

# मुरादाबाद विशेष आर्थिक क्षेत्र

(27/05/2021 को आयोजित मुरादाबाद विशेष आर्थिक क्षेत्र की अनुमोदन समिति की बैठक का कार्यवृत्त)

Page 1 of 13

श्री अ० बिपिन मैनन, क्षेत्रीय विकास आयुक्त, नॉएडा विशेष आर्थिक क्षेत्र की अध्यक्षता में दिनांक 27/05/2021 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 Nitin Gupta, Dy. Development Commissioner, NSEZ, Noida (Nominee of Deptt. Of Commerce in terms of letter dated 23/09/2008).
- 2) Shri Manoj Prabhakar, Dy. Commissioner, ICD Moradabad.
- 3) Shri Shobhit Sinha, Dy. Commissioner, CGST Moradabad.
- 4) Shri Anuj Kumar Singh, Dy. Commissioner, O/o Jt. C. I. Moradabad.
- 5) Shri Santosh Kumar, Regional Manager, UPSIDA, Bareilly.
- 6) Shri Sanjeev Kumar Bedi, Area Manager, UPSIDA, Moradabad SEZ.

Besides, during the meeting (i) Shri Tapan Bhattacharyya, Specified Officer, Moradabad SEZ 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 be convened.

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	<b>Ratification of Minutes of last meeting of the Approval Committee held on 12/03/2021</b>  As no reference in respect of the decisions of the Approval Committee held on 12/03/2021 was received from any of the members of the Approval Committee or Trade, Minutes of the meeting held on 12/03/2021 were unanimously ratified.
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Page 2 of 13

## 2 Setting up of new unit in MSEZ

### 2.3 Proposal of M/s East Elm :-

i) Approval Committee was informed that the proposal of M/s East Elm was placed before Approval Committee in its meeting held on 12.03.2021 wherein the Approval Committee, deliberated the proposal and observed the following:

- a) Verification of DTA unit of Shri Shailendra Pal Singh namely M/s The Eastelm situated at to be done by 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) An affidavit to the effect that what manufacturing processes to be done in SEZ premises and value addition in the final product by the processes involved.
- d) Detailed manufacturing process flow charts for all the items proposed to be manufactured and exported (as per format attached at Annexure-1).

ii) It was informed to the Approval Committee that after due deliberations, Committee in its meeting held on 12.03.2021 unanimously decided to defer the case and directed that the case be placed again before Approval Committee with full facts after submission of requisite documents by the unit. Accordingly, ADC, Moradabad SEZ vide this office letter dated 26.03.2021, communicated the observations of Approval Committee.

iii) The unit vide its letter dated 31.03.2021 received in this office on 01.04.2021 submitted response w.r.t. observations of the Approval Committee. On scrutiny it is found that the response dated 31.03.2021 received from the unit does not include all the information/ documents sought vide this office letter dated 26.03.2021.

iv) Shri Sanjeev Kumar Bedi, Area Manager, UPSIDA informed the Approval Committee that the time given to unit by developer for obtaining LOA and completing construction activities has expired and the unit must seek extension from UPSIDA on the plot.

v) Shri Shailendra Pal Singh, Partner appeared before the Approval Committee in its meeting held on 27.05.2021. He stated that since the handicrafts industry has vast category of products so it is very difficult for him to submit manufacturing flow charts for all the items. He was informed by the committee that he should submit manufacturing flow charts for all the



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Page 3 of 13

export products/ ITC(HS) codes he has submitted. Shri Shailendra was also informed that he must also submit all the information/documents which was sought vide office letter dated 26.03.2021 as deliberated in the approval committee meeting held on 12.03.2021.

vi) The Approval Committee, deliberated the proposal and 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) Verification of DTA unit of Shri Shailendra Pal Singh namely M/s The Eastelm situated to be done by ADC, Moradabad SEZ.
- c) 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.
- d) An affidavit to the effect that what manufacturing processes to be done in SEZ premises and value addition in the final products by the processes involved.
- e) Detailed manufacturing process flow charts for all the items proposed to be manufactured and exported (as per format already provided to unit through email).

vii) The Approval Committee, unanimously decided to defer the case and directed that the case be placed again before Approval Committee with full facts after submission of requisite documents by the unit.

## 3 Monitoring of performance for following units

### 3.1 M/s Nodi Exports Inc. :-

i) It was informed to the Approval Committee that M/s Nodi Exports was granted LOA by Approval Committee in its meeting held on 27.03.2009 and the LOA was issued to the unit on 10.04.2009 for Manufacturing & Export of Handicrafts Items. The unit commenced commercial production w.e.f. 01.04.2011 and completed their 2<sup>nd</sup> block five years term on 31.03.2021. The unit has made exports to the tune of Rs. 1109.54 Lakhs (01.04.2016 to 10.03.2021) and total Foreign Exchange Outgo is NIL. The net Foreign Exchange Earnings by the unit stand at Rs. 1109.54 Lakhs. The Foreign Exchange pending on the unit for realization beyond stipulated period of nine months is NIL as on 01.05.2021.

ii) Shri Sanjeev Kumar Bedi, Area Manager, UPSIDA informed the committee that the unit



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Page 4 of 13

has Rs. 2,13,000.00 pending dues of the developer which they must clear immediately.

iii) Shri Shailesh Khanna and Shri Neeraj Khanna, partners appeared before Approval Committee in its meeting held on 27.05.2021. They informed the committee that despite restrictions imposed globally due to COVID, their business is growing. They hope to achieve their export goals and perform beyond that in coming years. They also informed that their major market is Unites States & Europe where they export handicrafts made of majorly Iron and Aluminum. Shri Neeraj informed the committee that as per their records, they do not have any dues of UPSIDA but he will get it checked again and clear all dues, if found any.

iv) The Approval Committee noted that the unit has achieved positive NFE and does not have Forex pending for realization. The committee, after due deliberations, satisfactorily monitored the performance of the unit and asked them to clear the outstanding UPSIDA dues.

## 3.2 M/s Zam Zam Exim Pvt. Ltd. :-

i) It was informed to the Approval Committee that M/s Zam Zam Exim Pvt. Ltd. was granted LOA on 02.07.2015 for Manufacturing & Export of Handicrafts made of Brass, Wood, Copper, Textile, Leather, fashion accessories, Home furnishing & Home décor and Glass. The unit commenced production w.e.f. 26.02.2016 and completed their 1<sup>st</sup> block of five years on 25.02.2021. It may also be seen hereto above that total export income generated by the unit is to the tune of Rs. 10159.39 lakhs and total Foreign Exchange Outgo is NIL. The Foreign Exchange pending for realization beyond nine months is to the tune of Rs. 6305.82 Lakhs as on 01.05.2021.

ii) Shri Sanjeev Kumar Bedi, Area Manager, UPSIDA informed the committee that the unit has Rs. 12.91 Lakhs pending dues of the developer which they must clear immediately.

iii) Shri Sabahuddin, director appeared before Approval Committee in its meeting held on 27.05.2021. He informed the Approval Committee that due to COVID pandemic his payments got stuck at buyer end which they will start remitting in June 2021. He further stated that by 15<sup>th</sup> June 2021 they would realize at least Rs 5.00 Crores and by 30<sup>th</sup> of June 2021, they would realize at least Rs. 15.00 Crores. Shri Sabahuddin also informed that his Drawback of approximately Rs. 18.00 Lakhs is pending with Specified Officer, Moradabad SEZ for release which he needs so as to pay his suppliers and developer dues.

iv) The Approval Committee, after due deliberations, deferred the case for its July 2021

	<p>meeting and decided as under:</p> <ol style="list-style-type: none"><li>The unit must clear all dues of the developer i.e. UPSIDA immediately.</li><li>Since discrepancy in NSDL and APR data is observed, the same may be reconciled and rectified.</li><li>Specified Officer, Moradabad SEZ to send information of outstanding Drawback to be paid to unit with copy of Shipping Bills w.r.t. to the pending DBK to the DC, NSEZ alongwith status of forex realization of earlier claims against which Drawback has already been released.</li><li>As of now, no extension of LOA to be given to unit and the matter to be placed again before UAC in July 2021 with complete facts about Exports, Import, DTA Procurement, DTA Sale and Forex pending for realization.</li><li>Seek input from CBIC on rules for disbursing drawback, if there are pending forex realizations.</li></ol>
<b>4</b>	<p><b>Monitoring of non-realization of Foreign Exchange beyond stipulated time period and action under FTDR Act, 1992</b></p>
<b>4.1</b>	<p><b>M/s Amrut Handicrafts :-</b></p> <ol style="list-style-type: none"><li>Approval Committee was informed that M/s Amrut Handicrafts is having valid LOA No. NSEZ/4-395/2003-MBD/9665 dated 16.06.2016 for manufacturing and export of Handicrafts made of Brass, Aluminium, Iron, Wood, Copper, Textiles, Home Décor &amp; Home furnishing, Steel, Leather, Fashion accessories, Handcrafted Rugs &amp; Druggets and Hand knotted carpets. The LOA of the unit is valid up to 14.03.2022.</li><li>It was also informed that the case of unit for monitoring of Foreign Exchange pending for realization beyond nine months was put up in the Approval Committee meeting held on 07.09.2020 wherein the Committee was informed that the unit has export proceeds to the tune of Rs. 55,57,06,873.00 pending for realization beyond nine (09) months. The Approval Committee, after due deliberations, took serious note of the fact that large amount of Foreign Exchange is still pending for realization by the unit beyond stipulated time period of nine months and unanimously</li></ol>



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Page 6 of 13

decided to initiate action under FTDR Act, 1992.

iii) Approval Committee was also informed that as per its direction, Show Cause Notice dated 27.11.2020 under FTDR Act, 1992 was issued to the unit. The unit was given reasonably sufficient opportunities of being heard but the unit did not appear in 05 out of 06 personal hearings (except for PH held on 03.03.2021) given between Dec. 2020 up to May 2021. It has been observed that there is no progress in realization of outstanding Forex. Therefore the unit was given a final chance to appear before Approval Committee on 27.05.2021 and explain its case. No-one from the unit appeared before the Approval Committee in its meeting held on 27.05.2021.

iv) Shri Sanjeev Kumar Bedi, Area Manager, UPSIDA informed the committee that the unit has Rs. 8.12 Lakhs pending dues of the developer which they must clear immediately.

v) Approval Committee was further informed that as per records available, the Foreign Exchange pending for realization beyond nine months on the unit amounts to Rs. 55,57,06,873.00 (i.e. Rs. 55.57 crores) as on 01.05.2021. It was also informed that the unit has not submitted APR for 2017-18, 2018-19, 2019-20 & 2020-21.

vi) The Approval Committee, after due deliberations, took a serious view of absence of promoter of unit from personal hearings convened by the DC, NSEZ & Approval Committee meeting and non-realization of large Forex amount pending beyond stipulated time period. Approval Committee further decided to empower the Development Commissioner NSEZ Noida to take suitable action against the unit under FTDR Act, 1992 and recommended that since LOA of the unit is still valid, it must be suspended immediately. Approval Committee further directed ADC, Moradabad SEZ to send a letter to unit asking them to submit pending APRs and clearing pending dues of developer i.e. UPSIDA immediately. Approval Committee also directed Specified Officer (Customs), Moradabad SEZ to furnish a report on the drawback claims admitted by Customs, status of forex realization against those claims and action taken by Customs, if any. A letter may also be sent to CBIC on the rules governing drawback, if forex realizations are pending.

## 4.2 M/s Phoenix India Inc. :-

i) Approval Committee was informed that M/s Phoenix India Inc. was issued LOA No. NSEZ/4-371/2003-MBD/9041 dated 02.07.2015 for manufacturing and export of Handicrafts

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Page 7 of 13

made of Brass, Copper, Steel, Iron, Aluminium, Wood, Textile, Leather, Handcrafted imitation jewellery, Fashion accessories, Home furnishing, Home décor, Rugs & Druggets and Glass. The LOA of the unit expired on 25.03.2021.

ii) It was also informed that the case of unit for monitoring of Foreign Exchange pending for realization beyond nine months was put up in the Approval Committee meeting held on 07.09.2020 wherein the Committee was informed that the unit has export proceeds to the tune of Rs. 63,42,66,278.00 pending for realization beyond nine (09) months. The Approval Committee, after due deliberations, took serious note of the fact that large amount of Foreign Exchange is still pending for realization by the unit beyond stipulated time period of nine months and unanimously decided to initiate action under FTDR Act, 1992.

iii) Approval Committee was further informed that as per its direction, Show Cause Notice dated 27.11.2020 under FTDR Act, 1992 was issued to the unit. The unit was given reasonably sufficient opportunities of being heard but the unit did not appear in 02 out of 05 personal hearings (except for PH held on 13.01.2021, 16.04.2021 & 12.05.2021) given between Dec. 2020 up to May 2021. It has also been observed that there is no progress in realization of outstanding Forex. Therefore the unit was given a final chance to appear before Approval Committee on 27.05.2021 and explain its case.

iv) Akshat Jain, partner from the unit appeared before the Approval Committee in its meeting held on 27.05.2021. He informed the committee that he has realised approximately Rs. 1.5 crores from the pending remittances but BRC for the same is yet to be uploaded by the AD Bank. He further stated that he is in discussion with buyers for release of outstanding payments which he hopes to start realizing soon.

v) Shri Sanjeev Kumar Bedi, Area Manager, UPSIDA informed the committee that the unit has Rs. 4.39 Lakhs pending dues of the developer which they must clear immediately.

vi) Approval Committee was further informed that as per records available, the Foreign Exchange pending for realization beyond nine months on the unit amounts to Rs. 63,42,66,278.00 (i.e. Rs. 63.43 crores) as on 01.05.2021. It was also informed that the unit has not submitted APR for 2017-18, 2018-19, 2019-20 & 2020-21.

vii) The Approval Committee, after due deliberations, did not seem convinced with the claims made by the partner of unit and took serious view of non-realization of large Forex amount