000
Plastic Cup	60
Plastic Film	400
Aluminium Foil	300

The investment of the unit in Land and Building is Rs. 199.23 lakhs. The investment of the unit in Plant and Machinery is Rs. 1436.68 lakhs. The existing total employment of the unit is 200 (Men+Women). The proposed additional employment of the unit is 51 (Men+Women).

Export performance of the unit:

Year	FOB value (in lakhs)
2019-20	10540.68
2020-21	11960.83
2021-22	15190.47

Relevant Provision: As per para 6.19 (c) of FTP 2015-20 (updated as on 05.12.2017):

“Applications for conversion into an EOU 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-SEEPZ SEZ has recommended the proposal.

4.5(22) Proposal for renewal of LoPs of the Plastic Recycling EOU units under KASEZ.

The following four plastic recycling units under jurisdiction of KASEZ has applied for renewal of LoP:

Name of the unit	LoP Expiry date
M/s Prime Exporters	26.08.2022
M/s Aasu Plastic Pvt. Ltd.	
M/s Aaacorp Exim India Pvt. Ltd.	
M/s PMS Exports Pvt. Ltd.	

The LoPs of the said units were earlier valid till 26.07.2022. The Board in its 3rd Meeting held on 26.05.2022, granted extension of validity of LoP for a period of one month up to 26.08.2022. The Board further directed that the units shall submit their individual requests for extension of LoP with all the requisite details in terms of the FTP 2015-20, through their respective Development Commissioner (DC) in a time bound manner. The DC shall examine the same and make appropriate recommendation so that a suitable proposal may be placed before the Board of Approval in the next meeting to be held in the last week of July, 2022 for consideration of the Board.

It may be noted that the policy for plastic recycling units in SEZs & EOUs was formulated in consultation with all concerned stakeholders and issued on 27.05.2021. The policy stipulates that extension/renewal of LOA of existing units would be considered by the BoA for a period of 18 months as per notification dated 27.01.2021 issued by MoEF&CC as well as the conditions as laid down by the MoEF&CC.

Later, in connection to various representations for extending the validity of LoA granted to plastic recycling units in SEZs and EOUs for a term of 5 years in place of 18 months and subsequent stakeholders consultations, DoC vide circular dated 05.05.2022 revised the policy dated 27.05.2021 to the effect that the LoA of the Plastic Recycling units in SEZs and EoUs may be extended for 5 years by the Board of Approval subject to fulfilment of other conditions/norms. Other conditions of the policy guidelines dated 27.05.2021 in respect of plastic recycling units will remain unchanged.

Policy Condition: In terms of policy for plastic recycling units in EOUs dated 27.05.2021, besides the NFE obligation, the units shall be required to comply with to the extent-

- a. 35% of the exports in terms of annual turnover and
- b. 50% in terms of tonnage.

Further, the units shall be allowed to make clearance in DTA, other SEZ units as well as EOUs as long as they fulfill the NFE and other conditions. Clearance to other SEZ units/EOUs will not be counter towards mandatory physical export obligations.

In light of the direction of Board, the plastic recycling units have individually applied for renewal of their LOPs for five years (Annexure).

ANNEXURE

1. Proposal from M/s Aaacorp Exim India Pvt. Ltd.

The unit was issued LOP dated 27.01.1998 for Recycled Plastics Crums, Agglomer, Granules, Garbage Bags/ Refuse Bags and Extrude & Moulded Goods of Virgin HDPE/LDPE/PP. The unit commenced its export production w.e.f. 27.09.2001 and its LOP is valid till 26.08.2022.

The unit has proposed NFE of Rs. 4157 lakhs for the next five years. The unit has proposed to import raw material total of Rs. 14134 lakhs.

Performance of the unit:

(in lakhs)

Year	Export	Forex Outgo	NFE earning
2017-18	2026.55	1655.61	370.94
2018-19	2359.55	2169.80	189.75
2019-20	2882.08	1940.10	941.97
2020-21	1009.78	240.57	769.21
2021-22	5046.97	2425.55	2621.42
Total	13324.93	8431.63	4893.29

Performance of the unit during the period 01.04.2017 to 15.06.2022:

Total Physical export of Turnover			
Period: 01.04.2017 to 31.12.2019 (in value term)	Total Turnover (in lakhs)	Physical Exports (in lakhs)	% of Physical export to Total turnover
	6733.89	2214.54	32.89
Period: 01.01.2020 to 15.06.2022 (in value term)	6550.47	2936.17	44.82
Period: 27.01.2021 to 16.06.2022 (in quantity terms)	7748.39 (MT)	2223.28 (MT)	28.70

The unit was issued SCN dated 21.01.2020 for non-compliance of physical export conditions and penalty of Rs. 115.89 lakhs has been imposed vide OIO dated 11.08.2020. The unit filed appeal before the DGFT against

the OIO. The unit has filed SCA No. 2208 of 2021 before the Hon'ble High Court of Gujarat and the Court has granted stay/interim relief against the recovery of penalty till the next date of hearing.

DC's Recommendation: DC-KASEZ has recommended the proposal for consideration in terms of Appendix 6B of Appendices and Aayat Niryat Forms of FTP 2015-20, extended up to 30.09.2022, with the following conditions:

i) The units have been functional as an EOU since the last 21 years and the plastic recycling sector is employment intensive where most of the workforce consists of female workers. Accordingly, the unit's proposal may be considered positively subject to the condition that physical export performance with regard to value and quantity shall be monitored annually and DTA sale may be stopped till the unit achieves the physical export obligation in quantity and value terms of the previous year.

ii) All conditions stipulated as per DoC's policy guidelines of 27.05.2021, as amended vide DoC's letter dated 05.05.2022 shall be strictly followed.

2. Proposal from M/s Prime Exporters:

The unit was issued LOP dated 18.09.1998 for manufacturing of "Black Regenerated Methylene Acrylate Monomer and Regenerated Methylacrylate Monomer" etc. The unit commenced its export production w.e.f. 06.11.2000 and its LOP is valid till 26.08.2022.

The unit has proposed NFE of Rs. 3940.44 lakhs for the next five years. The unit has proposed to import raw material total of Rs. 25992.50 lakhs.

Performance of the unit:

(In lakhs)

Year	Export	Forex Outgo	NFE earning
2017-18	336.59	224.26	112.33
2018-19	0.00	57.76	-57.76*
2019-20	763.45	415.21	348.24
2020-21	296.64	133.04	163.60
2021-22	367.53	189.15	178.38
Total	1764.21	1019.42	744.79

Performance of the unit during the period 01.04.2017 to 15.06.2022:

Total Physical export of Turnover			
Period: 01.04.2017 to 31.12.2019 (in value term)	Total Turnover (in lakhs)	Physical Exports (in lakhs)	% of Physical export to Total turnover
	1237.37	1237.37	100
Period: 01.01.2020 to 15.06.2022 (in value term)	664.17	664.17	100
Period: 27.01.2021 to 16.06.2022 (in quantity terms)	582.04 (MT)	582.04 (MT)	100

There was no instance of violation of applicable statutes related to the functioning of the unit and case of default during previous 5 years of operation.

DC's Recommendation: DC-KASEZ has recommended the proposal for consideration in terms of Appendix 6B of Appendices and Aayat Niryat Forms of FTP 2015-20, extended up to 30.09.2022, with the following conditions:

i) The units have been functional as an EOU since the last 21 years and the plastic recycling sector is employment intensive where most of the workforce consists of female workers. Accordingly, the unit's proposal may be considered positively subject to the condition that physical export performance with regard to value and quantity shall be monitored annually and DTA sale may be stopped till the unit achieves the physical export obligation in quantity and value terms of the previous year.

ii) All conditions stipulated as per DoC's policy guidelines of 27.05.2021, as amended vide DoC's letter dated 05.05.2022 shall be strictly followed.

3. Proposal from M/s PMS Exports Private Limited:

The unit was issued LOP dated 22.05.1995 for "Plastic (Polymer) Bags, Films, Layflat Tubings, Refuse Bags and Moulded Articles of Plastics, etc". The unit commenced its export production w.e.f. 15.11.1997 and its LOP is valid till 26.08.2022.

The unit has proposed NFE of Rs. 1307 lakhs for the next five years. The unit has proposed to import raw material total of Rs. 4563 lakhs. The performance of the unit for the last five years is NIL.

A SCN dated 05.01.2021 was issued to the unit for non-submission of APR for FY 2018-19 and penalty of Rs. 25,000/- has been imposed vide OIO dated 16.02.2021. The unit has paid the penalty of Rs. 25,000/-.

The unit has stated that financial constraints were the single impediments in getting the recycling project started till now. They have arranged funds for additional capital for their recycling project. Also, they will start manufacturing in the current quarter i.e. July to September, 2022.

DC's Recommendation: DC-KASEZ has recommended the proposal of the unit subject to following conditions:

- i) The unit may be given one last opportunity to conduct/carry forward the business as they have applied for renewal of LoP thereby showing their willingness to carry the business of manufacturing, forward.
- ii) All conditions stipulated as per DoC's policy guidelines of 27.05.2021, as amended vide DoC's letter dated 05.05.2022 shall be strictly followed.

4. Proposal from M/s Aasu Plastics Pvt. Ltd.:

The unit was issued LOP dated 24.10.1996 for Plastic Granules of Plastics, Recycled Granules of Plastics Polypropylene, Polyethylene LDPE/LLDP/HD/HM etc. The unit commenced its export production w.e.f. 03.08.1998 and its LOP is valid till 26.08.2022.

The unit has proposed NFE of Rs. 174 lakhs for the next five years. The unit has proposed to import raw material total of Rs. 3500 lakhs.

Performance of the unit:

(in lakhs)

Year	Export	Forex Outgo	NFE earning
2017-18	21.35	00.00	21.35
2018-19	45.21	00.00	45.21
2019-20	00.00	25.46	-25.46
2020-21	48.28	20.28	28.00
2021-22	08.08	00.00	08.08
Total	122.92	45.74	77.18

Performance of the unit during the period 01.04.2017 to 15.06.2022:

Total Physical export of Turnover			
Period: 01.04.2017 to 31.12.2019 (in value term)	Total Turnover (in lakhs)	Physical Exports (in lakhs)	% of Physical export to Total turnover
	75.11	66.56	88.62
Period: 01.01.2020 to 15.06.2022 (in value term)	154.96	0.00	0
Period: 27.01.2021 to 16.06.2022 (in quantity terms)	199.20 (MT)	0.00 (MT)	0

There is no instance of violation of applicable statutes related to the functioning of the unit and case of default during previous 5 years of operation.

The unit has stated that due to non-consistent policy on import of Plastics wasted, they were not able to work promptly and worked only to survive as an EOU. Further the unit has stated that in the international market they need long term commitments and they are not able to give any commitments on export and consistent supply due to non-consistent Government Policy on import of plastic waste. Also they have stated that now they have installed one line for manufacturing of garbage bags/liners for industrial use and export.

DC's Recommendation: DC-KASEZ has recommended the proposal of the unit subject to following conditions:

- i) The unit may be given one last opportunity to conduct/carry forward the business as they have applied for renewal of LoP thereby showing their willingness to carry the business of manufacturing, forward.
- ii) All conditions stipulated as per DoC's policy guidelines of 27.05.2021, as amended vide DoC's letter dated 05.05.2022 shall be strictly followed.