

File No. K-22019/2/2022-EOU
Ministry of Commerce & Industry
Department of Commerce
EOU Section

UdyogBhawan, New Delhi
Dated: 22nd March, 2022

MEETING NOTICE

Subject: 2nd Meeting (2022 series) of Board of Approval for EOU Scheme scheduled to be held on 31.03.2022 at 4:00 PM.

The undersigned is directed to enclose herewith the Agenda for the 2nd meeting of Board of Approval (2022 series) for EOU scheme scheduled to be held on 31.03.2022 at 4:00 P.M. in Room No. 141, Udyog 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 local addressees are requested to kindly make it convenient to attend the meeting at the said venue and time and other participants may attend through Video Conferencing. A weblink for the same shall be shared by this Department shortly.

Encl: As Above.


(Vijay Kumar Meena) 22/03/22
Deputy Director
Tel: 23038608
E-mail: moc_ep@nic.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: PSO to CS/PPS to AS(AI)/PPS to JS(VB)/PPS to Dir(SNS).

AGENDA FOR THE 2nd BOA MEETING (2022 SERIES) FOR EOU SCHEME TO BE HELD ON 31.03.2022.

2.1(22) Confirmation of Minutes of the 1st BOA (2022 Series) meeting held on 27.01.2022.

2.2(22) Proposal for extension of validity of LoP beyond 5th year for exit from EOU scheme – M/s Mylan Laboratories Ltd., EOU under VSEZ.

M/s Mylan Laboratories Ltd., EOU under VSEZ, was issued LoP dated 14.12.2015. The LoP of the unit was extended from time to time, up to 5th year, to enable the unit to commence production. The last extension of the LoP was granted by BOA in its 7th meeting (2019 series) held on 03.01.2020 for one year i.e. upto 13.12.2020. However, the unit could not commenced production due to technical issues and the LoP was expired on 13.12.2020.

In this regard, the unit was issued SCN dated 13.08.2021 for non-implementation of the project within the prescribed time limit. In response, the unit stated that they had encountered certain quality issues in their trial batches due to pollution from the factories around their unit. Therefore, they decided to close their EOU unit by transferring some of the capital goods to another EOUs located at Nasik, Ahmadabad and Bangalore and selling into DTA the left over stock on payment of applicable duties.

The unit has also given an undertaking to the effect that they would clear the capital goods and raw materials on original procurement value without claiming depreciation value.

Relevant Provision: As per Para 6.01(b)(ii) of HBP 2015-2020, the initial validity of the LoP is for 2 years to enable the unit to commence production. In case the unit is not able to commence production, an extension of one year may be given by the DC for valid reasons. Subsequent extension of one year may be given by the UAC. Further extension, if necessary, will be granted by the BOA.

DC's Recommendations: DC-VSEZ has recommended to extend the LoP of the unit from 13.12.2020 to 31.12.2022 to enable the unit to transfer some of the capital goods to the other EOUs and clearance of left over stock and goods to DTA in order to get exit from EOU scheme.

2.3(22) Proposal for extension of validity of LoP for completion of exit formalities from EOU scheme - M/s Alleppey Fibre Tuft Private Limited, EOU under CSEZ.

M/s Alleppey Fibre Tuft Private Limited, an EOU under CSEZ, was issued LoP dated 30.11.2009 for manufacture and export of PVC Tufted Coir Mats & Mattings. The unit commenced commercial production w.e.f. 09.05.2011. The second five year block period expired on 08.05.2021. However, the unit did not apply for further renewal of EOU status on time. A Show Cause Notice was issued to the unit for non-submission of application for renewal of LoP within the prescribed time.

Now, the unit is intended to exit from the EOU scheme since no activities are running under EOU scheme after implementation of GST. Accordingly, after a gap of more than 9 months, the unit has requested to renew their LoP for 3rd block for further two years i.e. from 09.05.2021 to 08.05.2023 in order to complete exit formalities from EOU scheme.

Performance of the unit for the last five years:

Total export	89.32 crore
Total Import	5.82 crore
NFE	83.50 crore

Reasons for the delay: The factory and office were under lockdown due to containment zone from April to June 2021 and since most of their employees were infected by Covid-19, the functioning of the unit re-started only by the end of August, 2021. The person who managed the EOU compliances discontinued without proper handing over, hence it took time up to end of December 2021 to regularize the work.

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 6 months of the LOP, DC will grant extension after obtaining approval of BOA.”

DC’s Recommendation: DC-CSEZ has recommended the proposal.

2.4(22) Proposal for extension of validity of LoP for the 4th five year block year period for completion of exit formalities from EOU scheme - M/s Neo Foods Private Limited, EOU under CSEZ.

M/s Neo Foods Private Limited, an EOU under CSEZ, was issued LoP dated 18.04.2005 for manufacture and export of preserved cucumber and gherkins. The unit commenced commercial production w.e.f. 07.10.2005. The third five year block period expired on 06.10.2020. However, the unit did not apply for further renewal of EOU status on time. A Show Cause Notice was issued to the unit for non-submission of application for renewal of LoP within the prescribed time. The unit informed that due to Covid pandemic, the employees left their job and they could not attend the day to day work on time. Therefore, they could not submit the application for renewal of LOP within the time.

Further, the unit was granted in-principle approval to exit from EOU scheme on 16.10.2019. Now, after a gap of 17 months, the unit has requested for renewal of LoP for the 4th five year block period i.e. from 07.10.2020 to 06.10.2025 in order to complete their exit formalities from EOU scheme.

Performance of the unit for the last five years:

Total export	597.46 crore
Total Import	24.84 crore
NFE	572.62 crore

Reasons for delay: Due to Covid pandemic situation, the employees concerned left the job, hence they could not submit the application on time.

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 6 months of the LOP, DC will grant extension after obtaining approval of BOA.”

DC’s Recommendation: DC-CSEZ has recommended the proposal.