

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

Vanijya Bhawan, New Delhi  
Dated: 10<sup>th</sup> November, 2022

**OFFICE MEMORANDUM**

**Subject: Minutes of 5<sup>th</sup> Meeting (2022 series) of Board of Approval (BOA) for EOU Scheme held on 29.10.2022.**

The undersigned is directed to forward herewith a copy of the Minutes of the 5<sup>th</sup> Meeting (2022 series) of the Board of Approval for EOU Scheme held on 29.10.2022 for necessary action.

2. Implementation report on the decisions taken by the Board of Approval may please be forwarded to this Department.

**Encl: As Above**

  
(Vijay Kumar Meena)  
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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: PSO to CS/PPS to AS(LSS)/PPS to JS(VB)/PPS to D(SNS).**

**MINUTES OF THE 5<sup>TH</sup> MEETING (2022 SERIES) OF THE BOARD OF APPROVAL FOR EOU SCHEME HELD UNDER THE CHAIRMANSHIP OF COMMERCE SECRETARY at GIFT CITY SEZ, AHMEDABAD ON 29.10.2022 IN HYBRID MODE.**

**5.1(22) Ratification of the Minutes of the 4th meeting (2022 Series) for EOU held on 28.07.2022.**

DGEP invited attention to their comments on the proposal w.r.t. agenda item No. 4.2(22) of the 4<sup>th</sup> Meeting pertaining to M/s Allied Nippon Limited for inclusion of an additional location in LoP which is outside the territorial jurisdiction of original Development Commissioner and informed that their recommendation regarding SOP was not incorporated in the minutes.

Accordingly, the Board took the comments of DGEP on record and ratified the minutes regarding agenda item no. 4.2(22) of the 4<sup>th</sup> meeting (2022 series) as under:

*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.*

*Further, 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.*

The Board also ratified rest of the minutes of its 4<sup>th</sup> meeting held on 28.07.2022 with the aforesaid changes.

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

The Board was informed that in the previous Board meeting [4th meeting for (2022 series) EOU Scheme held on 28.07.2022], it was decided that the plastic recycling units which did not fulfill the three obligations stipulated vide DoC's policy dated 27.05.2021 viz. - 1. NFE obligation; 2. turnover based exports and 3. tonnage based exports - would not qualify for renewal of validity of their Letter of Approvals beyond 26.08.2022. Total 03 EOU units in KASEZ which could not qualify have approached the Development Commissioner for consideration of extension of validity of their LoAs.

DC, KASEZ recommended extension of LoA of these units subject to the condition that till the units fulfil their NFE and export obligations, they shall not be allowed any DTA sale.

Department of Revenue (DoR), in its written comments, has stated that the extension should not be considered since these units had failed to meet the obligations of the policy dated 27.05.2021. During the course of discussions in BoA, ADG, DGEP representing DoR reiterated the position highlighting the non-compliance of policy conditions (i.e. NFE and other export obligations) by the units and opposed their further extension.

  
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The representative from MoEF&CC informed the Board that in the light of submissions from the units as well as the position of the Development Commissioners concerned, they are inclined to support the proposal of conditional renewal of the units to allow these units to fulfill their shortfall in achievement of their obligations, despite the fact that the obligations stipulated in DOC policy dt. 27.05.2021 were not fulfilled by these units earlier.

During further discussions, DoR again stated that its opposition is based primarily on policy conditions including shortfall in NFE. It was also noted that one unit was not operational at all and another unit has not exported during the 18 month period of extension so there seems to be no intent of fulfilling the obligation by them. This may be also be considered by the BoA.

While deliberating on the proposal, Board noted that-

- The sector has significant employment potential and provides employment to several thousand employees;
- These employees are mainly in the category of unskilled labour and especially, unskilled women;
- This sector also has considerable export potential in terms of value added products manufactured from the imported plastic waste;
- The industry has suffered due to lockdown during the Covid pandemic and is trying to revive;
- If the units have demonstrated their intent to comply with the obligations and have fallen short despite their best efforts, it is appropriate to give one more chance to fulfill their obligations rather than to close them abruptly on account of their shortfall;
- However, units which have not fulfilled NFE and export threshold obligations may not be allowed DTA sale until they fulfill the shortfall in their obligations.

In the light of aforesaid observations and after detailed deliberations, BoA, by consensus, decided to extend the validity of LoA on temporary basis of only those units which fulfill the following conditions.

1. Units should have been functional and carried out at least some production during the stipulated period of 18 months (i.e. 27th January, 2021 to 26th July, 2022).
2. Units should have made at least some exports during the stipulated period of 18 months (i.e. 27th January, 2021 to 26th July, 2022).
3. Units shall undertake not to carry out any DTA sales till they fulfil the shortfall of NFE and export obligations for the period upto their period of expiry of validity i.e. 26th August 2022. On fulfillment of shortfall in NFE and other export obligations as stipulated above which shall be confirmed by the jurisdictional DC, and the DC may allow DTA sale to units subject to fulfilling of policy dated 27.05.2021.
4. The extension would be granted for a further period upto five years from 27th August, 2022 onwards to align the validity with other units. Such extension shall be on temporary basis only, which will be reviewed by Development Commissioner from time to time.


The Board further directed that the Development Commissioner, KASEZ shall take necessary action accordingly and submit a report to the BoA in the next meeting.

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**List of Participants for the 5<sup>th</sup> Meeting (2022 Series) of Board of Approval for EOU Scheme held on 29.10.2022 under the Chairmanship of Commerce Secretary, D/o Commerce.**

1. Shri Sunil Barthwal, Chairman, BoA & Commerce Secretary, Department of Commerce.
2. Shri L. Satya Srinivas, Additional Secretary, DoC
3. Shri Santosh Kumar Sarangi, DG, DGFT
4. Shri Vipul Bansal, Joint Secretary, Department of Commerce.
5. Ms. Harbinder Kaur Prasad, ADG, DGEP, Department of Revenue
6. Dr. Shanmuga Sundaram, Development Commissioner, MEPZ.
7. Shri D.V. Swamy, Development Commissioner, CSEZ and VSEZ (Addl charge).
8. Shri Shyam Jagannathan, Development Commissioner, SEEPZ SEZ.
9. Shri Satish Kumar, Development Commissioner, Falta SEZ.
10. Shri A. Bipin Menon, Development Commissioner, Noida SEZ.
11. Shri Akash Taneja, Development Commissioner, Kandla SEZ.
12. Shri Vijay Kumar, Development Commissioner, GIFT City SEZ/Dahej SEZ/Reliance SEZ.
13. Shri Shah Suvidh Prabodhkumar, Development Commissioner, ISEZ.
14. Shri Senthil Nathan S, Director, Department of Commerce.
15. Shri Vikas Singh, Director, ITA-1, CBDT.
16. Shri Ved Prakash Mishra, Director, HSM Division, MoEF&CC.

  
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