

File No. K-22019/2/2023-EOU
Ministry of Commerce & Industry
Department of Commerce
EOU Section

Vanijya Bhawan, New Delhi
Dated: 11th April, 2023

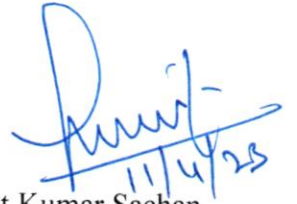
MEETING NOTICE

Subject: Supplementary Agenda for 2nd Meeting (2023 series) of Board of Approval (BOA) for EOU Scheme scheduled to be held on 15.04.2023.

In continuation of this department's OM of even number dated 06.04.2023, the undersigned is directed to enclose herewith the Supplementary Agenda for the 2nd Meeting (2023 series) of the BOA for EOU Scheme scheduled to be held on 15th April, 2023 at Visakhapatnam SEZ under the chairmanship of Commerce Secretary for information and necessary action. The Supplementary Agenda has also been hosted on the website: www.sezindia.gov.in.

2. The Venue, time and weblink for the said meeting will be shared by this department shortly.

Encl: As above.



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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 DIR(SNS)

**SUPPLEMENTARY AGENDA FOR THE 2nd BOA MEETING (2023 SERIES)
FOR EOU SCHEME TO BE HELD ON 15.04.2023.**

2.3(23) Proposal for conversion of existing DTA into EOU unit - M/s Inox Wind Limited.

M/s Inox Wind Limited has applied for conversion of their existing DTA unit (situated at Plot No. 20, AKVN Industrial Area, RelwaKhurd, Barwani, MP having 1,70,000 sq. mtrs. area) into 100% EOU for manufacture and export of Renewal/Non-Conventional Energy Devices i.e. Wind Operated Electricity Generator consisting of Hubs, Nacelles, Blades, Towers and parts & accessories thereof, for consideration of BOA.

In support of their proposal, the unit has submitted the following details:

- The total cost of the project which includes land, building, existing and new plant & machinery and parts thereof, other misc. assets & utilities, current assets + WIP will be Rs. 2850.06 crores.
- The existing investment in plant & machinery (depreciated value) is Rs. 101.48 crore.
- Proposed additional investment for new plant & machinery is Rs. 8.00 crores.
- Employment of 421 persons in the existing DTA unit. Proposed additional employment is 15 persons.

Performance of the unit for the Last five year:

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23 (upto Feb' 2023)
Turnover (in crores)	85.96	60.04	69.74	518.24	430.11

Projection of the unit for the next five years is as under:

(Rs. in crores)

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year	Total
FOB Value of Exports	600	660	720	780	840	3600
Foreign Exchange Out-go for the first five years	428.41	464.17	505.93	547.69	589.45	2535.65
NFE	171.59	195.83	214.07	232.31	250.55	1064.35

The unit has outstanding export obligations under EPCG authorization which is Rs. 251.14 crore. The unit has 28 EPCG authorizations out of which 4 have been extended by DGFT authorities and the remaining are under active consideration of DGFT authorities. The unit has proposed to subsume the pending export obligation under these EPCG authorizations into the export obligation of the proposed EOU in terms of FTP once the LoP is granted.

The unit has submitted that they have received order from NTPC value of Rs. 686.68 crores. The unit further submitted a copy of a contract wherein it is mentioned that they have obtained a purchase order of Rs. 711 crore from another EOU viz. M/s Gujarat Flurochemicalspvt. Ltd.

The unit has also submitted that they are also receiving orders from some EOUs and overseas customers in the coming months, which will gradually be increased in the next 3-4 years. Many more deemed export contracts are in the pipelines apart from overseas wind energy projects.

The unit has stated that the financial projection is on higher side as compared to their performance during the last five years because earlier the unit could not compete in the international market for wind projects in view of the high import duties being paid by them on imported inputs. Since the unit is converting into EOU, they will be getting import duty exemption as well as get domestic inputs at lower rates.

Relevant provision: 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.”

Further, as per Appendix 6M, in case there is an outstanding export commitment under EPCG Scheme, it will be added to future export obligation by adding value of capital goods to the imported capital goods value of the EOU and all previous obligations under EPCG would cease to exist on such inclusion.

DC's Recommendation: DC-ISEZ has recommended the proposal of the unit subject to fulfillment of all conditions laid down in FTP.

2.4(23) Proposal for conversion of existing DTA into EOU unit - M/s Skoda Auto Volkswagen India Pvt. Ltd.

M/s Skoda Auto Volkswagen India Private Limited (a group company of VOLKSWAGEN GROUP) has applied for conversion of their existing DTA unit into 100% EOU for manufacture and export of Passenger Vehicles, Engines, Aggregate, Components and Parts thereof, Tools & Fixture and Design, Development, IT & ITES and other related services. The plant of the unit is situated at Plot No. E1, MIDC Industrial Area, Chakan, Pune. The said land is in possession of Company since 2008 which is taken from MIDC on lease basis for term of 95 years. The plot area is around 573 acres.

Annual capacity of the plant:

Sr. No.	Item(s) Description	Annual Capacity (Unit=Numbers)
01	Passenger Vehicles	330000
02	Engines, Aggregate, Components and Parts thereof	200000
03	Tools & Fixture	100
04	Design, Development, IT & ITES and other related services	Rs. 18,050 lakhs

Pattern of share holding in the paid-up capital:

Particulars	Existing		Proposed	
	(Rs. In Lakhs)	(\$ thousands)	(Rs. In Lakhs)	(\$ thousands)
Foreign Holding	72,405	90,506	72,405	90,506

Investment Details:

	Particulars	Rs. In lakhs
(a)	Plant and Machinery	
	Indigenous	305,664
	Import CIF Value	101,888
	Total	407,552
(b)	Details of source of finance	
	Equity Shares	-
	Internal Accruals	407,552
	Secured Loans	-
	Total	407,522

Indigenous requirement of capital goods & raw Material and other input:

(Rs. In Lakhs)

(a)	Capital Goods	305,664
(b)	Raw Material Components, Consumables, packing material, fuels etc, during the period of 5 years	6,019,927
	Total	6,325,591

Total Employment:

	Existing		Proposed	
	Supervisory	Non-Supervisory	Supervisory	Non-Supervisory
Men	1875	2794	1950	2934
Women	161	23	169	24

Foreign Exchange Balance Sheet:

	Rs. in Lakhs					
	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Total
FOB Value of Export	530,766	610016	683586	698826	738806	3262000
Foreign Exchange outgo on						
Import of Machinery	18044	19782	19516	8873	35672	101888
Import of Raw Materials and Components	351630	351520	473740	497450	514540	2188880
Import of Spares and Consumables	92	92	92	92	92	460
Any other payments (specify details)						
Technical Services	3310	3310	3310	3310	3310	16550
IT Cost	7208	7208	7208	7208	7208	36040
Salary and related payouts in forex	2846	2846	2846	2846	2846	14230
Repair & Maintenance	172	172	172	172	172	860

Value of Capital Goods imported under EPCG to be subsumed in EOU	21398	21398	21398	21398	21398	106990
Total	404700	406328	528282	541349	585238	2465898
Net Foreign Exchange	126066	203688	155304	157477	153568	796102

The unit has obtained EPCG licenses. There are 45 open EPCG authorization. The value of the capital goods imported under EPCG authorization is Rs. 106991 Lakhs.

Export performance for the last three years:

Year	FOB Value (Rs. in Lakhs)
2019-2020	3,77,207
2020-2021	2,31,095
2021-2022	3,30,807

Projection of exports for the next five years:

	(Rs. in Lakh)				
Particulars	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Projected Exports	5,10,800	5,90,100	6,63,600	6,78,900	7,18,900

Relevant provision: 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.”

Further, as per Appendix 6M, in case there is an outstanding export commitment under EPCG Scheme, it will be added to future export obligation by adding value of capital goods to the imported capital goods value of the EOU and all previous obligations under EPCG would cease to exist on such inclusion.

DC’s Recommendation: DC-SEPZ SEZ has recommended the proposal of the unit.