

NOIDA SPECIAL ECONOMIC ZONE

Minutes of the Approval Committee meeting in respect of 100% Export Oriented Units held under the chairmanship of Shri A. Bipin Menon, Zonal Development Commissioner, NSEZ at 12.30 PM on 17.12.2020 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
2. Shri Ashok Kumar, Deputy Commissioner of Customs, Commissionerate of Customs (Preventive) Delhi.
3. Shri Lobendu Das, Assistant Commissioner (Customs), Commisisonerate of Customs (Preventive), Delhi.
4. 4. Shri Amarjeet Singh, Assistant Commissioner (Customs), Commisisonerate of Customs (Preventive), Delhi.
5. 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, Deputy Development Commissioner and Shri H.K. Meena, Assistant Development Commissioner, NSEZ were also present to assist the Approval Committee.

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:-

4.01 Ratification of the Minutes of the Approval Committee meeting held on 02.11.2020:-

As no reference in respect of the decisions of the Approval Committee held on 02.11.2020 was received from any of the members of the Approval Committee, minutes of the meeting held on 02.11.2020 were unanimously ratified.



4.02. Proposal of Bikanervala Foods Pvt Ltd for conversion of existing DTA unit into 100%EOU at Ground Floor, Plot No. 2269 to 2271, Food Park, Industrial Estate, HSIIDC, Phase-II, RAI (District Sonapat) Haryana.

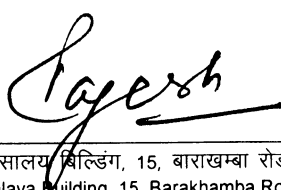
4.02.1 The Approval Committee was informed that Bikanervala Foods Private Limited applied for conversion of existing DTA unit into 100%EOU at Ground Floor, Plot No. 2269 to 2271, Food Park, Industrial Estate, HSIIDC, Phase-II, RAI (District Sonapat) Haryana for manufacture and export of Ready to Eat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

4.02.2 The Approval Committee was informed that the unit's proposal was also placed in the last meetings of Approval Committee held on 07.09.2020 and 02.11.2020. In the last UAC held on 02.11.2020, the Committee unanimously decided to defer the case asking to provide the following:-

- 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 and EOU units;
- ii. The unit need to get its wastage fixed from DGFT.

4.02.3 The Approval Committee was informed that vide letter dated 02.12.2020 unit has submitted its reply as under:-

- i. The proposed EOU has been segregated from existing DTA unit and with secured boundaries. Hence, there is no scope of intermingling between EOU and DTA. Further entry and exit of DTA & EOU unit are separate. Unit has also referred to letters dated 02.09.2020 and 27.10.2020 of Assistant Commissioner, Export Promotion Circle, Rohtak clearly mentioned that EOU unit has been segregated from DTA unit.



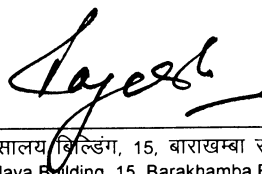
The proposed items to manufacture is Ready to Eat Food i.e. Jeera Basmati Rice and Curry (Shahi Paneer) and these items are not being manufactured in the existing DTA unit and will be manufactured in EOU unit which is for export only.

- ii. Fixation of wastage is not required, as they are not importing any raw material / spices for manufacture of ready to eat foods. All the raw materials / spices will be sourced indigenously.

4.02.4 Shri Anil Raheja, DGM attended the meeting. He explained the details of the proposal and reiterated the facts mentioned above. He also pleaded that Approval for conversion of existing DTA unit into EOU may be granted at the earliest as they have ready export orders in hand and the approval is already got delayed.

4.02.5 Mr. Ashok Kumar, Deputy Commissioner of Customs (Preventive) was of the view while the entry and exit of DTA & EOU had been separated, they needed to re-check if it was properly sealed. Besides this, the main entrance and exit of the building in which DTA and proposed EOU situated would also have to be checked. He suggested for re-inspection of the premises and assured that they would do that same within a week time. However, he added that since Customs vide letter dated 27.11.2020 has already given NOC, the Committee may consider granting in-principle approval subject to re-inspection of Customs.

4.02.6 In view of above, after deliberations, the Approval Committee decided to approve in principle the proposal for conversion of existing DTA unit into 100%EOU by Bikanervala Foods Private Limited at Ground Floor, Plot No. 2269 to 2271, Food Park, Industrial Estate, HSIIDC, Phase-II, RAI (District Sonapat) Haryana, subject to receipt of re-inspection report of the premises from the jurisdictional Customs authorities with their specific recommendation.



4.03 Proposal of VVDN Technologies Private Limited, 100%EOU at 1st and 2nd Floor, Plot NO. 441, Sector-08, IMT Manesar, Gurugram, Haryana for extension of validity period of LOP for next five-year block period w.e.f. 05.11.2020 to 04.11.2025 beyond 04.02.2021.

4.03.1 The Approval Committee was informed that VVDN Technologies Pvt Ltd is a 100%EOU situated at 1st and 2nd Floor, Plot NO. 441, Sector-08, IMT Manesar, Gurugram, Haryana. As per record, unit's DCP is 05.11.2015 and first five-year block period ended on 04.11.2020. During consideration of unit's request for extension of validity of LOP for next five-year block, there were discrepancies regarding pending foreign exchange and clearance of finished goods in DTA without authorization alongwith other deficiencies were observed. Keeping in view of smooth functioning of EOU, the validity of LOP was extended for three months i.e. upto 04.02.2021 and it was decided to place the matter before the UAC. Vide letter dated 11.11.2020, deficiencies were conveyed to the unit.

4.03.2 The Approval Committee was further informed about the deficiencies and the reply submitted by the unit. It was informed that the actual exports during 2015-16 to 2019-20 block period is Rs.7735.13 lakhs as against projected exports of Rs.21750/- lakhs. Shri Jitendra Singh, CFO of the unit attended the meeting. He informed that their major sales was targeted for 2019-20. However, there were many challenges including the current Covid-19 pandemic and Indo-China estranged relations during last year. Due to all these circumstances they could achieve only export of Rs.7735.13 lakhs.

(ii) Regarding the query that the projected exports for next five-year block period is eight times more than actual achievement in last block, Shri Jitendra Singh informed that now they have developed a lot of new in-house capabilities like molding and production of mechanical devices which was a major dependency over China in last few years. He further mentioned that during current year 2020-21 their exports is to the tune of Rs.8836.42 lakhs which have already crossed the total sales of last five-year block period.

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(iii) Regarding non-realisation of pending foreign exchange to the tune of Rs.160/- lakhs as shown in the APR 2010-2020, he stated that they have already received Rs.74/- lakhs for which BRCs have been generated. For balance amount of Rs.86/- lakhs, they have under the process of writing off the debtors in the record of the AD Bank.

(iv) Regarding clearance of goods in DTA to the tune of Rs.181.99 lakhs without authorization from this office, he replied that Rs.92.19 lakhs is deemed exports sales under para 6.09(b) of FTP during 2016-17 ad 2017-18 and Rs.89.80 lakhs is the DTA sales cleared after paying the duty and interest during 2017-18 and 2018-19 but it is of scrap and waste / raw material and no DTA sale of finished goods has been done. He further stated that they have provided copies of deemed exports and DTA sales and also submitted revised copies of APRs for 2016-17, 2017-18 and 2018-19.

4.03.3 In view of above, after due deliberations, the Approval Committee decided to approve the proposal for extension of validity of LOP for remaining period of five-year block period i.e. w.e.f. 05.02.2021 to 04.11.2025 of the current five-year block.

The meeting ended with vote of thanks to the Chair.


(A. Bipin Menon)
Development Commissioner