

मुरादाबाद विशेष आर्थिक क्षेत्र

(दिनांक 25/04/2023 को आयोजित अनुमोदन समिति की बैठक का कार्यवृत्त)

Minutes of meeting of the Approval Committee of Moradabad SEZ held under the Chairmanship of Shri A. Bipin Menon, Development Commissioner (DC), Noida SEZ at 11:00 AM on 25/04/2023 through video conferencing.

A. The following members of the Approval Committee were present through video conferencing during the meeting:-

1. Shri Surender Malik, Joint Development Commissioner, NSEZ
(Nominee of Deptt. of Commerce in terms of letter dated 23/09/2008).
2. Shri Yogesh Kumar, Joint Commissioner (Industries), DIC, Moradabad
(Rep. of Principal Secretary, Industry, Govt. of UP.).
3. Shri Chaman Lal, Assistant DGFT, DGFT Delhi.
4. Shri Santosh Kumar, Regional Manager, UPSIDA.
5. Shri Nagendra Sirohi, Superintendent, CGST Moradabad.
6. Shri Sandeep Deol, Inspector, Customs, ICD Moradabad.
7. Shri Anand Prakash, Inspector, Income Tax Department, Moradabad.

B. Besides, during the meeting S/Shri (i) Amit Kumar Gupta, Specified Officer (Customs), Noida SEZ/ Moradabad SEZ, (ii) Nitin Gupta, Dy. Development Commissioner, Moradabad SEZ (iii) Vikas, Asstt. Development Commissioner, Moradabad SEZ and (iv) Joseph Upadhyay, Stenographer, Moradabad SEZ were also present to assist the Approval Committee. It is informed that the stipulated quorum for holding the meeting was available and the meeting could proceed.

C. At the outset, the Chairman welcomed the participants. After a brief introduction, the agenda was taken up sequentially. 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 unanimously taken:-

01.	<u>Ratification of Minutes of last meeting of the Approval Committee held on 09/03/2023.</u>
	As no reference against the decisions of the Approval Committee meeting held on 09/03/2023 has been received, the Approval Committee took note of the same and accordingly, Minutes of the meeting held on 09/03/2023 were unanimously ratified.
02.	Proposal for Import and Job-work permission.
2.1	M/s Global Export House.



	<ol style="list-style-type: none"> 1. M/s Global Export House's proposal for import of 25.610 M. Tons of Sandalwood (Santalum Album) under HS 44039922 from Mauritius and job-work permission for 41.00 M. Tons of Sandalwood waste at Kannauj was placed before the Approval Committee for consideration. 2. Shri Mohan Maheshwari, CEO/Authorised Representative of unit appeared before the Approval Committee and explained the proposal. He informed the Committee that the current two consignments weighing total 25.610 M. Tons of Sandalwood is within the approved 350.00 M. Tons of Sandalwood to be procured by the unit from Mauritius. He further requested the Committee that job-work may be allowed to unit for 41.00 M. Tons of Sandalwood waste lying in stock with the unit for extraction of Sandalwood Oil at the premises of M/s HRA Essential Oil Factory. Shri Maheshwari informed that they will set-up a distillation plant in Moradabad SEZ for extraction of Sandalwood Oil within 7-8 months' time. He further requested that the need of 'Export License' be done away with in case of export of approved 'Restricted' products for the unit like Sandalwood Oil (33012937) and Sandalwood Finger Chips (HS 12119050). 3. The Approval Committee, after due deliberations, decided as under: <ol style="list-style-type: none"> i. Allowed the unit to import current consignment(s) of Sandalwood (Santalum Album) under HS 44039922 weighing 25.610 M. Tons from Mauritius. ii. Job-work permission is not allowed for extraction of Sandalwood Oil at Kannauj from imported Sandalwood. iii. For any product which is 'Restricted' for exports under the FTP, the unit shall obtain an 'Export License' from the office of DGFT for that specific product before exporting. This had also been made clear through a clarification. 4. The Approval Committee also empowered office of DC, NSEZ for taking decision in the matter on file for import of future consignment(s) of Sandalwood (HS 44039922) by the unit within the approved quantity of 350.00 M. Tons.
<p>3. Review of proposal for setting up a new unit:</p> <p>3.1 M/s East Elm.</p>	<ol style="list-style-type: none"> 1. The Approval Committee was informed that letter dated 12.04.2023 was received through email on 17.04.2023 from DM Office, Moradabad endorsed to ADC, Moradabad SEZ wherein they have forwarded letter dated 25.03.2023 of Divisional Commissioner, Moradabad Division. It was directed to take necessary action after verification of complaint dated 23.01.2023



- of M/s East Elm on CM Portal under intimation to DM, Moradabad.
2. Shri Shailendra Pal Singh, Partner of M/s East Elm appeared before Approval Committee and informed that they had applied for setting up a new unit in Moradabad SEZ in May 2020 and had not received permission to work till date. In the meantime, developer UPSIDA has imposed time-extension fees and other charges on the allotted plot no. H-26 to the unit. Shri Shailendra requested that the time-extension charges may be waived-off & they may be allowed to work in SEZ or their proposal may be rejected & total money paid by unit be returned with interest till date.
 3. It was informed to the Committee that the proposal of M/s East Elm for setting up a new unit was placed before Approval Committee in meetings held on 07.09.2020, 23.02.2021, 12.03.2021, 27.05.2021, 10.06.2021, 07.02.2022 & lastly on 27.07.2022. It was noted that this was on account of the unit not providing information on the deficiencies pointed out.
 4. It was also informed that the unit's allegations of delay in consideration of their proposal for LOA were misdirected since the unit never submitted complete information on time as being asked by the Approval Committee. When the unit did submit complete information, the complete facts of the case were placed before the Approval Committee in its meeting held on 27.07.2022 wherein the unit was granted 'in-principle' approval regarding their LOA subject to submission of time-extension of plot from developer i.e. UPSIDA which had expired on 25.05.2021. It was also informed that the matter of granting time extension on plot or levying/waiving-off of 'time-extension fees' solely pertains to UPSIDA.
 5. The Committee was further informed that this kind of issues is being faced because UPSIDA is adopting its own general procedure for allotment which is at variance from the SEZ Rules. The latter mandates provisional offer of space to any applicant. It is only after the issuance of LOA by UAC, that the developer makes final allotment of space to applicant and enters into a lease agreement.
 6. Shri Santosh Kumar, Regional manager, UPSIDA was requested to give inputs in the matter wherein he informed the Committee that the powers to waive-off time-extension fees or any other charges lies with CEO, UPSIDA Headquarter (HQ). He further informed that Regional office of UPSIDA will forward the unit's request to waive-off charges in the matter to UPSIDA HQ for taking decision in the matter. Shri Santosh also informed that they are following the same process in SEZ as laid down under their by-laws for allotment of space in any other Industrial Area



	<p>under the jurisdiction of UPSIDA in the state of Uttar Pradesh.</p> <p>7. The Approval Committee, after due deliberation, decided that in the interest of facilitation and for ensurance occupancy and utilization of space in Moradabad SEZ, it is recommended that UPSIDA may consider the request of M/s East Elm for waiving off the time extension fee, as per the extent rules/policy of UPSIDA.</p> <p>8. The Committee further directed that a communication be sent to CEO, UPSIDA HQ along with a copy of same to RM, USPIDA, Moradabad SEZ for taking necessary action at their end in the matter. Further, the matter of compliance of provisions of SEZ Rules may also be taken up with the developer at appropriate level.</p>
<p>4</p> <p>4.1</p>	<p>Proposal for revision of authorised operations and inclusion of additional manufacturing activities:</p> <p>M/s Sehar Overseas.</p> <p>1. The Approval Committee was informed that M/s Sehar Overseas has requested for inclusion of additional manufacturing activities i.e. manufacturing and export of Areca Nut powder, Flavoured Supari, Mouth Freshener & Mix Dry Fruits Gond in their LOA dated 29.09.2017.</p> <p>2. The Committee was informed that the unit was initially given LOA for manufacturing and export of Handicraft items made of Leather, Wooden, Aluminium, Iron, Brass and Copper artware and the unit commenced in production on 24.09.2018. However, the performance of the unit stands at export of Rs. 1.02 Lakhs in 4.5 years of production.</p> <p>3. Shri Adnan Arif, Partner of M/s Sehar Overseas appeared before Approval Committee and explained his proposal. He informed that initially the unit started as proprietorship concern of Shri Fahim Ahmad but he was not able to generate business for the unit. Then he (Shri Adnan Arif) as a partner entered the unit in 2020 and soon after that the COVID lockdown hit the market due to which they were not able to work. On being asked about his experience in these new products (which were vastly different from handicraft), Shri Arif responded that he had explored saw opportunities in the global market for the products .</p> <p>4. It was further informed to the Committee that the proposed additional project of the unit does not seem feasible since the projected exports were Rs. 5396.04 Lakhs while cost of raw-materials is Rs. 5296.42 Lakhs. This left a margin of Rs. 99.62 Lakhs which would include Plant & Machinery of Rs. 35.00 Lakhs, Labour costs for 41 persons, electricity, maintenance and other infrastructure charges.</p> <p>5. The Approval Committee, after due deliberations, and keeping in</p>



view the sensitive nature of the products, decided to reject the proposal of M/s Sehar Overseas for inclusion of additional authorised operations in their LOA dated 29.09.2017.

4.2 M/s Parth Exports.

1. The Approval Committee was informed that M/s Parth Exports has requested for revision of ITC(HS) codes for some of its already approved authorised operations and inclusion of additional manufacturing activities. The latter were manufacturing and export of items made of Marble, Stone and Jute & other textile bast fibers in their LOA dated 29.09.2017.
2. Shri Santosh Kumar, Regional manager, UPSIDA informed the Committee that an amount of Rs. 1,11,71,130.00 (Rupees One Crore Eleven Lakhs Seventy One Thousand One Hundred and Thirty only) is pending on the unit against time-extension fees.
3. Shri Vasu Goel, Partner of M/s Parth Exports appeared before Approval Committee and explained his proposal. He informed the Committee that they commenced in production on 03.03.2020 and have made exports for approx. Rs. 25.00 Crores with no imports in the current block. He also informed that their litigation is pending with the court to decide in the matter of time-extension fees imposed by the developer. It was in this context that the amount was pending for payment.
4. The Approval Committee, after due deliberations, decided to approve the proposal of unit for revision of ITC(HS) codes of existing authorised operations and inclusion of additional manufacturing activities (except for Marble products) as authorised operations in their LOA. Now, the authorised operations of the unit stands as under :

Sr. No.	Description of Goods	ITC (HS) code
01	Wood Artware	44219990
02	Wooden Artware	44219960
03	Handicrafts Stone Artware with Stainless Steel	68159990
04	Handicrafts Stone Artware with Wood	68159990
05	Handicrafts Stone Artware with Stainless Steel, Wood	68159990
06	Handicrafts Stone Artware	68159990
07	Handicraft Glass Artware with Wood, Iron	70200090
08	Handicrafts Glass Artware with Wood	70200090
09	Handicrafts Glass Artware	70200090
10	Handicrafts Iron Artware with wood	73269099
11	Handicrafts Stainless Steel Artware with Aluminium	73269099
12	Handicrafts Iron Artware with Wood & MDF	73269099

14	Handicrafts Iron/Steel Artware	73269099
15	Handicrafts Aluminium Artware with Iron	76169990
16	Handicrafts Aluminium Artware with Glass	76169990
17	Handicrafts Aluminium Artware with Wood	76169990
18	Handicrafts Aluminium Artware	76169990
19	Wooden Furniture with Iron	94036000
20	Wooden Furniture with MDF & Iron	94036000
21	Wooden Furniture	94036000
22	Brass articles	74198030
23	Copper articles	74198090
24	Rattan articles	46019300
25	Cane articles	94015900
26	Stone	68042390
27	Jute and other textile bast fibers	53039090

5. The Committee further directed the unit to submit fresh manufacturing flow chart for Marble products in prescribed format with correct ITC(HS) Codes. On receipt of the requisite flow chart, the same to be deliberated on file and decision may be taken by office of DC, NSEZ w.r.t. Marble products.

5 Proposal for monitoring of performance, renewal of LOA & inclusion of additional manufacturing activities in LOA:

5.1 M/s Rishi International.

1. The Approval Committee was informed that the proposal of M/s Rishi International for monitoring of performance, renewal of LOA & inclusion of additional manufacturing activities in LOA dated 16.06.2016.
2. It was also informed that the unit in its first block of 5 years had made exports to the tune of Rs. 2352.00 Lakhs with no foreign exchange outflow. Hence, the NFE for the unit stood at Rs. 2352.00 Lakhs for its first block of operations.
3. Shri Rishi Madaan, Proprietor of the unit appeared before the Approval Committee and explained the proposal. He informed that their projected export for 2nd/next block of five years would be Rs. 5250.00 Lakhs and the employment for the unit would be approx. 85 persons. He requested for inclusion of additional authorised operations in LOA for prospective global market demand in near future.
4. The Approval Committee, after due deliberations, decided as under :
 - i. Monitored the performance of unit in its 1st block of 5 years (2017-18 to 2021-22) and noted that the unit has achieved positive NFE.

- ii. Approved renewal of LOA dated 16.06.2016 of the unit for 2nd block of 5 years i.e. up to 19.03.2028 only with existing authorised operations of the unit.
 - iii. Provisionally approved the inclusion of additional manufacturing activities and directed the unit to submit revised/correct list of ITC(HS) codes for the renewed period.
 - iv. Directed the unit to submit its response to the short-comings observed in their proposal and intimated vide letter dated 24.04.2023.
5. The Committee further empowered the office of DC, NSEZ for taking decision on file once the requisite information is received from the unit regarding inclusion of additional authorised operations.

Meeting ended with a vote of thanks to the Chair.



(Surender Malik)
Joint Development
Commissioner



(A. Bipin Menon)
Development Commissioner