

मुरादाबाद विशेष आर्थिक क्षेत्र

(07/02/2022 को आयोजित मुरादाबाद विशेष आर्थिक क्षेत्र की अनुमोदन समिति की बैठक का कार्यवृत्त)

श्री अ० बिपिन मैन्न, क्षेत्रीय विकास आयुक्त, नॉएडा विशेष आर्थिक क्षेत्र की अध्यक्षता में दिनांक 07/02/2022 को 11:00 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 Kiran Mohan Mohadikar, Dy. Development Commissioner, NSEZ, Noida (Nominee of Deptt. Of Commerce in terms of letter dated 23/09/2008).
2. Shri Shobhit Sinha, Dy. Commissioner, CGST Moradabad.
3. Shri Jeetendra Kumar Meena, Income Tax Officer, Moradabad Division.
4. Shri Manish Kumar Pathak, Asstt. Commissioner, DIC, Moradabad.
5. Shri Chaman Lal, FTDO (CLA), DGFT, New Delhi.
6. Shri Sanjeev Kumar Bedi, Area Manager, UPSIDA, Moradabad SEZ.

Besides, during the meeting (i) Dr. Ved Prakash Sharma, Asstt. Development Commissioner, Moradabad SEZ also participated in the meeting through Video Conferencing to assist the Approval Committee. It was informed that the Quorum is complete and the meeting can be convened.

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 among the members of the Approval Committee as well as interaction with the applicants/ representatives of the units, the following decisions were taken:-

1	Ratification of Minutes of last meeting of the Approval Committee held on 16/12/2021 As no reference in respect of the decisions of the Approval Committee held on 16/12/2021 was received from any of the members of the Approval Committee or Trade, Minutes of the meeting held on 16/12/2021 were unanimously ratified.
2	Setting up a new unit in Moradabad SEZ

ICM

2.1 M/s AKG International

- i. It was informed to the Approval Committee that the applicant has proposed to set up a new unit in Moradabad SEZ namely AKG International for manufacturing & export of handicrafts items made of Wooden & MDF, Rattan, Marble, Glass, Iron & Steel, Copper, Brass, Aluminum, Wax Candle and Home Décor & Home Furnishing with projected exports of Rs. 1090.01 Lakhs and the NFE of Rs. 1033.00 Lakhs over a period of five years.
- ii. Approval Committee enquired about the offer of allotment of space by the developer i.e. UPSIDA wherein it was informed that the unit has been allotted Plot No. O-26, Pocket-'B' by UPSIDA on 29.10.2021 having total area of 315.00 sq. metres. The unit plans to construct a building measuring 189.00 sq. metres and would install Plant and Machinery amounting to Rs. 10.00 Lakhs which will be procured indigenously.
- iii. Shri Abhishek Gahlot, proprietor of AKG International appeared before the Approval committee to explain the project. Shri Abhishek informed that he is already in handicrafts export business in DTA through M/s AKG Export in Moradabad and is working in glass & metal decorative products & Handicrafts. He stated that he studied in UK till 2019 and started his DTA unit when he returned to India. He came across some overseas buyers from UK and Europe during his studies to whom he is exporting at present. He has submitted balance sheets of DTA firm for last 02 years i.e. 2019-20 & 2020-21 wherein he has exported amounting to Rs. 15.22 Lakhs and Rs. 62.83 Lakhs respectively. In current financial year 2021-22 he has exported to the tune of Rs. 3.5 Crores till date. He further informed that the proposed SEZ unit has an estimated project cost of Rs. 67.81 Lakhs out of which Rs. 3.07 Lakhs have already paid to UPSIDA and Rs. 11.11 Lakhs more will be paid to UPSIDA in equal 12 half-yearly installments up to 01.01.2028, the remaining Rs. 53.63 Lakhs (for procurement of furniture, plant and machinery and margin money or working capital) would be financed through his own funds (Rs. 8.63 Lakhs) and unsecured loan from his Father (up to Rs. 45.00 Lakhs) for which supporting documents have been submitted. He also informed that the initial direct employment will be 17 persons and projected exports will be approx. 20 consignments in a year. Shri Abhishek further informed that since SEZ is a well-developed, secured industrial zone, that is why they are planning to establish a unit in SEZ, moreover his DTA unit will continue to work separately. On being asked Shri Abhishek informed that they will export to his existing buyers in UK, Europe specifically France. At initial stage they will install machines like Polishing machines, cutting & drilling machines, powder coating, welding machines etc. It was also informed that payment terms with their existing overseas buyers will be 30% Advance and remaining 70% on Bill of Lading (B/L). Shri Abhishek also

informed that he will use profit margin/ partner capital from his DTA unit which is approximately Rs. 50.00 Lakhs in establishment of his SEZ unit. When asked about procurement of Marble, Shri Abhishek stated that he will procure marble domestically to be used in his products and will not import any kind of marble.

iv. The Approval Committee, after due deliberations, approved the proposal of M/s AKG International for setting up a new unit in Moradabad SEZ for manufacturing & export of Handicrafts items made of Wooden & MDF, Rattan, Marble, Glass, Iron & Steel, Copper, Brass, Aluminum, Wax Candle and Home Décor & Home Furnishing as per ITC(HS) code mentioned below subject to the following conditions:

- a. Unit should submit current account bank statement of its DTA unit i.e., AKG Export and CA certificate for the export made by DTA unit in FY 2021-22.
- b. Unit should submit affidavit/declaration that profit margin/ partner capital available in DTA unit i.e. AKG Export will be used in establishment of SEZ unit i.e. AKG International.
- c. No prohibited items shall be allowed for import/ export without specific permissions from BoA or concerned authorities.
- d. No DTA sale of Marble & Marble products is allowed. Moreover, Marble & Marble products required for the authorized operations will not be imported but will only be domestically procured.

List of specific handicraft items for manufacturing with their ITC(HS) codes

	ITC(HS) Codes	Description	Specific Name Of Products
1	74199930, 74181021	Handicrafts of Brass	Decorative Object, Box, Tray, Plates, Dishes, Platters, Ashtray, Bowl, Planter, Jewelry Stand, Table, Stool, Furniture, Bell, Hand Bell. Desk Bell, Antique Reproduction, Coat Stand, Clock, Christmas Hanging, Bird Cage, Bird House, Napkin Rings, Globes, Armillary, Hookah, Table Bells, Hand Bells Scissors, Wick Trimmer, Easel Stand, Book Stand, Bookend, Picture Frame, Frame, Jar, Tumbler, Towel Stand, Soap Dispenser, Toilet Paper Holder, Goblet, Plate Stand, Tissue Paper Stand, Napkin Holder, Spoons, Forks, Knives, Cutlery, Cheese Knives, Serving Set, Salad Bowl.
2	74199940,74199920	Handicrafts of Copper Artware	Decorative Animal Figure, Figurine, Flower Vase, Candle Stand, Candelabra, Sconce, Candle Snuffer, Decorative Object, Box, Tray Plates, Dishes, Platters, Ashtray Bowl, Planter, Jewelry Stand, Table, Stool, Furniture, Bell, Hand Bell, Desk Bell, Antique Reproduction, Coat Stand, Clock, Christmas Hanging, Bird Cage, Bird
3	76151030, 76151090	Handicrafts of Aluminum	Decorative Animal Figure, Figurine, Flower Vase, Candle Stand, Candelabra, Sconce, Candle Snuffer, Decorative Object, Box, Tray Plates, Dishes, Platters, Ashtray Bowl, Planter, Jewelry Stand, Table, Stool, Furniture, Bell, Hand Bell, Desk Bell, Antique Reproduction, Coat Stand, Clock, Christmas Hanging, Bird Cage, Bird

			House, Napkin Rings, Globes, Armillary, Hookah, Table Bells, Hand Bells, Scissor, Wick Trimmer, Easel Stand, Book Stand, Bookend, Picture Frame, Frame, Mirror Frame, Urn Jar, Tumbler, Towel Stand, Soap Dispenser.
4	73239490, 73239200, 73239420	Handicrafts of Iron & Steel	Tables, Stools, Furniture, Decorative Wick Trimmer, Picture Frame, Frame, Mirror Frame, Jar, Wine Rack, Bucket, Wine Chiller, Tumbler, Towel Stand, Soap Dispenser, Toilet Paper Holder, Plate Stand, Bins, Racks, Tissue Paper Stand, Napkin Holder, Spoons, Fork, Knives, Cutlery, Cheese Knives, Serving Set, Utensils, Salad Bowl, Salt & Pepper Shakers, Tableware, Utensils, Egg.
5	70200090, 70200029, 70200011, 70181020	Handicraft of Glass	Hurricane Chimney, Jars, Boxes, Plates, Cake Cover, Candle Holders, Vases, Lamps, Mirrors, Beads.
6	44209010, 44201000	Handicrafts of Wood & MDF Board	Table, Stool, Furniture, Boards, Boxes, Trays, Clocks, Frames, Picture Frames, Mirror Frames, Photo Frames, Frames Statues.
7	68159990	Handicraft of Stone/Marble	Trays, Caddy Bowls, Lanterns, Wine Racks, Furniture, Table, Chairs, Stools, Bases, Candle Stand, Lamp.
8	94051010 94051020 95051000	Home Décor & Furnishing Items	Decorative Wall Clocks, Hanging Lamp Complete Fitting, Wall Lamp, Lamps, Lanterns, Table Lamp & Other electing Lamp complete Fitting, Christmas Items.
9	46021200	Rattan Artware	Basket, Furniture
10	96020020	Handicrafts Items of Wax Candle	Wax Candle

3 Review of new unit application (deferred case from earlier UAC)

3.1 M/s East Elm

- i. It was informed to the Approval Committee that M/s East Elm has submitted an application for setting up a unit in Moradabad SEZ for Manufacturing & export of handicrafts items made of Wooden, Glass, Iron, Curtain Rods, Brass, Copper, Aluminium, Tin Boxes & Electric Lamp. The proposal of M/s East Elm was placed before the Approval Committee in its meeting held on 07.09.2020, 23.02.2021, 12.03.2021, 27.05.2021 and 10.06.2021.
- ii. It was also informed that the Approval Committee in its meeting held on 10.06.2021, deliberated the proposal and showed its displeasure on the fact that unit has not submitted

requisite documents even after being directed by the Committee to submit the same multiple times. Further, Approval Committee observed as under:

- a. Unit must obtain time extension from developer i.e., UPSIDA for plot no H-26 allotted to them and submit the same to ADC, Moradabad SEZ.
 - b. Recent bank statements of all the individuals (Partners of unit and friends/family members who have agreed to provide unsecured loan to unit) be submitted by the unit.
 - c. Unit must submit financial fund flow as per format.
 - d. Detailed manufacturing process flow charts for all the items proposed to be manufactured and exported (as per format already provided to unit through email). Value addition would be mentioned and attested by unit.
- iii. The Approval Committee in its meeting held on 10.06.2021, unanimously decided to defer the case and directed that the case be placed again before Approval Committee with full facts only after submission of requisite documents by the unit. This office vide letter dated 21.06.2021 informed the unit about the observations made by Approval Committee as mentioned above.
- iv. It was further informed to the Approval Committee that the unit vide its letter dated 28.06.2021 submitted some documents but did not submit all the requisite documents as directed by UAC, hence the case was not placed before UAC. Thereafter the unit vide its email dated 19.01.2022 finally submitted the remaining documents, which are now placed before Approval Committee in its meeting held on 07.02.2022 for consideration.
- v. It was also informed that the unit vide its letter dated 24.01.2022 received in this office on 31.01.2022 stated that he wants his plot to be cancelled and money to be refunded. Since the matter of plot pertains to developer i.e. UPSIDA, this office vide email dated 02.02.2022 asked the unit if they wish to withdraw their application for setting up new unit in Moradabad SEZ or not? The unit vide email dated 03.02.2022 informed that they will attend the Approval Committee meeting scheduled on 03.02.2022
- vi. Shri Sanjeev Kumar Bedi, Area Manager, UPSIDA informed the Approval Committee that the unit has not cleared pending dues of approximately Rs. 1.10 Lakhs payable for the plot w.r.t. time extension of 01 years given up to 25.05.2022. He also informed that as per UPSIDA policy, the extension given stands cancelled automatically since the unit has not fulfilled condition of developer to submit the Time extension fees within 30 days from issuance of time-extension letter. Shri Bedi further informed that the unit itself chose 12 months' time when applying for plot on Nivesh Mitra wherein option for 24 month was also available, when the initial period of 12 months expired on 25.05.2021, the Time Extension Fee was automatically introduced by the online system when the unit applied for extension of plot for second year.

	<p>vii. Shri Shailendra Pal Singh, Partner of M/s East Elm appeared before the Approval committee and stated that he does not want to pay time-extension fees which is imposed on him since he did not get LOA in the prescribed time. He was informed that he did not provide the complete information on time even when directed by the Approval Committee multiple times. When asked if he would like to continue with his application for setting up a new unit, Shri Shailendra stated that if time-extension fees is not waived off, he would like his plot cancelled and money be refunded back.</p> <p>viii. The Approval Committee, after due deliberations, decided that a consolidated note on the matter may be prepared by ADC, Moradabad SEZ which should include facts of the case from developer UPSIDA and to be placed on file before the Development Commissioner, NSEZ for taking decision in the matter.</p>
<p>4</p>	<p>Monitoring of non-realization of Foreign Exchange beyond stipulated time period and action under FTDR Act, 1992</p> <p>M/s Ritu Overseas :-</p>
<p>4.1</p>	<p>i. Approval Committee was informed that M/s Ritu Overseas having LOA No. NSEZ/4-335/2003-MBD/7067 dated 16.05.2013 for manufacturing and export of Handicrafts made of Stainless Steel, Brass, Aluminium, Copper, Glass, Leather, Textile, Wood, Scarves, Mufflers, Rugs, Dari, Hand Knotted Carpets and Ceramic Items. The LOA of the unit is valid up to 02.02.2025.</p> <p>ii. It was also informed that unit has been given sufficient time and opportunities of being heard and for realization of pending Forex but the unit has failed to completely realize the forex pending beyond stipulated time period. The case was last placed in the Approval Committee meeting held on 16.12.2021 wherein Shri Vinay Bhandula, authorised representative appeared for the unit.</p> <p>iii. The Approval Committee in its meeting held on 18.10.2021, after due deliberations, noted that even though the unit has shown progress but large Forex amount is still pending for realization which must be realized by the unit and BRC for realized amount should be submitted at the earliest. The committee further noted that the decision regarding MEIS claim filed by unit may be taken by the DC, NSEZ separately. The Committee also decided that in view of time extension given by the AD Bank up to 31.12.2021, the case may be placed before Approval Committee in its Jan. 2022 meeting.</p> <p>iv. In view of above, the case is placed before Approval Committee in its meeting on 07.02.2022 wherein it is informed that Forex pending for realization on the unit has decreased from Rs. 13,48,51,145.00 since issuance of SCN and now Rs. 2,94,18,525.00 (i.e. Rs. 2.94 Crores) is still pending for realization as on 01.02.2022. Also, the unit has</p>

not attended 3 PHs out of 06 PHs given to them since issuance of SCN in Nov. 2020.

- v. Approval Committee noted that the DTA procurement of Rs. 26.59 Crores by the unit in its last few years of operation is way too high when compared with the export of the unit which stands at Rs. 16.50 Crores. ADC, Moradabad SEZ informed the committee that 04 Shipping Bills related to FY 2019-20 amounting total of Rs. 10.59 crores were cancelled since the goods were received back in the unit from overseas buyer and the same goods were sent back to DTA party from where procurement amounting to Rs. 10.05 Crores but due to SEZ Online system limitations, the DTA transactions were settled in offline physical paper by Custom authority and the same is not reflecting in the online report. The effective DTA procurement by the unit stands at Rs. 16.54 Crores after deducting the value of DTA goods which were sent back.
- vi. No-one from the unit appeared before Approval Committee in its meeting held on 07.02.2022 but it was telephonically informed to ADC, Moradabad SEZ by the unit that they have realized the pending forex and e-BRC of the same is pending to be issued by their AD Bank.
- vii. The Approval Committee took serious note of the absence of the unit in the UAC. after due deliberations, noted that though the unit has shown progress, BRC for realized amount should be submitted at the earliest. The committee monitored the unit and noted that the NFE achieved by the unit is positive even when the pending amount is written off by the unit. The Committee also decided that a communication may be sent to M/s Ritu Overseas firstly noting with concern the absence of the unit at the UAC and secondly asking them to indicate the status of pending Forex as on date at the earliest. The UAC decided that an explanation may be called from the unit on its absence.

Meeting ended with thanks to the Chair.


(Kiran M. Mohadikar)
Dy. Development Commissioner

(A. Bipin Menon)
Zonal Development Commissioner