

File No. ADMN/129/2022-EOU
Ministry of Commerce & Industry
Department of Commerce
EOU Section

Udyog Bhawan, New Delhi
Dated: 20th Oct, 2022

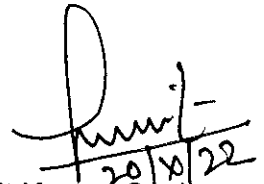
MEETING NOTICE

Subject: 5th Meeting (2022 series) of Board of Approval (BOA) for EOU Scheme scheduled to be held on 29.10.2022 – Agenda regarding.

The undersigned is directed to enclose herewith the Agenda for the 5th Meeting (2022 series) of the BOA for EOU scheme scheduled to be held on 29th Oct, 2022 at 3:00 PM to 5:00 PM under the Chairmanship of Commerce Secretary at GIFT City SEZ, Ahmedabad in hybrid mode, for information and necessary action. The Agenda has also been hosted on the website: www.sezindia.gov.in.

2. All the addresses are requested to kindly make it convenient to attend the meeting. The weblink for the said meeting will be shared by this department shortly.

Encl: As above.



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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 5th BOA MEETING (2022 SERIES) FOR EOU SCHEME TO BE HELD ON 29.10.2022.

5.1(22) Confirmation of Minutes of the 4th BOA (2022 Series) meeting held on 28.07.2022.

Proposal to amend the Minutes of the 4th meeting (2022 Series) w.r.t. item No. 4.2(22) regarding proposal of M/s Allied Nippon Limited for inclusion of an additional location in LoP which is outside the territorial jurisdiction of original Development Commissioner.

The proposal of the subject unit for inclusion of additional location in LoP which is outside the territorial jurisdiction of original Development Commissioner was placed before the BoA in the 4th meeting (2022 Series) for EOUs held on 28.07.2022. The comments of DGEP on the said proposal were as follows:

“BOA may consider the proposal under Para 6.35 of HBoP with inclusion of a Standard Operating Procedure, made in consultation with Jurisdictional Customs/GST authorities for the purpose, finalized and adopted between the two Development Commissioners as a mechanism to ensure consonance with FTP provisions. The SOP may be shared.”

The Board, approved the proposal of the unit and the minutes were issued on 10.08.2022. The minutes of the agenda item read as follows:

The Board, after deliberations, approved the proposal of the unit to include additional location (i.e. Godown no. 5, Plot no. 1, Survey no.55/2, Nana Kapaya, Distt. Kachchh,, Gujarat under KASEZ) in the LOP dated 23.05.1990, which is outside the territorial jurisdiction of original Development Commissioner i.e. NSEZ.

In this regard, DGEP has invited an attention to their comments on the proposal and informed that their recommendation regarding SOP was not incorporated in the minutes. Accordingly, DGEP has requested DoC to either amend the minutes accordingly or direct the concerned Development Commissioners to adopt a Standard Operating Procedure (SOP), made in consultation with Jurisdictional Customs/GST authorities as a mechanism to ensure consonance with FTP provisions. They have further requested to shared the SOP with DGEP.

In connection to the above, it may be noted that while approving a similar proposal of M/s Hikal Ltd., 100% EoU under jurisdiction of KASEZ for additional location outside territorial jurisdiction of original Development Commissioner i.e. at Panvel, Raigad Maharashtra in the 6th meeting (2021 Series) of EOUs held on 25.11.2021, it was recorded in the minutes that the Board directed that the DC, KASEZ should finalize a clear Standard Operating Procedure(SOP) in consultation with Jurisdictional Customs /GST authorities so that there is no misuse of additional location.

In view of the above, it is proposed to amend the minutes of the 4th meeting (2022 Series) w.r.t. item no. 4.2(22) regarding proposal of M/s Allied Nippon Limited for an additional location by incorporating the following para under the existing para:

The Board directed that the DC, NSEZ should finalize a clear Standard Operating Procedure (SOP) in consultation with Jurisdictional Customs /GST authorities so that there is no misuse of additional location.

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

It is to be mentioned that following 4 Plastic recycling EOU units are under KASEZ:

Sr. No.	Name of the unit	LoP expired
1	M/s Prime Exporters	26.08.2022
2	M/s Aasu Plastic Pvt. Ltd.	
3	M/s Aaacorp Exim India Pvt. Ltd.	
4	M/s PMS Exports Pvt. Ltd.	

It is to be mentioned 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 this regard, the BoA in its 4th Meeting held on 27.07.2022, decided that the LoA of only those units which meet the NFE obligations in addition to the criteria of exports in terms of annual turnover as well as tonnage, as specified in the DoC's policy dated 27.05.2021, stand extended for a further period of five years beyond 26.08.2022. Jurisdictional Development Commissioner may take further necessary action accordingly.

Accordingly, on the direction of BOA, DC-KASEZ extended the LoP of only one unit i.e. M/s Prime Exporters as the unit qualify to be fit for renewal of LoP in terms of DoC's Policy dated 27.05.2022. Rest of the units did not fulfill the policy terms. Therefore, their LoP was not extended.

However, DC-KASEZ has forwarded the representation of these 3 plastic recycling EOU units for extension of their LoP for five years. Performance of these units has been enclosed as Annexure.

Out of above 3 mentioned units, only one unit has submitted undertaking that their DTA sale may be stopped till the unit fulfill their export obligations. Rest 2 units have not submitted any undertaking in this regard.
