

**AGENDA FOR UNIT APPROVAL COMMITTEE MEETING FOR EOUS (AP)
UNDER THE CHAIRMANSHIP OF DEVELOPMENT COMMISSIONER, SHRI
M.SRINIVAS , IRMS AT 11.00 AM ON 26.06.2023.**

Agenda item No.1

Ratification of Minutes of the meeting held on 11.04.2023.

Agend item No.2

For allowing Exit from EOU scheme to M/s.Sarita Synthetics and Industries Ltd., pursuant to NCLT, Amaravati Bench Order dt.21.11.2022 approving the Resolution Plan (wherein at para 4.15.4 says Development Commissioner to allow exit to M/s.Sarita Synthetics from EOU scheme on receipt of NoC from proper officer)

Brief history :

M/s. Sarita Synthetics Industries Ltd., was granted Letter of Permission (LoP) dt. 10.04.1995 for processed/unprocessed polyester cotton fabric under EOU scheme. The Unit commenced production on 12.11.1995 . The unit's LoP expired w.e.f. 18.11.2015. The exit of the Unit from EOU scheme has been not allowed by this office due to a court case - i.e., a set aside petition filed by this office against the dismissal of Writ Appeal filed against the judgment dt.28.11.2012 of Honible High Court of AP in favour of M/s.Sarita Synthetics allowing them 'deemed exports value 'in the calculation for ascertaining DTA sale entitlement to the unit - is, as per case status in Courts in the website, disposed.

Meanwhile, M/s.Bommidala Enterprises Pvt.Ltd., vide their letter dt.21.12.2022 submitted a copy of Hon'ble NCLT , Amaravati Order dt.21.11.2022 which includes the approved the Resolution Plan submitted by the Resolution Professional (RP) Mr.Niranjana Miriyala vide IA(BC)No.321/2022 in TCB(IB) No.87/7/AMR/2019 under section 30(6) of Insolvency and Bankruptcy code 2016 r/w Regulation 39(4) of Insolvency and Bankruptcy Board of India Regulations 2016 in the matter of M/s.Sarita Synthetics and Industries Ltd., (Corporate debtor)

As per the above Order, M/s.Sarita synthetics was awarded in favour of Resolution applicant (M/s.Bommidala) . M/s.Bommidala requested this office to exit M/s.Sarita Synthetics from EOU scheme as per the approved Resolution Plan (para 4.15.4) of the NCLT Order.

The para 4.15.4 of the approved Resolution Plan states that “Necessary directions to be given by the Commissioner of Customs & Central Excise towards release of Bank Guarantees, Necessary Permissions/Approvals to be given by the Development Commissioner and Customs & Central Excise towards release of the unit from EOU status. NCLT may direct the proper officer for issuing NoC for debonding of EOU

This office has received No objection from Jurisdictional Customs vide their letter dt.26.04.2023 for exit of M/s.Sarita Synthetics from EOU scheme w.r.t. this office letter dt.24.04.2023 as per the NCLT order.

It to submit that at para 4.16 of Resolution Plan received from counsel for M/s.Bommidala there are is clause ‘ Extinguishment and Waiver of claims and Liabilities’ against the Corporate Debtor (M/s.Sarita Synthetics) . Relevant paras under 4.16 are:

4.16(iv)

“Non-compliance of any provisions of any laws, rules, regulations, directions, circulars, notifications, guidelines, policies, licenses, approvals, consents or permissions in relation to any period prior to NCLT ApprovalDate all consequence thereof shall deemed to be extinguished.”

4.16(vi) Any pending litigation/cases against the Corporate debtor shall stand extinguished. In any case RA shall not be held responsible. Further, RA shall have right to continue for pending litigations if any towards recovery of dues.”

The NCLT order and the approved Resolution Plan was received from Counsel for M/s.Bommidala Enterprises while serving notice to this office for enforcing the exit of M/s.Sarita Synthetics from EOU scheme to attend hearing on 27.04.2023 as per directions of Hon’ble NCLT. This office requested ASG to attend the hearing vide this office letter dt.24.04.2023. There has been no information received from the ASG so far.

It is pertinent to submit that this office has not received Hon’ble Court certified copy of NCLT order which includes approved Resolution Plan also, from any one so far.

The matter is submitted before UAC for discussion and allowing exit of M/s.Sarita Synthetics Industries Ltd., from EOU scheme in the back drop of both NCLT Order approving Resolution Plan which states DC, VSEZ to allow exit from EOU scheme on receipt of NoC from Customs dept.
