File No. K-22019/6/2025-SEZ
Ministry of Commerce & Industry
Department of Commerce
EOU Section

Vanijya Bhawan, New Delhi
Dated: 17 November, 2025

MEETING NOTICE

Subject: 7th Meeting (2025 series) of Board of Approval (BOA) for EOUs-reg.

The undersigned is directed to enclose herewith the **Supplementary Agenda for the 7th Meeting (2025 series) of the BOA for EOU scheme** to be held **on 20-21st November, 2025 at MEPZ, Chennai** under the chairmanship of Commerce Secretary, Department of Commerce 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.

3. Weblink for the said meeting will be shared by this Department shortly.

Encl: As above.

(Sanjay Kumar)
Under Secretary to the Govt. of India
Tel: 011-23039721
Email: sanjay.78@gov.in

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/ Sr.PPS to AS(AB)/PS to JS(VA)/PPS to DIR(GP).

Supplementary Agenda for the 7th meeting of the Board of Approval (BOA) for EOUs (2025 Series) to be held on 20th & 21st of November, 2025.

Agenda Item No. 7.3(25)

<u>Extension of Letter of Permission to complete the exit formalities [01 proposal – 7.3.1(25)]</u>

Rule Position: As per Para 6.17 of the FTP 2023, in case of normal exit, an EOU/EHTP/STP/BTP unit may opt out of scheme with approval of DC/Designated officer of EHTP/ STP/BTP.

Para 6.01(c) of the HBP 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. LoP / LoI 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."**

7.3.1(25) Proposal for extension of Letter of Permission to complete the exit formalities – M/s Micro Circuits Limited.

Jurisdictional SEZ - CSEZ

M/s Sandur Micro Circuits Limited is an EOU located in Laxmipur, Sandur, Ballari District, Karnataka. The unit has applied for extension of Letter of Permission to complete the exit formalities.

Specific issue on which decision of BoA is required: M/s Sandur Micro Circuits Limited was issued with a Letter of Permission (LoP) No. PER:386(92)/E.O.B.109(92) dated 31.07.1992 for the manufacture and export of Resistor Networks. The unit commenced commercial production on 24.01.1994 and the validity of the LoP expired on 23.01.2004. The unit requested for extension of LoP from 24.01.2004 to 23.01.2026, after a gap of 21 years, to complete the exit formalities.

The unit vide letter dated 10.03.2025 requested O/o DC, CSEZ to issue an 'in-principle exit approval' and extension of validity of the LoP from 24.01.2004 to 23.01.2026 to complete exit formalities. The unit has also stated that consequent to the prohibition of their operations under Import Export Code, they had suspended their operations for more than 20 years.

Further, the Unit has remitted the entire duty demanded by the Department of Central Excise, Customs & Service vide its order dated 11.02.2011 on 24.01.2025. The unit has also paid an amount of ₹50.00 lakh on 01.09.2025 towards the penalty imposed by the DC, CSEZ under the FT(D&R) Act, 1992 vide Order dated 19.07.2002 for non-achievement of export obligation.

Performance of the unit (Last five years): Since last 23 years the unit is not functioning. On reviewing the performance of the firm upto 2001, it was found that the unit has negative NFE with a shortfall in export obligation to the tune of ₹687 lakh and having export of only ₹163.36 lakh. On the unit's failure to achieve the stipulated export obligation and non-compliance of the provisions of LoP & Legal Agreement, a

Show Cause Notice was issued to the unit under FT(D&R) Act, 1992 on 19.07.2022 and after adjudication a penalty of ₹50.00 lakh was imposed under Section 11(2) of the FT(D&R) Act, 1992. The unit paid the penalty imposed on 01.09.2025.

The unit has requested for extension of validity of Letter of Permission after a gap of more than 21 years to complete the exit formalities.

DC's recommendation: DC, CSEZ has recommended the request of M/s Sandur Micro Circuits Limited for extension of validity of Letter of Permission from 24.01.2004 to 23.01.2026, after a gap of more than 21 years, to complete the exit formalities.