

NOIDA SPECIAL ECONOMIC ZONE

Minutes of the Approval Committee meeting in respect of 100% Export Oriented Units held under the chairmanship of Shri R.P. Goyal, Zonal Development Commissioner, NSEZ at 3.00 PM on 02.11.2020 through Video Conferencing.

The following members of the Approval Committee participated in the meeting through video conferencing:-

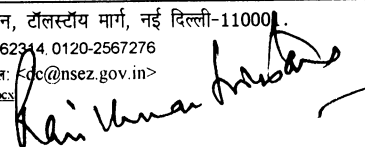
1. Shri S.S. Shukla, Joint Development Commissioner, NSEZ, Noida.
2. Shri Binod Kumar, Assistant Commissioner (Customs), Kanpur
3. Shri Lobendu Das, Assistant Commissioner (Customs), Commissionerate of Customs (Preventive), Delhi.
4. Shri Amarjeet Singh, Assistant Commissioner (Customs), Commissionerate of Customs (Preventive), Delhi.
5. Shri Deepak Shukla, Assistant Commissioner of Customs, dehradun
6. Shri Rakesh Kumar, FTDO, Office of the Additional DGFT, Central Licensing Authority, New Delhi.

Besides, during the Approval Committee meeting (i) Shri R.K. Srivastava, Dy. Development Commissioner, Shri Subodh Kumar Jha, Assistant Development Commissioner, NSEZ and Sh. H.K. Meena Assistant Development Commissioner were also present to assist the Approval Committee. It was informed that the quorum is available and the meeting can proceed.

At the outset, the Chairman welcomed the participants. After brief introduction, each item included in the agenda was taken up for deliberations one by one. After detailed deliberations amongst the members of the Approval Committee as well as interaction with the applicants / units wherever required, the following decisions were unanimously taken:-

3.01 Ratification of the Minutes of the Approval Committee meeting held on 07.09.2020:-

As no reference in respect of the decisions of the Approval Committee held on 07.09.2020 was received from any of the members of the Approval Committee, Minutes of the Meeting held on 07.09.2020 were unanimously ratified.



3.02 Proposal of Magnus Industrial Enterprises Pvt Ltd. for setting up a new 100%EOU at Part of Plot Nos. C-58, C-59, C-60, C-61, C-62 & B-31, UPSIDC Industrial Area, Malwan, District Fetehpur U.P.- 212644.

3.02.1 The committee was informed that the proposal of Magnus Industrial Enterprises Pvt. Ltd. a Private Company is for setting up 100%EOU at Part of plot Nos. C-58, C-59, C-60, C-61, C-62 & B-31, UPSIDC Industrial Area, Malwan, District Fatehpur (U.P.)-212664 for manufacture and export of Ceramic Plates and Tiles under ITC (HS) Code 69091200 with annual capacity of 189463 Kgs per annum. It was informed that as per Export/ Import policy, ITC (HS) Code 69091200 for the proposed finished products 'Ceramic Plates and Tiles' is neither restricted nor prohibited. Further, as per DIPP Note No. 1 (2019 Series) issued vide F. No. 7(3)/2009-IP.Vol.IV dated 01.01.2019, Industrial license is required for manufacture and export of Ceramic Plates and Tiles under ITC (HS) Code 69091200 as the item falls under the category of materials designed to provide ballistic protection for military systems since it is going to be used in the body armour.

3.02.2 The Approval committee was also informed that:-

- i. Deemed Export projection of the unit for five years is 25180.41 lacs and projected NFE is Rs. 5904.41 lacs with projected employment of 28 persons. The unit would sell whole of its production to its parent company MKU Limited under deemed exports.
- ii. The applicant has mentioned that the area of proposed location is 3195.00 sq.metres and has submitted a copy of 10 years tripartite sub-lease deed between the applicant , the original lessee i.e. A.R. Thermosets (P) Ltd. and UPSIDC.
- iii. Projected cost of the unit is Rs.33.86 Crore and the means of finance are from Share capital, unsecured loans & term loans to the tune of Rs. 33.88 crore.
- iv. As per the antecedent verification reports from other SEZs nothing adverse has been observed.

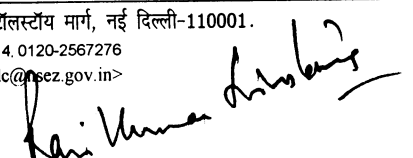
3.02.3 The approval committee was also informed that the Assistant Commissioner , ICD JRY, Kanpur vide his letter dated 29.10.2020 has informed that premises of the unit is safe and secure. That details of Directors have also been found in order. That the Unit has already

सिटी ऑफिस: स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इण्डिया लिमिटेड, चतुर्थ तल, जवाहर व्यापार भवन, टॉलस्ट्रीट मार्ग, नई दिल्ली-110001.

दूरभाष जोन कार्यालय: 0120-2567270; 3021444 से 46, / फ़ैक्स 0120-2562314, 0120-2567276

सिटी ऑफिस टेलीफ़ैक्स: 011-23701096; वेबसाइट: www.nsez.gov.in ; ई-मेल: <dc@nsez.gov.in>

C:\Users\Pradeep Sharmu\Desktop\EOU Minutes of UAC 02.11.2020.docx



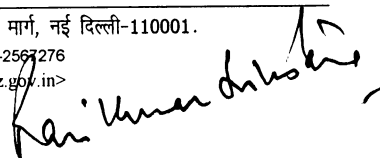
installed one machinery procured under EPCG scheme. He has also forwarded a verified site plan alongwith recommendation for setting up the proposed 100%EOU.

3.02.4 Mr. Neeraj Gupta, Director and Mr. Vinod kumar Manager of the company attended the meeting. They presented brief details of the proposal alongwith source of finance. They mentioned that they intend to manufacture plates of Boron Carbide and Silicon Carbide which would be finally used in manufacturing of Bullet Proof jacket in their other EOU viz. MKU Limited. They further mentioned that they have taken a built up area of 3195 sq. metres on 10 years lease. Their attention was invited to Press note No. 1 (2019 series) dated 01.01.2019 issued by DIPP which says that Industrial License is mandatory for manufacturing of Defence items. Since the proposed item is to be finally used in manufacturing of Bullet Proof Jackets, therefore Industrial License is mandatory under the said provision of Press note. However, the representatives of the unit claimed that there is no requirement of industrial License / No objection certificate form Ministry of Defence.

3.02.5 After due deliberations, the Approval Committee unanimously decided to defer the proposal with direction to seek clarification regarding requirement of industrial Licence / NOC from Ministry of Defence & DIPP. Since the applicant proposes to sale its entire supply to its parent company MKU Limited under deemed exports, the Committee asked to ensure that the MKU Limited also has the valid Industrial license for manufacturing Bullet proof Jackets. It was also decided to call for details of the EPCG authorization under which the unit has already imported machinery.

3.03. Proposal of Repro India Limited for exemption of condition imposed by unit Approval Committee meeting held on 07.09.2020 regarding submission of copy of duly registered revised sub-lease deed of 600 sq Ft. of proposed location of the unit prior to execution of LUT with this office-reg.

3.03.1 The Approval Committee was informed that the proposal of Repro India Limited for setting up of a 100%EOU at Khasra No. 13/9, 22, 17/1/1, Village Malpura, Mau Road, Tehsil Daharuhara, Rewari, Haryana-123110 (area 600 sq.ft.) for manufacture and export of Trade Books, Education Books, Children Books and Magazines was approved by UAC in its



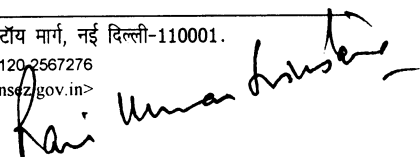
meeting dated 07.09.2020. The Approval Committee had directed the unit to submit a duly registered revised sub-lease deed for an area of 600 sq.ft at Khasra No. 13/9, 22, 17/1/1, Village Malpura, Mau Road, Tehsil-Dharuhera, Rewadi, Haryana-123110 prior to execution of LUT with this office. Accordingly, the Letter of Permission dated 16.09.2020 was issued to Repro India Limited and vide letter dated 17.09.2020.

3.03.2 The Approval Committee was informed that unit has accepted the terms & conditions of the LOP dated 16.09.2020 vide its letter dated 18.09.2020. Unit has submitted a copy of notarized revised sub-lease deed for records on 22.09.2020 and requested to allow to execute LUT stating that the duly registered copy of the lease deed will be submitted once the Registration office opens. It informed that it is trying to complete the registration process but due to failure of IT Systems at the Registrar's Office, it is unable to get the token number for registration. Unit has further requested that it may be granted 60 days' time to submit the copy of Registered revised Sub-Lease Deed of the said location. Unit has informed that they have tie-ups with international publishers and already started getting their business for printing of the books in the EOU and requested for accepting LUT.

3.03.3. After due deliberations, the Approval Committee unanimously decided to accept the request of the unit and allowed the unit to execute LUT and to comply with other formalities to run the unit. The committee also granted time till 31th Dec 2020 to the unit for submitting the registered sub- lease deed.

3.04. Proposal of Naari Pharma Limited, Pant Nagar for Enhancement of limit of imported capital goods and revision of projection (ii) proposal for inclusion of capital goods and parts thereof to be imported / procured indigenously in Annexure-I of LUT-reg.

3.04.1 The Approval Committee was informed that Naari Pharma Private Limited has been issued LOP No. 05-13/2018-100%EOU dated 29.01.2019 for manufacture and export of various types of Contraceptive Tablets. As per records, the date of commencement of production of the unit is 26.03.2019.



3.04.2 Vide this office letter dated 21.08.2020, the LOP was broad banded for some more products and revised projections of exports and imports for the current block (revised foreign exchange balance sheet for the current block) were also approved.

3.04.3 The Approval Committee was informed that the unit, vide its letter dated 24.09.2020 has requested for the following:-

- (I) inclusion of following capital goods and parts thereof to be imported / procured indigenously in Annexure-I of LUT:-

TABLE 'A'

<u>Sr.No.</u>	<u>Description of goods</u>	<u>HS Code</u>
1.	KF Autotitrator (Karl fischer Titrators)	90278090
2.	Jacketed Sample Cell (Polarimeter Sample Cell	90279090
3.	Malvern Particle size Analyser along with accessories	90275090
4.	Glassware washing Machine (Undercounter Laboratory Washer/ Dryer)	84221900
5.	Digital Hardness/thickness/Diameter Tester	90275090
6.	Multifeeding Blister Machine	84223000

- (II) To enhance the value of imported capital goods from Rs. Nil to Rs.705.00 lakh for the current block period i.e. from 2019-20 to 2023-24, details of which are as under:-

(Rs. in Lakhs)			
<u>S. No.</u>	<u>Particulars</u>	<u>Existing Projections</u>	<u>Revised Projections</u>
1.	FOB value of exports in five years	41237.00	41,237.00
2.	Foreign exchange outgo on:		
	-Import of machinery	Nil	705.00
	-Import of raw material and components	10398.00	10,398.00
	-Import of Spares and Consumables	565.00	565.00

Pradeep Sharma

	-Royalty	Nil	Nil
	Payment to foreign Technicians (Registration)	Nil	Nil
	-Commission on export etc.	Nil	Nil
	-Foreign Travel	265.00	265.00
	-Any other payments (Specify details)	Nil	Nil
	-Sales Promotion	Nil	Nil
	-Consultancy Charges	Nil	Nil
	Total:	11228.00	11,933.00
3.	NFE earnings in five years	30009.00	29304.00

3.04.4 The Approval Committee was informed that in support of its application, the unit has also submitted a certificate of chartered engineer certifying that the proposed items are having direct nexus to the export production of the unit stating that keeping in view the requirement of new technologies to be adopted in the manufacturing process, its management has planned to import / indigenously procure some capital goods in current as well as in future.

3.04.5 Mr. Navin Dixit Director (Sales) and Mr. Pardeep Tyagi ASM attended the meeting. Sh. Navin Dixit informed about source of financing and requirement of the proposed capital goods in the unit for improving quality of the products.

3.04.6 After due deliberations the committee unanimously approved the proposal of the unit to enhance the limit of imported capital goods from 'NIL' to Rs. 7.05 Crore, and inclusion of capital goods and parts thereof to be imported / procured indigenously in Annexure-I of LUT as proposed.

Supplementary Agenda:

3.05. Proposal for conversion of existing DTA unit into 100%EOU by Bikanervala foods Pvt. Ltd at Ground Floor, Plot No. 2269 -2271 Food Parks, industrial Estate, HSIIDC, Phase-II, RAI, (District Sonapat) Haryana.

Handwritten signature

3.05.1 The Approval Committee was informed that Bikanervala Foods Private Limited applied for conversion of existing DTA unit into 100%EOU at **Ground Floor, Plot No. 2269-2271, Food Park, Industrial Estate, Phase-II, RAI, Sonapat, Haryana** for manufacture and export of Ready to Eat Food (Curries & Rice) with ITC HS Code 21069099 and annual capacity of 7200 MT / annum.

3.05.2 As per Annexure to ANF-6A, unit is not under any obligation to export under either Advance Licence Scheme or EPCG Scheme.

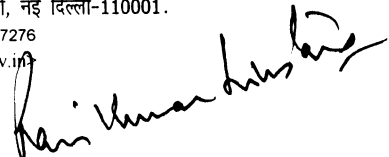
3.05.3 The Approval Committee informed that the unit's proposal was placed in the last meeting of Approval Committee held on 07.09.2020 and after due deliberation, the committee unanimously decided to defer the case asking to provide the following:-

- (i) Segregation of activities of EOU unit from DTA unit has to be ensured so that there is absolutely no intermingling of duty free goods of EOU with that of DTA unit located in the same premises.
- (ii) To file revised sub-lease deed for the proposed location with Bikano foods Private Limited after ensuring that as per the bye-laws of HSIIDC, sub-lease deed can be registered;
- (iii) Details of raw materials and spices to be used for manufacture of sweets, chips and ready to foods;
- (iv) Details of the wastages involved and input/output norms for manufacturing the export products; and
- (v) Details of the exact export products and as to how the same are different from those manufactured in the DTA.

3.05.4 Jurisdictional Customs authority EPC Rohtak was requested to carry fresh site inspection to ensure that there is separate entry & exit to the premises and there is absolutely no scope of intermingling of raw materials / finished goods of EOU and DTA unit of the same promoters.

3.05.5 The Approval Committee was informed that vide letter dated 07.10.2020 unit has submitted its reply as under:-

- (i) They have organized fresh site inspection to ensure separate entry and exit to the premises and there is absolutely no scope of intermingling of raw material / finished goods of EOU and DTA unit of the same promoters.
Unit has submitted revised sketch of the proposed location at Ground Floor, Plot No. 2269-71, Food Park, Industrial Estate, HSIIDC, Phase-II, RAI, District Sonapat, Haryana.
- (ii) As regards revised sub-lease deed for the proposed location with Bikano Foods Private Limited, unit has submitted a Conveyance Deed ensuring that as per the bye-laws of HSIIDC, sub-lease deed can be registered. However, the proposed plot is Free-Hold, hence the sub-lease question does not arise and they are free to lease the property. Unit has already submitted a copy of Lease Agreement and stated that they will submit Registered Lease Agreement shortly as due to Covid-19 Sub-Registrar Haryana office is closed.
- (iii) Regarding detail of raw materials and spices to be used for manufacture of sweets, Chips and Ready to Eat Foods, vide E-MAIL dated 29.10.2020, unit has submitted revised ANF-6A showing items of manufacture and export as 'Ready to Eat Food'. Vide another letter dated 29.10.2020, unit has informed that currently they will only manufacture and export 'Ready to Eat Food – (Curries and rice) under HSN 21069099'. Details of raw materials has been submitted by the unit. They further informed that there are no wastages involved.
- (iv) Unit has also stated that the raw materials used will be indigenous and they will not import any spices used in the goods exported from EOU. List of raw materials along with quantity submitted.
- (v) Unit has mentioned their exact export products are Jeera Basmati Rice and Shahi Paneer.
- (vi) Unit has stated their export turnover for the financial year 2019-2020 as Rs.33,37,53,691/-

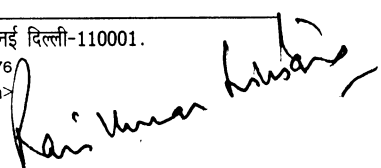


3.05.6 The Approval Committee was informed that the unit has submitted a Lease Agreement dated 14.08.2020 between Bikanervala Foods Private Limited and Bikano Foods Private Limited in respect of Plot No. 2269-2271, Food Park, Industrial Estate, HSIIDC, Phase-II, RAI, (District Sonapat) Haryana. However, the same is not registered. Unit has stated that they will submit the Registered Lease Agreement after the courts open in the State of Haryana. Unit has also informed that the said plot are free hold, the sublease question does not arise and the owner (Bikano Foods) are free to lease the property.

3.05.7 The Approval Committee was also informed that vide letter VIII(SB)/Cus.Prev/EPC-Rohtak/Bikanervala/98/2020/7025 dated 27.10.2020, the Assistant Commissioner of Export Promotion Circle, Rohtak has forwarded another site inspection report informing that the unit is functional and engaged in the manufacturing of food items. The premises has the proper security arrangement i.e. security guard and CCTV. Original Aadhar Card/ PAN Card of the Directors has been checked. A set of photos was also attached with the letter showing the separate entry-exit of EOU M/s Bikanervala Foods Pvt Ltd. Customs have stated that the request of M/s Bikanervala Foods Pvt Ltd for conversion of existing DTA unit into EOU may be considered favorably and that their office has no objection with respect to the application of M/s Bikanervala Foods Private Limited.

3.05.8 Mr. Amarjeet Singh, Assistant Commissioner of Customs informed that the area is a part of a building complex and the complex has a common compound with common entry and exit. He further informed that he had visited the unit after the last UAC and had observed that the unit needed to have effective segregation from its other DTA units in the same building complex. On being asked about the recommendation of the Customs dated 27.10.2020, he informed that perhaps the same has been given in routine.

3.05.9. Shri Anil Raheja, DGM and Shri Yogesh Kumar, Manager Finance explained the proposal before the Committee. On being asked about wastage they informed that their will be no wastage. Then their attention was invited to the written information provided by them wherein it has been categorically mentioned that for preparation of Shahi Paneer of 6 kg. (20pkt. of 300 gms. each) they will require various ingredients weighing more than 15 kg and



the packing materials. Hence, their claim that there will be no wastage is not consistent with their written submission. They could not explain further due to connectivity /network issue.

3.05.10. In view of above after due deliberations, the Approval Committee decided to defer the proposal with the following observations:

- i. The unit need to have totally segregated and secure boundaries with no scope of intermingling. The entry and exit should also be separate and exclusive and not from the common compound used for DTA & EOU units.
- ii. The unit need to get its wastages fixed from DGFT.

The Approval Committee also directed that the proposal may be placed again before the Committee after getting satisfactory replies to the above said both issues. The Customs be asked to take care while sending the report as both its earlier reports were clean whereas the unit still does not have secure boundaries.

The meeting ended with vote of thanks to the Chair.


(S.S. Shukla) 11/11/2020

Joint Development Commissioner


(R.P. Goyal) 09/11/2020

Development Commissioner