

Moradabad Special Economic Zone

(Minutes of the meeting of Approval Committee of Moradabad SEZ held on 08/03/2018)

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Minutes of the meeting of Approval Committee of Moradabad SEZ held under the chairmanship of Dr. L. B. Singhal, Development Commissioner (DC), Noida SEZ at 12:00 Noon on 08/03/2018 in the Conference Hall of NSEZ.

The following members of the Approval Committee were present during the meeting:-

- 1) Shri S. S. Shukla, Jt. Development Commissioner, NSEZ.
- 2) Shri U. K. Acharya, Dy. DGFT, Moradabad
- 3) Shri Rajesh Sharma, Asstt. Commissioner (Customs), Dadri ICD

2. Besides, during the meeting (i) Smt. Mala Rangarajan, Dy. Development Commissioner, NSEZ (ii) Shri Amit Sharma, Specified Officer, Moradabad SEZ, (iii) Dr. V. P. Sharma, Asstt. Development Commissioner, Moradabad SEZ were also present to assist the Approval Committee.

3. At the outset, D. C., NSEZ welcomed the participants. After brief introduction, Approval Committee reviewed the performance of the Zone and noted that export of the zone was to the tune of Rs. 464.28 crore in 2015-16 to Rs. 1146.36 crore in 2016-17. It was also noted that the export for 2017-18 (upto 28.02.2018) is to the tune of Rs 897.92 Crores.

4. Thereafter, each item in the agenda was taken up for deliberation one by one. After detailed deliberations as well as interaction with the applicants/ representatives of the units, the following decisions taken:-

Ratification of Minutes of last meeting of the Approval Committee held on 18/01/2018:-

It was informed that no reference against the decisions of the Approval Committee held on 18/01/2018 was received. Accordingly, Approval Committee ratified Minutes of meeting dated 18/01/2018.

Item wise decisions on proposals included in agenda:

1.	<p>Proposal of M/S Crafts Exim for setting up a new Unit in Moradabad SEZ.</p> <p>1. It was informed to the Approval Committee that the applicant had proposed to set up a new unit in Moradabad SEZ for Manufacturing & Export of Handicrafts made of Leather, Jute, Wood, Kolhapuri Chappal, Glass, Iron, Stainless Steel, Brass, Copper and Aluminum with projected exports of Rs. 2582.85 Lakhs and the NFE of Rs. 2582.85 Lakhs over a period of five years. It was noted that indigenous raw material and capital goods requirement projected for 5 years is Rs.1764.75 Lakhs.</p>
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2. Shri Mohammad Bilal Khan, Proprietor appeared before the Approval Committee to explain the project. He informed that he has been in export business for last 12 years and has a work experience of 10 years in M/S Sunaila International, Kanpur from 2005 to 2015. The gross income of the Proprietor was Rs. 2,74,837 during 2016-17. He further informed that in earlier part of his career he has worked in MEA, Shahstri Bhawan and TISCO. He was asked to provide documentary proof in support of his claim. He also informed that he will invest in the unit by using his own funds and source the remaining fund by bank finance He further informed that the proposed unit shall be a 100% export unit and will employ approx. 20 persons initially. He also stated that he has submitted papers relating to his property worth Rs. 8 crore, which would be put to use should the need arise. He also mentioned that he will be doing export of handicraft items basically related with Animal and birds.
3. UPSIDC vide its letter dated 06.09.2017 has also granted permission for allotment of Plot No. H-38 SEZ, Moradabad.
4. The Approval Committee, after due deliberations, accorded "in principle" approval to the proposal of M/S Crafts Exim for setting up a new unit in Moradabad SEZ for manufacturing and export of Handicrafts made of Leather, Jute, Wood, Chappal, Glass, Iron, Stainless Steel, Brass, Copper and Aluminum as under:

S. No.	Description	Material/ Metal	ITC (HS) code
1.	Collar, Harness, Bridle, Leads, Necklace, Belt purses, shocks	Handicrafts of Leather	4201000
2.	Bags	Handicrafts of Jute Art ware	42022230
3.	Spoon, stand	Handicrafts of wood Art ware	44219060
4.	Chappal Kolapuri style, Sandal footwear	Handicrafts of leather/ Kolapuri style Chappal	64032040



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5.	Chandelier, Photo frame, candle pot/ stand	Handicrafts of Glass Art ware	70200090
6.	Hanging eating Pot, Planter	Handicrafts of Iron Art ware	73269099
7.	Ball, Sticks, Raqab	Handicrafts of Stainless Steel Art ware	73269099
8.	Flower wase, Ashtray, Candle stand, Lantern, Table lamp	Handicrafts of Brass Art ware	74199930
9.	Flower wase, Photo frame, Pinzra, Planter	Handicrafts of Copper Art ware	74199940
10.	Planter, Table Lamp, Ashtray	Handicrafts of Aluminium Art ware	76169990

The Approval Committee directed that LOA would be issued only after satisfactory verification of documents including papers of property (crucial for his financial strength) submitted by the unit.

5. Further, the Approval Committee also informed that LOA would be issued subject to the following additional conditions:
 - a. All items to be manufactured and exported should fall under the definition of Handicrafts as per Note-1 of Chapter 44 of ITC (HS), Schedule 2.
 - b. No procurement and/or Processing and/or reprocessing of garments or used clothing or secondary textile materials and other recyclable textile materials into clipping of rags or industrial wipers or shoddy wool or yarn or blankets or shawls in terms of Rules 18(4)(c).
 - c. No import of used goods including metallic wastes and scraps shall be allowed to be imported in terms of Rules 18(4)(d) of SEZ Rules, 2006.
 - d. The goods procured from DTA and goods exported shall be subject to 100%



examination in respect of valuation, quantity and content.

- e. No sub-contracting is permissible in the first year of production. For subsequent years, the value of the sub-contracted part of the production shall not exceed the value of goods produced by the unit within its own premises in the immediately preceding financial year. It is further clarified vide notification dated 12.06.2017.
- f. Since 'Kolapuri' is a name attributed to goods originating from a particular region, the unit will not be allowed to use this name for its product.
- g. Proprietor shall submit documentary proof of his work experience as stated by him before the Approval Committee.
- h. Upon installation of the machinery in the unit the unit shall intimate the same to the specified officer within one week of such installation.
- i. Specified Officer or any person authorized by him shall carry out the verification the machine installed within a week of receipt of such intimation.
- j. In the event of substantial variations in export projected in the application form and the actual exports made by the unit, the unit shall intimate DC, NSEZ regarding such variation with a detailed justification. The unit shall also take necessary steps to get foreign exchange projections revised.

The representative of the firm (Shri Mohd. Bilal Khan) agreed to the above conditions during the Approval Committee meeting held on 15.12.2017.

6. As per direction of Approval Committee this office wrote a letter vide F. No. NSEZ/4-407/2003-MBD/12716 dated 02.01.2018 to Shri Mohd. Bilal Khan to submit his work experience as stated by him during the Approval Committee meeting.
7. Shri Mohd. Bilal Khan submitted the following documents as proof of his work experience vide letter dated 11.01.2018. He had submitted document that he worked as Government Notary from 13.04.2000 to 12.04.2005. But he did not submit any relevant work experience as stated by him during the Approval Committee held on 15.12.2017 i.e. Ministry of External Affairs, Shashtri Bhawan and Tisco. Based on the documents submitted by him, his work experience has been tabulated in chronological order as follows:



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S. No.	Work Experience	Documents submitted
1.	Production & export manager in M/s Sunaila International, Kanpur for the period 2002-2015	Yes
2.	Legal services in Tata Steel now as TISCO	No
3.	Ministry of MEA, Shastri Bhawan, New Delhi	No

8. This office again issued a letter to Shri Mohd Bilal Khan vide Letter No. NSEZ/4-407/2003-MBD/12760 dated 29.01.2018 to submit complete employment details with documentary proof for his work experience as stated by him before Approval Committee. No documents or reply was submitted to this office by Shri Bilal Khan w.r.t. to this office letter dated 29.01.2018.

9. Further since the property papers submitted by him did not, prima facie appear to be in order, advocate help was sought for verification of property documents/ antecedent and valuation of property as presented by the proprietor (Shri Mohd. Bilal Khan) in the Approval Committee meeting held on 15.12.2017.

10. In this regard, professional services of Advocate Smt. Mani Mittal were sought to examine the antecedent of the Proprietor Shri Mohd. Bilal Khan and facts about his property and details of the firm namely M/S Sunaila International, Kanpur, where the proprietor had worked for 13 years, that is from 2002 to 2015.

11. Relevant documents as submitted by the proprietor were provided to the advocate. Advocate Smt. Mani Mittal in her email dated 19.02.2018 submitted her inspection/ verification report, which inter alia, included report on the following points:-

a. Details of the firm M/s Sunaila International, in which the applicant has worked for 13 years, and which was in the manufacturing and export of different handicraft items.

b. Details of the property situated at 14/ 14, Nawab compound, Civil Lines, Kanpur, is owned by the applicant/ Bilal Khan or not, as per the photocopy of the sale deed provided and physical verification carried out.

c. Details of the property situated at 14/ 16, Nawab compound, Civil Lines, Kanpur, is ancestral property of the applicant/ Bilal Khan as per the photocopy of the sale deed



provided.

- d. Details of the personal background of the applicant Bilal Khan specifically regarding any criminal case pending against him in the District Court Kanpur.

12. The conclusion of report submitted by Advocate Smt. Mani Mittal is as follows:

“It is evident that the applicant /Bilal Khan has provided forged and fabricated Letters/certificates of the so called firm Sunaila International because the said firm has no existence on the address 14/14, Nawab compound, Civil Lines Kanpur UP as stated in the letterhead of the firm. Moreover, all the telephone numbers mentioned on the letterhead could not be reached out as found to be switched off/does not exist, when called upon to verify the contents of the certificate.

The applicant/Bilal Khan owns an area of 92.81 square metres only in the plot No. 14/14, Nawab compound, Civil Lines, situated At Kanpur City, and it is valued at only Rs. 46,12, 657/-, as per the circle rate of Kanpur city where as the applicant has mentioned the value of the property in crores. This has also come to the notice from the inquiry that the market price of the property is less than the circle rate in Kanpur city. Therefore, it can be concluded that the applicant cannot raise funds in crores to support the export Rupees 25 crores in 5 years as per case application for setting up a unit in SEZ Moradabad UP. His claims are away from the reality.”

“Further it is observed that another property situated 14/16, Nawab compound, Civil Lines Kanpur UP having an area of 55 metres and it is valued at only Rs. 27,33,500/-, as per the circle rate of Kanpur city where as the applicant has mentioned the value of the property in crores. Moreover, it is not clear that the applicant is the only beneficiary in the above said property and it belongs to his ancestors.

The chain of the properties is incomplete and therefore it can be concluded that that title of the property is doubtful and the applicant has a clear and marketable interest in the said property.”

13. Chartered Accountant’s help was also sought in case of M/s Crafts Exim for assessing the credibility of the financial information submitted by Shri Mohd Bilal Khan.

Chartered Accountant Shri Kshitij Sharma, M/s Rajeev Sharma & Associates has submitted their report as under:-



- a. As per the Income Tax Return of Shri Bilal Khan having PAN AFUPK3959H, the income has been shown as derived from Profits and Gains from Business and Profession. However, as per the Qualification and Experience certificate submitted by the applicant, the applicant has submitted that he had been working as Production and Export Manager with Sunaila International from 2002 to 2015. However, if that was the case, the nature of income derived by the applicant should have been from Salary instead of from Business. The same can be corroborated from the Income Tax Returns submitted by the applicant.
- b. The relationship between Shri Bilal Khan and the proprietor of M/s Sunaila International must be sought. For this, the GST registration certificate of Sunaila International must be obtained.
- c. To check the legitimacy of the applicant's claim of work experience and the work of M/s Sunaila International, the Financial statements along with ITRs for the preceding three financial years i.e. FY 2016-17, FY 2015-16 and FY 2014-15 must be sought.
- d. As per the Income & Expenditure Account submitted by Shri Bilal Khan for the year ended 31.03.2017, revenue of mere Rs. 8.89 Lakhs has been reported from operations of Job work. Therefore, it must be acquired on what basis Exports of Crores of Rupees have been submitted. Further, the income Tax Return for FY 2016-17 (Assessment Year 2017-18) must also be obtained.

Further, it is interesting to note, that Shri Bilal Khan, who himself claims to be an employee, has shown an expenditure on Wages. Further, in his balance sheet as on 31.03.2017, a deposit of Rs. 7.85 Lakhs has been shown. The details of the same must be sought.

- e. The applicant has submitted that the funding for the project shall be done from the sale proceeds of the ancestral property located at Plot No. 14/16, Nawab Compound, Civil Lines, Kanpur, Uttar Pradesh measuring 431 sq. yards. However, as per report received from Advocate Smt. Mani Mittal, only 65.80 sq. yards of the property belongs to father of Shri Bilal Khan as can be perused from the Sale deed dated 14/12/1993. However, Smt. Mani Mittal has raised objections on the credibility of the Sale Deed.

Therefore the complete details of the sources of funds, apart from the sale of Ancestral Property, should be obtained from the applicant, as according to the Advocate's report,



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the Ancestral property appears to be with defect and therefore cannot be construed as a viable source of finance.

14. This office also sought help from the Office of Joint DGFT, Kanpur to find relevant information w.r.t. M/s Sunaila International, Kanpur. This office received IEC of M/s Sunaila International (IE Code 0698004132) from Dy. DGFT, Kanpur. He also informed in his email that the said firm has not availed any benefits or licenses from the DGFT Kanpur office. No export related data for the said firm was received from DGFT Office, Kanpur. However, as per the BRC details available at the DGFT website, no data regarding realization of export since inception of the said firm i.e. M/s Sunaila International is available.

15. Claims made by Shri Mohd. Bilal Khan during the Approval Committee meeting held on 15.12.2017, vis-a-vis factual position as per the reports of Advocate and Chartered Accountant are as follows:

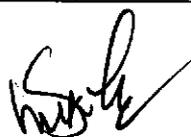
S. No.	Claim made by Shri Bilal Khan	Factual Position as per Chartered Accountant / Advocate report
1.	He worked as Production and Export manager at M/s Sunaila International, Kanpur for 10 years from 2005 to 2015.	<p>Relevant extract of advocate Smt. Mani Mittal's report is as under:</p> <p>"It is evident that the applicant /Bilal Khan has provided forged and fabricated Letters/ certificates of the so called firm Sunaila International because the said firm has no existence on the address 14/14, Nawab compound, Civil Lines Kanpur UP as stated in the letterhead of the firm. Moreover, all the telephone numbers mentioned on the letterhead could not be reached out as found to be switched off/does not exist, when called upon to verify the contents of the certificate."</p> <p>As per experience certificate submitted by Shri Bilal Khan, he worked as Production and Export manager at M/s Sunaila International, H. O. 14/14, Nawab Compound, Civil Lines, Kanpur for 13</p>



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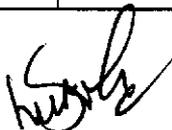
		<p>years from 2002 to 2015 (contradictory as his another work experience letter shows he was working as a Government Notary from 2000 to 2005, which shows he was working at 2 places simultaneously during the period 2002 to 2005).</p> <p>Also as per report of Advocate, no firm in the name of M/s Sunaila International has existed at the address 14/14, Nawab Compound, Civil Lines, Kanpur at any point of time. Also it may be worth noting that Shri Bilal Khan resides at the same address i.e. 14/14, Nawab compound, Civil lines, Kanpur. Civil lines, Kanpur is a residential area and to run commercial activity is not allowed in Civil Lines area of Kanpur.</p>
2.	<p>He is a salaried person i.e. Production and Export Manager with M/s Sunaila International, Kanpur.</p>	<p>Relevant extract of Chartered Accountant's report is as follows:</p> <p>"As per the Income Tax Return of Shri Bilal Khan having PAN AFUPK3959H, the income has been shown as derived from Profits and Gains from Business and Profession. However, as per the Qualification and Experience certificate submitted by the applicant, the applicant has submitted that he had been working as Production and Export Manager with Sunaila International from 2002 to 2015. However, if that was the case, the nature of income derived by the applicant should have been from Salary instead of from Business. The same can be corroborated from the Income Tax Returns submitted by the applicant."</p> <p>"Further, it is interesting to note, that Shri Bilal Khan, who himself claims to be an employee, has shown an expenditure on Wages. Further, in his</p>



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		<p>balance sheet as on 31.03.2017, a deposit of Rs. 7.85 Lakhs has been shown. The details of the same must be sought.”</p> <p>As per report of Chartered Accountant, the ITR filed by Shri Bilal Khan shows that the income is derived from Profits and Gains from Business and Profession. But as per claims of Shri Bilal Khan, if he is a salaried person than the nature of income should be derived from salary instead of from Business.</p>
3.	<p>He has a property worth 8 Crores, which he can use to generate funds for supporting his business (as he has projected an export of Rs 25.82 Crores, and the estimated procurement/ raw material/ plant and machinery cost stands at approx. Rs. 17.64 Crores for 5 years)</p>	<p>Relevant extract of advocate report is as under:</p> <p>“The applicant/Bilal Khan owns an area of 92.81 square metres only in the plot No. 14/14, Nawab compound, Civil Lines, situated At Kanpur City, and it is valued at only Rs. 46,12, 657/-, as per the circle rate of Kanpur city where as the applicant has mentioned the value of the property in crores. This has also come to the notice from the inquiry that the market price of the property is less than the circle rate in Kanpur city. Therefore, it can be concluded that the applicant cannot raise funds in crores to support the export Rupees 25 crores in 5 years as per case application for setting up a unit in SEZ Moradabad UP. His claims are away from the reality.”</p> <p>“Further it is observed that another property situated 14/16, Nawab compound, Civil Lines Kanpur UP having an area of 55 metres and it is valued at only Rs. 27,33,500/-, as per the circle rate of Kanpur city where as the applicant has mentioned the value of the property in crores. Moreover, it is not clear that the applicant is the</p>



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		<p>only beneficiary in the above said property and it belongs to his ancestors.</p> <p>The chain of the properties is incomplete and therefore it can be concluded that that title of the property is doubtful and the applicant has a clear and marketable interest in the said property.”</p> <p>Shri Bilal Khan submitted copy of sale/purchase deed for two properties i.e. 14/14 and 14/16, Nawab Compound, Civil Lines, Kanpur.</p> <p>As per Advocate report, the net worth of property at 14/14 Nawab Compound (owned by Shri Bilal Khan an area equals to 92.81 sq. metres) stands at Rs 46,12,657/- subject to the circle rates of Kanpur City as per details of residential area and width of road.</p> <p>And the net worth of property at 14/16 Nawab Compound (it is not clear that Shri Bilal Khan is the only beneficiary of this property whose area equals to 55 sq. metres as according to the sale deed produced, the property belongs to Smt. Mohammadin Nisan) stands at Rs 27,33,500/- subject to the circle rates of Kanpur City as per details of residential area and width of road.</p>
4.	He worked in Railways Claim Legal Division at TISCO (at present Tata Steel Limited) from 1987 to 1992.	<p>Shri Bilal Khan submitted a copy of request dated 10.01.2018, which he made to TISCO (currently Tata Steel Limited) for providing work experience certificate to him as he worked there from 1987 to 1992.</p> <p>TISCO in its letter dated 23.01.2018 informed Shri Bilal Khan that they do not have more than 8 years old documents of Railways Claim in their records.</p>



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TISCO also requested Shri Bilal Khan to submit any work order/ agreement/ any other document issued to him so that they can trace the same in their central office.

This office neither received any further documents, nor the work experience certificate with respect to TISCO as stated by Shri Bilal Khan during the Approval Committee meeting.

In this regard, the proprietor of the firm M/S Crafts Exim did not appear before the Approval Committee, he vide letter dated 07.03.2018 submitted that due to ill health, he will not be able to attend the Approval Committee meeting scheduled on 08.03.2018. He also submitted a letter from the developer, UPSIDC stating that the plot will be cancelled if the unit fails to execute Lease deed latest by 09.03.2018.

16. In view of detailed reasons given at Paragraph 15, after due deliberations, the members of Approval Committee unanimously agreed to cancel the "in principle" approval of the Proposal for setting up a new unit at Moradabad SEZ by M/s Crafts Exim and rejected the proposal in view of the misinterpretation of facts, suppression of information relating to his work experience & financial status and in view of the observations made in Chartered Accountant/ advocate report, under Rule 18 of SEZ Rules, 2006.

17. In case the unit is aggrieved with the decision of Approval Committee than the unit may prefer an Appeal under Rule 56 of The Special Economic Zones Rules, 2006 within a period of Thirty days from date of receipt of the order of the Approval Committee.

2. **Proposal in respect of M/s. Modern Metals Overseas for monitoring of performance in terms of Rule 54 of SEZ Rules, 2006 and renewal of LOA.**

The Approval Committee was informed that exports made by the unit in last 5 years of operations are worth Rs. 31115.73 Lakhs and total Import to the same period was to the tune of Rs 5104.40 Lakhs. It was informed that NFE earned during the said period is to the tune of Rs 26011.33 Lakhs. It was observed that the export proceeds of Rs 4692.95 lakhs are pending beyond nine months for realization (exports made up to 30.04.2017).



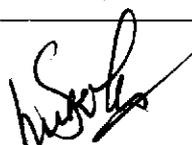
The Approval Committee was also informed that in its meeting held on 15.12.2017, after deliberation, Approval Committee extended the LOA of the unit till 31.03.2018 and directed the unit as under:

1. The unit must submit extension from RBI in prescribed format within 15 days for each and every Invoice that is not realized beyond nine months.
2. The unit must ensure that the Foreign Exchange generated by Export up to June 2017 is realized within Two months and a CA Certified report is submitted in this office for the same.
3. All items to be manufactured and exported should fall under the definition of Handicrafts as per Note-1 of Chapter 44 of ITC (HS), Schedule 2,
4. No procurement and/or Processing and/or reprocessing of garments or used clothing or secondary textile materials and other recyclable textile materials into clipping of rags or industrial wipers or shoddy wool or yarn or blankets or shawls in terms of Rules 18(4)(c).
5. No import of used goods including metallic wastes and scraps shall be allowed to be imported in terms of Rules 18(4)(d) of SEZ Rules, 2006.

The unit has submitted certain BRCs for shipping bills which were pending beyond stipulated time for realization. However, still an amount of Rs 4692.95 Lakhs is pending for realization beyond nine months for export proceeds up to 30.04.2017 for which no documents have been submitted by the unit.

The details of the export proceeds beyond 9 months i.e. 31.03.2017 provided to Specified Officer Customs, Moradabad SEZ for taking further necessary action. In the meanwhile, realisation of export proceeds of exports made by the unit in the month of April' 2017 have been reviewed. It was found that export proceeds against some shipping bills have not been realised till date. Therefore, the unit has been asked to submit documentary evidence of realisation or time extension from their authorised bank or RBI as the case may be in respect of outstanding shipping bills. In this regard, the photocopy of all relevant documents has been given to the Specified Officer, Moradabad SEZ for further necessary action at their end.

Shri Imran Ahmed, Partner of the unit appeared before the Approval Committee and stated that they have realized Rs. 20.00 crores approximately against the pending realization beyond nine



months. He also stated that the remaining pending realization will be realized within one month.

The Approval Committee, after due deliberations, decided the following as under:

1. The LOA of the unit is extended for One year (up to 31.03.2019) from date of its expiry i.e. 31.03.2018
2. Unit shall submit BRCs or Bank certified Payment certificates to ADC, Moradabad SEZ at the earliest, for realized export proceeds which were pending beyond nine months, so that the same can be forwarded to Specified Officer, Moradabad SEZ for further necessary action at their end.

3. **Proposal of M/s Naaz Exports for inclusion of additional authorized operations in LOA.**

It was informed to the Approval Committee that the unit has export proceeds worth Rs. 799.53 lakh pending for realisation beyond nine months. It was also informed to the Approval Committee that in its meeting held on 15.12.2017, the committee decided to defer the proposal as under:

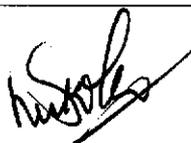
- a) Unit has to submit a copy of permission letter from RBI or authorized bank for extension of time beyond prescribed time limit for realizing export proceeds within 15 days.
- b) Pending export proceeds should be realized within one month and realization status of export process duly certified by the Chartered Accountant should be furnished.

It was informed to Approval Committee that no documents have been submitted by the unit as per direction of the Committee. The case has also been forwarded to Specified Officer, Moradabad SEZ for further necessary action at their end.

The Approval Committee, after deliberation, deferred the proposal as no one from the unit appeared before the Approval Committee.

4. **Proposal in respect of M/s. Superior Metal Overseas for monitoring of performance in terms of Rule 54 of SEZ Rules, 2006 and renewal of LOA.**

The Approval Committee was informed that the exports made by the unit in last five year block of their operations was worth Rs. 27971.25 Lakhs and total Import for the same period was NIL. It was further informed that NFE earned during the said period is to the tune of Rs 27971.25 Lakhs. It was also informed to the Approval Committee that export proceeds to the tune of Rs



1907.08 Lakhs is pending realization beyond nine months (exports made up to 30.04.2018).

The Approval Committee was also informed that in its meeting held on 15.12.2017, after deliberation, Approval Committee extended the LOA of the unit till 31.03.2018 and directed the unit as under

1. The unit shall submit permission from RBI or authorized bank, as the case may be, for extension of time for realizing export proceeds within 15 days for each and every Invoice that is not realized beyond nine months.
2. The unit shall ensure the pending remittances are realized within two month and a report certified by the Chartered Accountant is furnished.
3. Unit would in any case, should settle issue relating to realization of export proceeds before 31.03.2018, failing which no further extension of LOA will be granted. Case will be placed before Approval Committed in its meeting March'2018.
4. All items to be manufactured and exported should fall under the definition of Handicrafts as per Note-1 of Chapter 44 of ITC (HS), Schedule 2,
5. No procurement and/or Processing and/or reprocessing of garments or used clothing or secondary textile materials and other recyclable textile materials into clipping of rags or industrial wipers or shoddy wool or yarn or blankets or shawls in terms of Rules 18(4)(c).
6. No import of used goods including metallic wastes and scraps shall be allowed to be imported in terms of Rules 18(4)(d) of SEZ Rules, 2006.

Shri Mohd. Ghazi Arif, Partner of the unit appeared before the Approval Committee and stated that they have realized Rs. 12.00 crores approximately against the realization pending beyond nine months. He also stated that the remaining pending realization will be realized within one-two month.

The Approval Committee, after due deliberations, decided the following as under:

1. The LOA of the unit is extended for One year (up to 31.03.2019) from date of its expiry i.e. 31.03.2018
2. Unit shall submit BRCs or Bank certified Payment certificates to ADC, Moradabad SEZ



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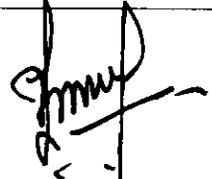
at the earliest, for realized export proceeds which were pending beyond nine months, so that the same can be forwarded to Specified Officer, Moradabad SEZ for further necessary action at their end.

Meeting ended with thanks to the Chair.



(S. S. Shukla)

Jt. Development Commissioner



(Dr. L. B. Singhal)

Development Commissioner