

मुरादाबाद विशेष आर्थिक क्षेत्र

(02/11/2020 को आयोजित मुरादाबाद विशेष आर्थिक क्षेत्र की अनुमोदन समिति की बैठक का कार्यवृत्त)

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श्री आर० पी० गोयल, क्षेत्रीय विकास आयुक्त, नॉएडा विशेष आर्थिक क्षेत्र की अध्यक्षता में दिनांक 02/11/2020 को शाम 04:00 बजे वीडियो कॉन्फ्रेंसिंग द्वारा आयोजित मुरादाबाद विशेष आर्थिक क्षेत्र की अनुमोदन समिति की बैठक का कार्यवृत्त

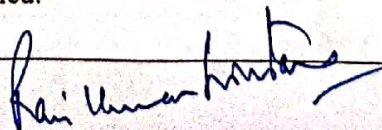
The following members of the Approval Committee participated in the meeting through Video Conferencing:-

- 1) Shri S. S. Shukla, Jt. Development Commissioner, NSEZ, Noida.
- 2) Shri Shobhit Sinha, Dy. Commissioner, CGST, Moradabad
- 3) Shri Anuj Kumar Singh, Dy. Commissioner, O/o Jt. C. I. Moradabad.
- 4) Shri Santosh Kumar, Regional Manager, UPSIDA, Moradabad SEZ.
- 5) Shri Ashok Kumar, Superintendent (Customs), Noida Commissionerate, ICD Dadri.
- 6) Shri Rakesh Kumar Singh, F.T.D.O., O/o Add. DGFT CLA, New Delhi.

2. Besides, during the meeting (i) Shri R. K. Srivastava, Dy. Development Commissioner, NSEZ (ii) Shri Amit Kumar Gupta, Specified Officer, Noida SEZ, (iii) Shri Tapan Bhattacharyya, Specified Officer, Moradabad SEZ, (iv) Dr. V. P. Sharma, Asstt. Development Commissioner, Moradabad SEZ were also present in the meeting through Video Conferencing to assist the Approval Committee. It was informed that the quorum is complete and the meeting can proceed.

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

1	<p>Ratification of Minutes of last meeting of the Approval Committee held on 07/09/2020</p> <p>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.</p>
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2 Inclusion of additional manufacturing activities as authorized operations in LOA and monitoring of Foreign Exchange pending for realization beyond nine months :

2.1 M/s JMD International :-

i) Approval Committee was informed that M/s JMD International was granted LOA No. NSEZ/4-401/2003-MBD/12188 dated 22.06.2017 for Manufacturing & Export of Handicrafts made of Brass, Aluminium, Iron, Wood, Copper, Glass and Stainless Steel. The unit started its production on 19.06.2019 and the LOA of the unit is valid up to 18.06.2024.

ii) Approval Committee was informed that the unit vide its letter dated 31.08.2020 submitted request for inclusion of additional items/ITS(HS) codes as authorised operations in its LOA. The ITC (HS) codes of the proposed additional items were examined and tallied with the list of Handicrafts items published by Export Promotion Council for Handicrafts and it was found that some of the items were not falling under the said list and therefore the Unit was asked to provide a certificate from EPCH. Approval Committee was also informed that FE amounting to Rs. 30,458.00 is pending for realization beyond stipulated time of 09 months as on 01.10.2020.

iii) The Approval Committee in its meeting held on 07.09.2020 took up the matter three times but Shri Mayur Dubey, partner due to connectivity/ network issue couldn't join the meeting to explain the proposal before Approval Committee. Approval Committee, after due deliberations, had unanimously decided to defer the proposal for its next meeting.

iv) The Approval Committee was further informed that :

1. No reply has been received from the unit till date in respect of this office letter dated 31.08.2020 regarding submission of 'Certificate of Handicraft' from EPCH for ITC (HS) codes/items not already in the EPCH list of Handicrafts.
2. A letter dated 16.10.2020 has been received from the developer (UPSIDA) wherein it has been mentioned that Rs. 3,63,508.00 is pending against plot number G-13 & G-14 of the unit and NOC from UPSIDA should be obtained before granting any approval to the unit.
3. Currently the unit is under investigation of DRI, Nhava Sheva. A container of unit under Shipping Bill No. 4000316 dated 02.09.2020 was seized by DRI, Nhava Sheva containing logs of Red Sanders weighing 18520 Kgs having international market value of Rs.

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7,40,80,000.00 which were attempted to be illegally exported out of India.

v) ADC, Moradabad SEZ informed that on the ground of ill health Shri Mayur Dubey, partner through Whatsapp message has requested excuse from appearing before the committee and requested for adjournment.

vi) The Approval Committee, after due deliberations, accepted request of the unit. The Committee directed Specified Officer, Moradabad SEZ to seek complete investigation report from DRI, Nhava Sheva in the matter. The Committee also directed to ascertain the details of Machines installed/ proposed to be installed alongwith its value and source of funding in case of new machines. The Committee further directed to examine the working of the unit thoroughly and place a comprehensive report in the matter including detailed data on the exports made by unit till date before Approval Committee. Approval Committee also directed Specified Officer to keep watch on activities of units in Moradabad SEZ.

3 Inclusion of additional manufacturing activities as authorized operations in LOA :

3.1 M/s Nodi Exports Inc. :-

i) Approval Committee was informed that M/s Nodi Exports Inc. was granted LOA No. NSEZ/4-271/2003-MBD/2552 dated 01.04.2011 for Manufacturing & Export of Handicrafts made of Brass and EPNS. The unit started their production on 01.04.2011 and the LOA of the unit is valid up to 31.03.2021.

ii) Approval Committee was informed that the unit vide letter dated 14.06.2020 submitted request for inclusion of additional items/ITS(HS) codes as authorised operations in its LOA. The ITC (HS) codes of the proposed additional items were examined and tallied with the list of Handicrafts items published by Export Promotion Council for Handicrafts and it was found that some of the items were not falling under the said list. This office vide letter dated 01.10.2020 requested the unit to submit 'Certificate of Handicraft' from EPCH for the items which are not falling under the EPCH list. The unit was also asked to submit NOC from developer regarding broad-banding of LOA.

iii) Approval Committee was further informed that the unit vide letter dated 19.10.2020 submitted a 'Certificate of Handicrafts' dated 16.10.2020 from EPCH for all those items which were not in the list of EPCH handicrafts list. The unit also informed to have applied for 'NOC'

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from the developer i.e. UPSIDA but the same has not been received yet.

iv) Shri Neeraj Khanna and Shri Shailesh Khanna, partners, from the unit appeared before the Approval Committee. They explained their proposal for broad-banding of LOA. They also informed the committee that the Plant & Machinery installed in their unit amounts to Rs. 93.16 Lakhs and they will procure additional P & M of Rs. 26.00 Lakhs once their proposal for broad-banding is approved.

v) Shri Santosh Kumar, Regional Manager, UPSIDA informed the committee that he does not have any reservation in the matter.

vi) Approval Committee, after due deliberations, unanimously approved inclusion of items mentioned in **Table A** below as authorised operations in LOA of the unit. The Approval Committee further directed that the above approval is subject to the condition that (i) no restricted / prohibited items shall be allowed and (ii) 'NOC' from developer (UPSIDA) will be submitted by the unit

Table A :-	
ITC (HS) Code (approved Handicraft items by EPCH)	
74199930	Handicraft of Brass
74199940	Handicraft of Copper
73269099	Handicraft of Iron/ Stainless Steel
73269990	Handicraft of Iron
73239490	
76169990	Handicraft of Aluminium
44209090	Handicraft of Wood/ Wood furniture
94036000	
44219190	
44219960	
70200090	Handicraft of Glass
70181020	
70099200	
70091090	Handicraft of Mirror
94038900	Handicraft of Metal furniture
94039000	
94033010	

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94032010	Handicraft of Metal furniture
94032090	
94031090	
68159990	Handicraft of Marble/ stone
68029400	
44140000	Handicraft of wooden photo frame
94051010	Handicraft of Lamp & lighting
94055010	
42023110	Handicraft of Leather
42023910	
74181020	Handicraft of EPNS
74181031	

4 Renewal of lapsed LOA :-

4.1 M/s Indian Heritage Perfumers :-

i) Approval Committee was informed that M/s Indian Heritage Perfumers have obtained LOA No. NSEZ/4-342/2003-MBD/7069 dated 16.05.2013 for manufacturing and export of Handicrafts made of Perfumery Incense Compound, Sandal Wood Incense Sticks, Sandalwood Handicrafts, Gift Wares and Perfumed Oil Chips. The LOA of the unit expired on 13.09.2020.

ii) Approval committee was informed that the net Foreign Exchange Earnings by the unit stand at Rs.0.62 Crores in their 1st block of operations against their NFE projection of Rs. 7.39 Crores. The unit does not have Foreign Exchange pending for realization beyond stipulated period of nine months as on 01.08.2020. The employment generated by the unit is 04 persons and value of installed P & M stands at **Rs. 8.72 Lakhs**.

iii) The unit was asked to submit clarifications/ requisite documents for the following observations :

1. Why request for renewal of LOA was not made in prescribed time before expiry of LOA as mandated by SEZ Rules, 2006.
2. Since some of products of unit does not fall in the list of Handicraft products published by EPCH, no certificate from EPCH has been provided for those products/ ITC(HS) codes.

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3. 'NOC' from the developer i.e., UPDISA has not been submitted.
- iv) The unit, vide letter dated 28.09.2020, submitted reply as under :
1. Due to spread of Global pandemic COVID-19, the unit was not able to apply for renewal in time.
 2. It submitted revised list of ITC codes for approved items which already fall in Handicrafts list of EPCH. It withdrew the following existing sandalwood products from their LOA.

a) SANDAL WOOD INCENSE STICKS	HSN CODE 33012937
b) SANDAL WOOD CHIPS	HSN CODE 12119050
c) SANDAL WOOD OIL	HSN CODE 33012937
 3. They made the complete payment of Rs. 41.00 Lakhs to developer UPSIDA and 'NOC' from the developer is received.
- v) The unit, vide email dated 15.10.2020, informed that they require LOA for only two items/ products viz. 33019031 – Perfumery Incense Compound (Attar) and 33074100 – Agarbatti Powder/ Bakhoor. Further it stated that it will not use/ import any restricted/ prohibited items for manufacturing of the authorised operations.
- vi) Shri Suhail Haroon, Partner & Mohd. Nafees Ashraf, Authorised Representative appeared before Approval Committee. They informed that since they have another unit in Chennai they were not able to focus on this unit but now they are planning to start production in this unit. They also informed that they have already cleared the dues of developer and have also placed the container inside their unit which was lying outside for 4 years since its import in 2016. However since their LOA got expired, the Customs, was not able to verify the contents of the container. On being asked as to why they have not been able to work for last four years, they were not able to provide any satisfactory reply. On being asked they informed that they want to export small cut pieces of Sandal Wood which are used for burning.
- vii) The Approval Committee deliberated on the request of the unit in detail and observed that the performance of the unit in 1st block of 5 years has been far from satisfactory and the unit did not do any export/ import for the last 4 years. The Committee further observed that the unit does not have any concrete business plan for the future. The proposed activity as informed by the unit is altogether different from what has been given in writing by the unit. More over cutting of

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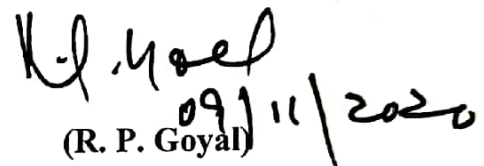
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bigger Sandal Wood logs into small pieces of 50 grams each for burning does not make any sense and does not amount to any value added product. Rather such an activity reduce the value of Sandal Wood log. In the circumstance, the Approval Committee, after due deliberations, unanimously decided not to renew the LOA for 2nd block. The Committee also directed the unit to complete the exit formalities and UPSIDA may take necessary actions w.r.t. plot as deemed fit and necessary.

Meeting ended with thanks to the Chair.


(S. S. Shukla)

Jt. Development Commissioner


(R. P. Goyal)

Zonal Development Commissioner