PRESS NOTE NO. 20
(1998 SERIES)

Government of India
Ministry of Industry
Department of Industrial Policy & Promotion
Udyog Bhawan,

SUBJECT: Delegation of power for post approval amendments for the Export Oriented Units (EOUs) and Export Processing Zone (EPZ) Units.

Government had delegated certain powers to the Development Commissioners of EPZs for making post approval amendments in respect of Export Oriented Units and EPZ units vide Press Note No. 4 (1995 Series) dated 19.4.95, No. 15 (1997 Series) dated 10.11.97 and No. 14 (1998 Series) dated 16.10.1998.

In tune with the ongoing economic reforms, Government have decided to delegate further powers to the Development Commissioners of EPZs as follows:-

i) Disposal of obsolete capital goods- The Development Commissioners of EPZs have been given powers to permit disposal of obsolete capital goods (used for less than 5 years), in Domestic Tariff Area (DTA), on payment of applicable duties, upto a maximum limit of Rs. 10 Lakh in each financial year for an EOU/EPZ unit.

Government have now decided that Development Commissioners of EPZs can permit disposal of obsolete capital goods, in DTA, on payment of applicable duties, without any restrictions. However, disposal of obsolete machinery must not adversely affect the contracted export obligation/Net Foreign Exchange Earning.

ii) Import of office equipment- The Development Commissioners of EPZs have been given powers to permit import of office equipments, not exceeding 20% of the total capital goods value, subject to a maximum of Rs. 25.00 lakh.

Government have now decided that Development Commissioners of EPZs can permit import of office equipment in accordance with EXIM Policy and Hand Book of Procedures.

iii) Merger of two or more EOU/EPZ units - Sometimes, an entrepreneur sets up two or

more EOU projects/EPZ units, having separate identity and accounts; separate E.O.; and separate bond licence. Subsequently, the applicant desires to merge two or more units into one unit.

Government have now decided that the Development Commissioners of EPZs can permit the merger of two or more EOUs/EPZ units into one EOU/one EPZ unit, provided the units fall within the jurisdiction of the same Development Commissioner and the same Commissioner of Central Excise and Customs.

Sd/-

(ADITI S. RAY)
DIRECTOR
New Delhi, the 15th December,1998

(ASHOK KUMAR)
Joint Secretary to the Government of India