

K-22019/3/2025-SEZ
Ministry of Commerce & Industry
Department of Commerce
EOU Section

Vanijya Bhawan, New Delhi
Dated: 23rd May'2025

MEETING NOTICE

Subject: 4th Meeting (2025 series) of Board of Approval (BOA) for EOUs-reg.

The undersigned is directed to enclose herewith the **Agenda for the 4th Meeting (2025 series) of the BOA for EOU scheme** to be held on **1st Week of June in Delhi** under the chairmanship of Commerce Secretary, D/o Commerce in hybrid mode, for information and necessary action.

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

Encl: As above.


(Sumit Kumar Sachan)

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1. DG, DGFT
2. The Joint Secretary, DPIIT
3. CBIC [Member (Customs)], M/o Finance
4. CBDT [Member (Income Tax)], M/o Finance
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 SS(LSS)/PS to JS(VA)/PS to DIR(GP).

Agenda for the 4th meeting of the Board of Approval (BOA) for EOUs (2025 SERIES) to be held on 1st week of June, 2025.

Agenda Item No. 4.1(25)

Ratification of the Minutes of the 3rd meeting of the Board of Approval (BOA) for EOUs (2025 series) held on 16th May, 2025.

Agenda Item No. 4.2(25)

Conversion of existing DTA into EOU unit [01 proposal – 4.2.1(25)]

Rule Position: Para 6.18 (c) of FTP 2023 stipulates that “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.”

4.2.1(25) Proposal for conversion of existing DTA into EOU unit – M/s. Bharat Biotech International Limited.

Jurisdictional SEZ - VSEZ

M/s. Bharat Biotech International Limited for conversion of DTA unit into EOU for manufacture and export of “Vaccines & Bio- Therapeutics” at Sy. Nos. 230, Genome Valley, Shameerpet Mandal, Medchal-Malkajgiri District, Telangana. The unit has submitted an application for conversion of the existing DTA unit into Export Oriented Unit for manufacture and export of “Vaccines and Bio-Therapeutics”.

Export Performance for the last 5 Years (Rs in Crores)

Year	Export
2019-20	351.32
2020-21	653.01
2021-22	652.55
2022-23	585.02
2023-24	733.80

Investment in Plant & Machinery (Rs. in Crores)

	Existing	Proposed	Total
Imported	90.14	450.00	540.14
Indigenous	370.09	500.00	870.09
Total	460.23	950.00	1410.23

FY	2025-26	2026-27	2027-28	2028-29	2029-30
Imports	50	50	75	100	175
Indigenous	75	75	100	125	125
Total	125	125	175	225	300

FOB Value of Exports (Rs. In Crore)

FY	2025-26	2026-27	2027-28	2028-29	2029-30	Total
Exports	676.80	765.00	810.00	950.00	1000.00	4201.80

NFE (in Rs. Crore)

FY	2025-26	2026-27	2027-28	2028-29	2029-30	Total
NFE	307.94	356.28	353.20	445.10	399.47	1861.98

Employment

	Existing-2592		Proposed in addition to existing -1354	
Supervisory	Men-436	Women-47	Men-600	Women-75
Non-Supervisory	Men-909	Women-1200	Men-279	Women-400

Import Requirements

Capital Goods—Rs. 450 crore (for 5-year period)

Raw Material, components, consumables, packing Material fuel etc. for 5 years-
Rs. 1840.86 crore

Indigenous Requirements

CG—Rs 500 crore

Raw Material, components, consumables, packing material fuel etc. for 5 years
Rs. 1012.50 crore

VSEZ vide letter Dt. 03.04.2025 requested the Asst- Commissioner of Customs, Export Promotion Division, Hyderabad to provide a feasibility report on the above proposal for taking necessary action. In response to the above, the Asst. Commissioner of Customs, EPD, Hyderabad vide letter dated 8.4.2025 has stated that the Officers of the EPD, Hyderabad Customs Commissionerate have inspected the premises (leased premises) of the above unit admeasuring 60,819.03 sq. mtrs and found that the said premises is already on DTA unit with manufacturing and warehousing facilities. They manufacture various vaccines for human consumption. The total site arca if 15.34 Acres (as per the sale deeds attached) submitted by the assessee. Further, no adverse information against the applicant is noticed till date in their office.

Since the unit **has investment of Rs. 50 crores and above in plant and machinery and exporting Rs. 50 crores and above annually**, the proposal is placed before BOA for consideration.

DC's Recommendation: DC-VSEZ has recommended the proposal stating that since the unit has an existing investment of more than Rs. 50 crore in Plant & Machinery and exported more than Rs. 50 crores annually, during the last two years, the request of the existing DTA unit for conversion into EOU may be considered in the BoA in terms of Para 6.18(c) of FTP 2023.

Agenda Item No. 4.3(25)

Extension of validity of LOP of an EOU [01 proposal – 4.3.1(25)]

Rule Position:

Para 6.01(h) of HBP 2023 stipulates that “On completion of validity of LOP as provided for in Paragraph 6.05 of FTP 2023 it shall be open to unit to continue under scheme or opt out of scheme. Where unit opts to continue, DC will extend validity of the LOP. If no intimation in this regard is received from unit within a period of six months of expiry of the validity, DC will, suo-moto, take action to cancel approval under the scheme and take further action in this regard. Where units give their option to continue after expiry of six months as stipulated above, DC will grant extension after obtaining approval of BOA”.

Para 6.05(a)(iv) of FTP 2023 stipulates that “On approval, a Letter of Permission (LoP) / Letter of Intent (LoI) shall be issued by DC / Designated officer to EOU/EHTP/STP/BTP unit. The validity of LoP/LoI shall be given in the Hand Book of Procedures.”

Para 6.01(c) of HBP 2023 stipulates that, “On approval, a Letter of Permission (LoP) shall be issued by DC/ designated officer to EOU. LoP shall have an initial validity of 2 years to enable the Unit to construct the plant & install the machinery and by this time the unit should have commenced production. In case the unit is not able to commence production in the initial validity period of 2 years, an extension of one year may be given by the DC for valid reasons to be recorded in writing. Subsequent extension of one year may be given by the Unit Approval Committee subject to condition that two thirds of activities including construction, relating to the setting up of the Unit are completed and a Chartered Engineer’s certificate to this effect is submitted by the Unit. Further extension, if necessary, will be granted by the Board of Approval. Once unit commences production, LoP / LoI issued shall be valid for a period of 5 years for its activities. This period may be extended further by DC for a period of upto 5 years at a time. However, in case of extension of LoP required for completing exit formalities, the LoP may be extended for a limited period i.e. less

than 5 years by the DC.

4.3.1(25) Proposal for Extension of Letter of Permission – M/s Accor Granites.

Jurisdictional SEZ - MEPZ

M/s Accor Granites, located at Survey No. 48/1B, S. Thatanpalli Village, Berigiri Theertham Road, Hosur Taluk, Krishnagiri District, is an EOU holding a Letter of Permission (LoP) dated 21.10.2021 for the manufacturing and export of Polished Granite Counters. The unit **commenced commercial production on 06.06.2012 and the validity of the 2nd 5 year Block period of LoP expired on 05.06.2022**. The unit did not submit application for renewal of LoP within the prescribed time. **Now, the unit has submitted application for extension of LoP for the 3rd Block of 5 years from 06.06.2022 to 05.06.2027, after a gap of two years and nine months.**

Regarding the delay of submission of the application, the unit has stated that: -

The unit's present 2nd block of EOU status of 5 years expired on 05.06.2022. However, the unit did not submit the application for renewal of LoP due to Covid pandemic and the ongoing conflict in Ukraine, they have lost a long-standing client who had been with them for a decade. Hence, their export orders were held up and no further business prospects were seen to continue in the export business. In the light of these circumstances, their management made a decision to withdraw from the EOU scheme, which is why they did not pursue renewal of their LoP.

However, presently the situation is getting resolved and they are expecting business from their existing overseas clients for the business and further they have recently received numerous enquiries and orders, indicating that they have successfully re-established their presence in the market, particularly for granite and other natural stone. Hence the unit wish to continue in the EOU scheme.

Performance of the unit (Last five years)

The performance of the Unit's present 2nd block of 5 years from 06.06.2017 to 05.06.2022 is as below:

(In Rs. Crore)

Total Exports	FE Outgo	NFE
5.10	1.38	3.71

The unit has achieved a positive NFE of Rs. 3.71 Crore during the 2nd block of 5 years.

Projection for the next 5 years:

The unit has given the projections of next Five year i.e. 3rd block period as below:

Total FOB Value of exports	Rs. 7.35 Crore
Total FE Outflow	Rs. 2.04 Crore
Total NFE	Rs. 5.31 Crore

Since, the validity of LoP (2nd block of 5 years) had expired on 05.06.2022 and the Unit did not submit application for renewal for the 3rd block of 5 years w.e.f 06.06.2022 to 05.06.2027, a Show Cause Notice was issued to the Unit for non-submission of application for renewal within the prescribed time. The Unit was granted a Personal Hearing. The DC, MEPZ passed Order in Original on 07.04.2025.

DC's Recommendation: DC-MEPZ has stated that since the Unit has achieved positive NFE during the 2nd block of 5 years, the gap of two years and seven months may be regularized. Hence, DC, MEPZ has recommended that the request of the unit for extension of Letter of Permission (3rd block) for a period of 5 years i.e. from **06.06.2022 to 05.06.2027** may be considered favorably.

Agenda Item No. 4.4(25)

Proposal for utilization of common infrastructural facilities of EOU [01 proposal – 4.4.1(25)]

Rule Position:

Para 6.11(f) of FTP,2023 stipulates that “The Units Approval Committee may consider on a case-to-case basis request for sharing of infrastructural facilities among EOUs and it shall forward its recommendation to the Board of Approval for its consideration. While accepting such proposals, the NFE obligations of the units shall not be altered. Such facilities will be available to units in EHTP/STP after getting approval from IMSC. However, sharing of facilities between EOUs and SEZ Units shall not be permitted”.

4.4.1(25) Proposal for utilization of common infrastructural facilities of EOU [01 proposal] – M/ s. Emcure Pharmaceuticals Ltd

Jurisdictional SEZ - KASEZ

M/s. Emcure Pharmaceuticals Ltd. (100% EOU) having factory address at Survey No. 485, Kadu village, Taluka. Lakhtar, Surendranagar- 382775 is engaged in the manufacturing of allopathic pharmaceutical products in the form of tablets/capsules holding LOP dtd. 04.07.2024. The unit has submitted an application regarding the utilization of a part of the warehouse situated in their other 100% EOU located at **M/ s. Emcure Pharmaceuticals Ltd.,Plot No. SM-14,SM-15,SM-16/ 1, G1DC, Sanand-II, Tal-Sanand, Charal, Ahmedabad** which is engaged in the manufacturing of pharmaceutical products in the form of injectables.

The total warehouse area situated at **Sanand EOU is 2699.38 sq. mtrs** and inside the warehouse there are two storage rooms fitted with compactors/cabinets/Racks for the storage of inputs/raw materials. **Out of total**

warehouse area of 2699.38 sq. mtrs, the applicant divided the warehouse into 02(two) parts i.e. **Warehouse A admeasuring area of 1888.47 sq. mtrs which will be used for the storage of materials pertaining to Sanand EOU whereas Warehouse B admeasuring area 810.90 sq. mtrs.**

The physical inspection of the proposed premises was also conducted by the nominated officers for the separate entry/ exit, proper demarcation and segregation of the storage of the goods and other relevant details pertaining to the proposal wherein following observations were made:

- i. The building structural construction is completed and the interior/ exterior finishing process is currently under progress.
- ii. Further, it was noted that the construction of racks, flooring installation and painting are underway and the same is anticipated to be completed sooner.
- iii. The warehouse will be partitioned into six distinct segments wherein Segment 5 & 6 will be intended for the storage of packing materials related to their Kadu EOU and Segment 1-4 will be used for the storage of materials for Sanand EOU. Segment 5 & 6 will be completely demarcated which will be accessible through a computerized gate restricted to Kadu Staff only.

During the UAC, the authorized representative gave a brief about their proposal and explained the difficulties regarding the storage of packing materials and a few raw materials at their EOU unit situated in Kadu, Surendranagar, Gujarat.

M/ s. Emcure Pharmaceuticals, Kadu, Surendranagar has export value of Rs.142 Crores till March-2025 since its inception in July-2024 against the projected exports of Rs.129 crores for F.Y.2024-25 and they have achieved **positive NFE** to the tune of Rs.129 crores in **F.Y.2024-25**.

They have projected NFE to the tune of Rs.280 crores for F.Y. 2025-26.

M/s. Emcure Pharmaceuticals, Kadu, Surendranagar is currently employing around 387 people which was around 208 as on 31.12.2023. They submitted an undertaking to maintain the positive NFE and there will not be any alteration in the NFE with this utilization of common infrastructure facility as per Para 6.11(f) of FTP,2023.

In the UAC, they stated that both the units are situated at a mere distance of 60 Kms hence, the paucity of storage space at Kadu EOU may be mitigated by utilizing the available space in newly established warehouse at Sanand ensuring the increase in the exports volume for Kadu EOU.

They also informed in the UAC that this will be a temporary permission for the storage of packing materials and other few raw materials and a stop gap arrangement to mitigate the storage difficulties currently being faced by their Kadu EOU for a limited period of 2-3 years.

In the UAC they have stated that they have SAP accounting system in place at all locations which helps to maintain the proper record of all incoming and outgoing materials and also there will also be various checks which would ensure that only authorized personnel of Kadu EOU will be able to access the goods.

Recommendation: DC, KASEZ has stated that the UAC held on 24.04.2025 recommended for the proposal of M/s. Emcure Pharmaceuticals Ltd., Kadu, Surendranagar for the utilization of common infrastructural facilities situated at their Sanand, EOU in terms of Para 6.11 (f) of the FTP,2023.