

मुरादाबाद विशेष आर्थिक क्षेत्र

(23/02/2021 को आयोजित मुरादाबाद विशेष आर्थिक क्षेत्र की अनुमोदन समिति की बैठक का कार्यवृत्त)

Page 1 of 14

श्री अ० बिपिन मैनन, क्षेत्रीय विकास आयुक्त, नॉएडा विशेष आर्थिक क्षेत्र की अध्यक्षता में दिनांक 23/02/2021 को सुबह 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 Manoj Prabhakar, Dy. Commissioner, ICD Moradabad.
- 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 Rakesh Kumar Singh, F.T.D.O., O/o Add. DGFT CLA, New Delhi.

Besides, during the meeting (i) Shri Nitin Gupta Srivastava, Dy. Development Commissioner, NSEZ and (ii) Dr. V. P. 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 start.

At the outset, the chairman welcomed the participants. After brief introduction, each items included in the agenda were 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 14/01/2021 As no reference in respect of the decisions of the Approval Committee held on 14/01/2021 was received from any of the members of the Approval Committee or Trade, Minutes of the meeting held on 14/01/2021 were unanimously ratified.
2	Setting up of new unit in MSEZ

मुरादाबाद विशेष आर्थिक क्षेत्र

(23/02/2021 को आयोजित मुरादाबाद विशेष आर्थिक क्षेत्र की अनुमोदन समिति की बैठक का कार्यवृत्त)

Page 3 of 14

which he was unable to furnish before the Approval Committee.

- v) The Approval Committee, deliberated the proposal and observed as under:
- a) Submit revised application with revised project report and requisite documents for the proposed unit. Also, submit the detailed information regarding Raw material including value & quantity to be procured by the unit from DTA/ overseas (country of import). The projected export details like material, quantity, value and country is to be submitted alongwith the details of Plant & Machinery including value & quantity to be procured by the unit from DTA/ overseas (import).
 - b) As per records available with Moradabad SEZ, Shri Zubair Siddiqui is not a partner in M/s Dollar Industries situated in Moradabad SEZ and if he has any such approval (s) from competent authority, NSEZ, the same may also be submitted.
 - c) Since the proposed items of export (Wall Nuts-08023200, Areca Nuts-08028020, Dry Dates-08041020 & Table Salt-25010010) as mentioned in Project report are completely different from what Shri Zubair explained (Flavored Supari & mouth freshners) before the Approval Committee, unit must furnish revised list of ITC(HS) codes and their description which they intend to export from SEZ.
 - d) Layout plan is not submitted for the proposed unit. Also elaborate if it would be practically possible to accommodate 16 persons, office, plant & machines etc. in only 57 sq. meters area. If there was already a plan for construction of 2nd floor then why is it not mentioned in Project report and also why the cost calculation for the same is not factored in overall cost of the project?
 - e) The documentary proof (like Bank Statements for own fund etc.) supporting the claim for sources of finance has not been provided. Unit is also requested to produce original Shri Zubair Siddiqui's Net-worth certificate issued by CA (since only photocopy is submitted) alongwith documents supporting your claim of net-worth.
 - f) Proof of relevant experience of both the partners of the firm in proposed business has to be submitted.
 - g) Annexure of Form-1 issued by Registrar of Firms containing information about

partners of firm has to be submitted. Also at point no 5 of the partnership deed dated 05.09.2020 it is mentioned that '*the firm shall carry on the business of Manufacturing, supply and Export of Handicrafts, Brassware, copperware, aluminum ware, glassware and other Indian Handicrafts and import of metal scrap*' which no-where matches with the proposed business of firm, Please explain?

- h) ITR for both the partners for last 03 years need to be submitted with certified detailed calculation annexure. CA certified balance sheet of DTA units of partners for last 03 years needs to be submitted.
- i) Copy of passports of both the partners of the firm not submitted.
- j) Detailed manufacturing flow chart containing the processes to be followed by unit after procurement of Raw material through import/ DTA procurement till export to be submitted.

vi) The Approval Committee, after due deliberations, unanimously decided to defer the case and directed that the above deficiencies/ observations may be communicated to the unit and once response is received the same may be examined and the case be placed before Approval Committee with full facts.

3 Review of deferred proposals from previous Approval Committee meeting(s)

3.1 Proposal of M/s East Elm :-

- i) The proposal of M/s East Elm was placed before Approval Committee in its meeting held on 07.09.2020 wherein Approval Committee was informed that the applicant has proposed to set up a new unit in Moradabad SEZ for manufacturing & export of handicrafts items made of Wooden, Glass, Iron, Curtain Rods, Brass, Copper, Aluminium, Tin Boxes & Electric Lamp with projected exports of Rs. 581.26 Lakhs and the NFE of Rs. 485.80 Lakhs over a period of five years.
- ii) The Approval Committee, deliberated the proposal and observed the following:
 - a) As to how can 35 persons, office, machines etc. can be accommodated in only 40 sq. metres area. If there was already a plan for construction of 2nd floor then why was it not mentioned in Project report and also why the cost calculation for the same was not

done?

- b) As to how the export sales of Rs. 581.26 Lakhs in 5 year term with investment in Plant & Machinery of only 15 Lakhs is justified. Also the details of Raw material including value & quantity to be procured by the unit from DTA/ overseas (import) is not given.
- c) The documentary proof (like Bank Statements for own fund & unsecured loan from Family/ friends, provisional offer of loan from bank) supporting the claim for sources of finance has not been provided.
- d) Export sales data of DTA unit as claimed by representative of unit has not been provided.
- e) Wages of labour (unskilled/ semi-skilled/ skilled) in the project report is not in compliance with the latest Minimum Wages Act of concerned State/ Central Government.

iii) The Approval Committee in its meeting held on 07.09.2020, after due deliberations, decided to defer the case and directed that the above deficiencies may be communicated to the unit and case may be placed before Approval Committee with full facts after submission of documentary proof/ information by the unit with respect to the observations made by the Approval Committee.

iv) Approval Committee was informed that this office vide letter and email dated 15.09.2020 informed the observations of Approval Committee to the unit. The unit vide letter dated 29.10.2020 received in this office on 31.10.2020 submitted response to the said deficiency letter. On scrutiny of documents it was observed unit did not provide all information required/ sought vide this office letter dated 15.09.2020. Therefore, this office vide letter dated 24.11.2020, again requested the unit to provide following information/ documents:

- a) The details of raw material including value & quantity to be procured by the unit from DTA/ overseas (import).
- b) The unit has not given clear information regarding funding. Supporting documents like bank statements clearly showing the availability of funds must be submitted in

case of individuals. Also, in the matter of term loan from bank, you are requested to submit documentary proof supporting your claim that bank is not ready to provide 'provisional offer of loan'.

- c) Proof of Export sales data (Shipping Bills, Export invoices etc.) of DTA unit as claimed by representative of unit.
- v) Further the unit vide letter dated 13.01.2021 submitted response to this office deficiency letter dated 24.11.2020. On scrutiny of submitted documents it was observed that the response of unit was still incomplete and following information was again sought vide email dated 16.02.2021:-
- a) Clear information regarding source of funds. Supporting documents like bank statements clearly showing the availability of funds are submitted in case of individuals. Also, in the matter of term loan from bank, the unit has not submitted any documentary proof supporting their claim that bank is ready to provide 'term loan'.
- b) Last 03 years audited balance sheets of DTA unit, including proof of export of Rs. 25-30 Lakhs during 2019-20, as claimed to be done by his DTA unit.
- vi) The Approval Committee was further informed that the unit has not furnished the requisite information/ documents even after issuance of multiple letters from this office.
- vii) Shri Shailendra Pal Singh, Partner appeared before the Approval Committee in its meeting held on 23.02.2021 to explain the project. He informed that he is already in the export business and is having a DTA unit since 2010 in the name of M/s The Eastelm (proprietorship firm). His export sales from DTA unit was approx. Rs. 25.00 Lakhs during last year (2019-20). He also informed that he is exporting Metal Handicrafts, Plastic ware, bottles etc. to New Zealand and Japan. Shri Shailendra was asked as to how he will arrange for proposed investment of approx. 1.00 Crores (Land, building, Plant & machinery, margin money, wages, raw material etc.) for which he was unable to give satisfactory explanation.
- viii) The Approval Committee, deliberated the proposal and observed the following:
- a) Unit must submit clear and detailed information of their sources of funding alongwith supporting documents which can be placed before Approval Committee for

मुरादाबाद विशेष आर्थिक क्षेत्र

(23/02/2021 को आयोजित मुरादाबाद विशेष आर्थिक क्षेत्र की अनुमोदन समिति की बैठक का कार्यवृत्त)

consideration.

- b) Unit must submit last 03 years of audited balance sheet of DTA unit namely M/s The Eastelm. Unit should also submit export data for their DTA unit at least for F. Y. 2019-20 with documentary evidences.
 - c) Unit must submit list of proposed overseas customer with details to which they will export from proposed SEZ unit.
- ix) The Approval Committee, after due deliberations, unanimously decided to defer the case and directed that the above deficiencies/ observations may be communicated to the unit and once response is received the same may be examined and the case may be placed before Approval Committee with full facts.

3.2 Proposal of M/s Adprint Product Ind. :-

- i) The proposal of M/s Adprint Product Ind was placed before Approval Committee in its meeting held on 07.09.2020 wherein Approval Committee was informed that the applicant has proposed to set up a new unit in Moradabad SEZ for manufacturing & export of handicrafts items made of Decorative Face Tissue Boxes, Jewelry Boxes, Handcrafted items of Leather, Wooden Artwares, Diary with Plastic Cover, Embellished Notebooks, Pen Holders, Pencil Holders, Stationery, Decorative Diaries, Handcrafted item of Textile, Prayer Rugs & Druggets, Glass Artwares, Iron & Steel Artwares, Brass Artwares, Copper Artwares, Aluminium Artwares, Tin Boxes with projected exports of Rs. 468.93 Lakhs and the NFE of Rs. 360.47 Lakhs over a period of five years.
- ii) The Approval Committee, deliberated the proposal in detail in the meeting held on 07.09.2020 and observed as under :-
 - a) The offer of space from the developer (UPSIDA) in the name of M/s Adprint Product Ind. (Partnership firm) has not been submitted.
 - b) The export projection of Rs. 468.93 Lakhs in 5 year term with an investment in Plant & Machinery of just Rs. 15 Lakhs and with employment of 10 persons only does not appear to be realistic. Unit has also not provided the details of Raw material including value & quantity to be procured by them from DTA/ overseas (import).
 - c) The documentary proof (like Bank Statements for own fund & unsecured loan from Family/ friends, provisional offer of loan from bank) supporting their claim for

मुरादाबाद विशेष आर्थिक क्षेत्र

(23/02/2021 को आयोजित मुरादाबाद विशेष आर्थिक क्षेत्र की अनुमोदन समिति की बैठक का कार्यवृत्त)

sources of finance has not been submitted.

- d) Proof of Export data of DTA unit as claimed above by partner of unit has not been provided.
- e) Proof of relevant experience in manufacturing & export not submitted for Shri Kishor Kumar Singh.
- f) Wages of labour (unskilled/ semi-skilled/ skilled) in the project report is much below the minimum wages as prescribed by the Government of Uttar Pradesh.
- g) The unit exited earlier as unit was unable to generate enough business since its proprietor Shri Muti-Ur-Rehman was living in Dubai. The Committee members felt that the current proposal may be a way to keep the plot in SEZ without carrying any activities as per the earlier experience.
- h) ITRs for the last three years with calculation sheet/ annexures not submitted.
- i) Certificates from EPCH for items/ ITC(HS) codes not falling in the list of Handicrafts not submitted.

iii) The Approval Committee in its meeting held on 07.09.2020, after due deliberations, decided to defer the case and directed that the above deficiencies may be communicated to the unit and case may be placed before Approval Committee with full facts after submission of documentary proof/ information by the unit with respect to the observations made by the Approval Committee.

iv) Approval Committee was informed that this office vide letter dated 15.09.2020 intimated the unit M/s Adprint Product Ind. about observations made and decision taken by the Approval Committee in its meeting held on 07.09.2020 in the matter of setting up of new unit in SEZ Moradabad.

v) The unit vide letter dated 01.02.2021 submitted **response to this office letters dated 10.07.2020, 27.08.2020 and 15.09.2020 received in this office on 02.02.2021**, which were scrutinized and again found **not-satisfactory**. The observations are as under :-

- a) Export projections of Rs. 515.13 Lakhs in 5 years term with employment of only 15 persons does not seem to be realistic. The applicant may deliberate his proposal.
- b) The documentary proof (like Bank Statements for own fund & unsecured loan from Family/ friends, provisional offer of loan from bank) supporting their claim for sources of finance has not been submitted yet. Also the Gross income of both the partners is not