



भारत सरकार
वाणिज्य और उद्योग मंत्रालय
विकास आयुक्त का कार्यालय
सूरत विशेष आर्थिक क्षेत्र
सचिन, सूरत - 394230

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SSEZ/B/AC/30/2014-15/Vol-IV/133

Dated: 01st May, 2019.

To all Approval Committee members:-

- 1) The Joint Secretary (SEZ), MOC&I, New Delhi.
- 2) The Director, MOC&I, New Delhi; Fax No. (011) 2306-3418
- 3) The Jt. DGFT, Surat; Fax No. (0261) 245-2216
- 4) The Commissioner of Customs, Ahmedabad; Fax No. (079) 2754-2343
- 5) The Commissioner of Income Tax; Surat-I; Fax No. (0261) 265-0102
- 6) The Director (Banking),
Banking Dvn., MOF, New Delhi; Fax No. (011) 2336-7702
- 7) The District Collector, Surat District; Fax No. (0261) 246-5116
- 8) The General Manager, DIC, Surat; Fax No. (0261) 246-5929
- 9) The Developer (DGDC), Sachin, Surat Fax No. (0261) 239-7664

Subject: - Forwarding of minutes of the Approval Committee meeting.

Sir,

I am directed to forward herewith approved minutes of the **eighty first (81st) meeting of Approval Committee for multi-product Surat Special Economic Zone, Developed by DGDC, held on Tuesday the 30th April, 2019 at 12:00 hours, in the conference hall of Surat Special Economic Zone, Surat, for information and necessary action.**

Encl. as above.

Yours faithfully,

Assistant Development Commissioner,
Surat Special Economic Zone.

Note:- The Developer M/s DGDC Ltd is requested to upload the Minutes of Unit Approval Committee on SurSEZ website.



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Minutes of the 81st (Eighty First) meeting of the Approval Committee for the multi product Surat Special Economic Zone held on 30-04-2019 at 12:00 hours in the Conference Hall, Surat Special Economic Zone under the Chairmanship of Shri Virendra Singh, Development Commissioner, Surat Special Economic Zone, Surat.

Approval Committee constituted by the Central Government vide Notification dated 18-06-2008 issued from file No. 1/1/2006-EPZ consists of the following Chairman and Members viz:-

01.	Development Commissioner, Surat Special Economic Zone.	Chairperson, Ex-officio
02.	Director or Deputy Secretary to the Government of India, Ministry of Commerce and Industry, Department of Commerce	Member, Ex-officio
03.	Joint Director General of Foreign Trade, Surat.	Member, Ex-officio
04.	Commissioner of Central Excise or Customs having territorial jurisdiction of the Special Economic Zone or his nominee not below the rank of Joint Commissioner.	Member, Ex-officio
05.	Commissioner of Income-Tax (having territorial jurisdiction over the SEZ or his nominee not below the rank of Joint Commissioner in the Approval Committee)	Member, Ex-officio
06.	Director (Banking), Banking Division, Ministry of Finance, Government of India.	Member, Ex-officio
07.	District Collector or Additional District Collector or Deputy Collector of Surat District.	Member, Ex-officio
08.	General Manager, District Industries Centre of Surat District.	Member, Ex-officio
09.	A representative of M/s. Diamond & Gem Development Corporation Ltd., (Developer of Surat - SEZ).	Special Invitee



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The following members were present:-

01	Shri Suvidh Shah, Joint DGFT, Surat.	Member
02	Shri Dinesh Kumar Goyal, Superintendent, Customs, Surat.	Member
03	Shri Sandeep Kumar, Deputy Commissioner, Income Tax, Surat.	Member
04	Shri A.K. Pathak, Sr. I.I., District Industries Centre, Surat	Member
05	Shri B G Tamakuwala, GM (CRD), M/s. DGDC Ltd, SSEZ.	Nominee of the Developer i.e. M/s. DGDC Ltd.

The following officers were also present in the meeting:-

01	Shri D.N. Agarwal, Specified Officer, Surat SEZ.
02	Shri Naresh Kumar, ADC, Surat SEZ.

The Approval Committee Members confirmed the Minutes of the 80th Meeting held on 12.03.2019.

The following issues were deliberated and taken-up for action by the Approval Committee.

(A) FRESH CASES:-

81-A - (01) Application for setting up a Unit in Surat SEZ namely M/s Kamnathan Trading Enterprise, S-78, 2nd Floor, Haware Fantasia Business Park Sec-30A, Vashi, Navi Mumbai-400703 (PAN: AAUFK1796P):-

Their proposal was for setting up a unit in Surat SEZ for manufacturing activity of (1) Diamond Studded Gold Jewellery [ITC (HS) Code-71131930] (2) Plain Gold Jewellery [ITC (HS) Code-71131110] (3) Diamond Studded Silver Jewellery, Precious & Semi Precious Stone Studded Silver Jewellery [ITC (HS) Code-71131120]" and proposed annual capacity is (1) 10000 Grams (2) 15000 Grams (3) 3200000 Grams respectively.

Shri Chanakya Dhanda, Partner of the Unit appeared before the Approval Committee and explained their proposal.

Shri Dhanda stated that they intend to set up a unit in Surat SEZ for manufacturing of Jewellery of Gold and Silver studded with diamond and precious stones etc. and have multi faceted experience of 6 years in the areas of sales and marketing in Gems and Jewellery Section, specialization in client acquisition, quality check and market research. Shri Dhanda further explained that their raw material i.e. gold, silver, diamonds, precious stones will be imported. On being asked about, generation of fund to set up the unit, he submitted that the partners of the company have sufficient fund to set up the Unit for which, they have already submitted the required proof of documents i.e. Income Tax Return, Bank Statement etc.

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The Committee after due deliberations approved the proposal subject to standard terms and conditions. No DTA sale and Job work in DTA will be allowed.

81-A - (02) Application for setting up a Unit in Surat SEZ namely M/s Trading Acumen Enterprise, S-12/50, Haware Centurion, Plot 88-91, Sec-19A, Nr. Seawoods Station, Nerul (E), Mumbai-400706 (PAN: AAOFT4907F):-

Their proposal was for setting up a unit in Surat SEZ for manufacturing activity of Manufacturing of (1) Diamond Studded Gold Jewellery [ITC (HS) Code-71131930] (2) Plain Gold Jewellery [ITC (HS) Code-71131110] (3) Precious & Semi Precious Stone Studded Silver Jewellery [ITC (HS) Code-71131120] (4) Diamond Studded Silver Jewellery [ITC (HS) Code-71131120] and proposed annual capacity is (1) 8000 Grams (2) 10000 Grams (3) 2500000 Grams (4) 25000 Grams respectively.

Shri Omkar Thorat, Partner of the Unit appeared before the Approval Committee and explained their proposal.


Shri Thorat stated that they intend to set up a unit in Surat SEZ for manufacturing of Jewellery of Gold and Silver studded with diamond and precious/semi precious stones etc. He stated that he has two years manufacturing and three years marketing experience in Gems & Jewellery Sector. He further added that he is engaged in the import, export, making and polishing activities of diamonds, gems and other precious stones. Thorough experience in basic three activities, including rough preparation, manufacturing and polished jewellery and precious stone marketing. On being asked about, generation of fund to set up the unit, he submitted that the partners of the company have sufficient fund to set up the Unit for which, they have already submitted the required proof of documents i.e. Income Tax Return, Bank Statement etc.

The Committee after due deliberations approved the proposal subject to standard terms and conditions and the value addition norms will be applicable as Rule 18 of SEZ Rules, 2006 and Para 4.38 of Foreign Trade Policy. No DTA sale and Job work in DTA will be allowed.

81-A - (03) Application for setting up a Unit in Surat SEZ namely M/s RHC Global Exports Pvt. Ltd., 212, Floor-2, Plot No. 31, Sharda Chamber, Narsinatha Street, Bhat Bazar Masjid, Chinchbunder, Mumbai-400 009 (PAN: AAJCR3808D):-

Their proposal was for setting up a unit in Surat SEZ for manufacturing activity of Manufacturing of (1) Cut & Polished Diamonds [ITC (HS) Code-71023910] (2) Cut & Polished Diamond Studded Gold Jewellery [ITC (HS) Code-71131930] (3) Plain Gold Jewellery [ITC (HS) Code-71131910] (4) Precious & Semi Precious Stone Studded Silver Jewellery [ITC (HS) Code-71131120] (5) Cut & Polished Diamond Studded Silver

Amal K. J.



Jewellery [ITC (HS) Code-71131120] and proposed annual capacity is 800 Carats (2) 10000 Grams (3) 5000 Grams (4) 650000 Grams (5) 15000 Grams respectively.

Shri Rahil Chovatia, Director of the Unit appeared before the Approval Committee and explained their proposal.

Shri Chovatia stated that they intend to set up a unit in Surat SEZ for manufacturing process involved in diamond studded gold and silver jewellery, precious and semi precious stone silver jewellery, plain gold jewellery, manufacturing of cut and polished diamond. He informed the committee member that they will import their key raw material i.e. CPD, precious and semi precious stone, rough diamond and gold & silver bar, gold silver mounting. Their key customers for the products are Canada, USA, UAE, Hongkong and China, Singapore etc. Shri Chovatia submitted that he has done B.E. in Mechanical Engineering and graduate in Diamond(GIA) and having also Gem and Jewellery experience of 02 years and the another director of the firm Shri Hiteshkumar P. Chovatia is having 25 years of experience in the this field. On being asked about generation of fund to set up the unit, he submitted that their friend Shri Rahil Hemchand Visaria, one of the shareholder of the Firm will infuse the fund to set up the Unit in the Surat SEZ. Required proof of documents i.e. Income Tax Return, Bank Statement etc. have been submitted by the Firm.

The Committee after due deliberations approved the proposal subject to standard terms and conditions and the value addition norms will be applicable as Rule 18 of SEZ Rules, 2006 and Para 4.38 of Foreign Trade Policy. No DTA sale and Job work in DTA will be allowed.

81-A - (04) Application for setting up a Unit in Surat SEZ namely M/s Europea Makeover Jewel Pvt. Ltd., 102, Diamond Apartment, Nagoriwad, Saiyadpura, Surat-395003 (PAN: AAFCE4412Q):-

Their proposal was for setting up a unit in Surat SEZ for manufacturing activity of Manufacturing of (1) Diamond Studded Gold Jewellery [ITC (HS) Code-71131930] (2) Plain Gold Jewellery [ITC (HS) Code-71131910] (3) Precious & Semi Precious Stone Studded Gold Jewellery [ITC (HS) Code-71131940] (4) Diamond Studded Silver Jewellery, Precious & Semi Precious Stone Studded Silver Jewellery [ITC (HS) Code-71131120] and proposed annual capacity is (1) 10000 Grams (2) 10000 Grams (3) 60000 Grams (4) 1800000 Grams respectively.

Shri Suresh Jagetia, Director of the Unit appeared before the Approval Committee and explained their proposal.

Shri Jagetia stated that they intend to set up a unit in Surat SEZ for manufacturing of diamond studded gold and silver jewellery, precious and semi precious stone silver jewellery, plain gold jewellery. He informed the committee member that h

Suresh Jagetia



has nearly 05 years experience in jewellery sector and 20 years experience in Diamond sector. He has been associated with the Company since its inception as promoter. He has wide knowledge of Diamond and Jewellery business and doing import and export from M/s R. Diam since 2014. On being asked about generation of fund to set up the unit, he submitted that the firm has sufficient fund to set up the Unit in the Surat SEZ. Required proof of documents i.e. Income Tax Return, Bank Statement etc. have been submitted by the Firm.

The Committee after due deliberations approved the proposal subject to standard terms and conditions and the value addition norms will be applicable as Rule 18 of SEZ Rules, 2006 and Para 4.38 of Foreign Trade Policy. No DTA sale and Job work in DTA will be allowed.

DEFERRED CASE:

81.B. (1). Request made by M/s Fragomatrix Global for change in name of firm from Fragomatrix Global to Sawai Fragrances w.e.f. 01.04.2018 and also change in constitution of partners.

M/s Fragomatrix Global, Plot No. 64 & 65, SSEZ, Surat is an approved unit in Surat SEZ having valid LOA bearing No. SSEZ/II/10/2010-11/575 dated 27.07.2010 as amended from time to time and engaged in manufacturing of Perfumery Compound.

The Committee was informed that M/s Fragomatrix Global, Plot No. 64 & 65, SSEZ, Surat vide their letter dated 10.09.2018 informed that the name of their partnership firm has been changed **from M/s Fragomatrix Global to M/s Sawai Fragrances w.e.f. 01.04.2018** and constitution of the partners and shareholding pattern of their firm have also been changed w.e.f. 01.04.2017 as under:

Sr. No	Name of the Partner (S/Shri/Smt)	profit/loss sharing ratio(%)		Remarks
		Previous (upto 31.03.2017)	New (w.e.f. 01.04.2017)	
1	Fragomatrix Global Pvt. Ltd.	95	25	Continuing partner
2	Shri Anoop Kumar Jain	5	-----	Retired w.e.f. 01.04.2017
3	Pushkar Jain	-----	45	New partner
4	Prabhat Chandra Jain	-----	15	New partner
5	Shikha Prabhat Chandra Jain	-----	15	New partner
	Total	100	100	

During scrutiny of the documents submitted by the unit, it was noticed that one of the partners of the Unit (M/s Fragomatrix Global, SSEZ) is M/s Fragomatrix Global.

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Pvt. Ltd., which is registered with the RoC on the same premises where the current partnership firm i.e. M/s Fragomarix Global is running.

The above matter was placed before UAC in its 78th Meeting held on 14.11.2018. In the Meeting, the authorised person of the unit had been called for to appear before the committee but no one appeared before the committee.

After due deliberations, the Approval Committee decided to refer the matter to the Registrar of Companies for clarification and necessary action regarding legality of whether M/s Fragomatrix Global Pvt. Ltd., which is registered with the RoC and shown to have existed on the same premises where the current SEZ partnership firm is running and deferred the case till clarification is received.

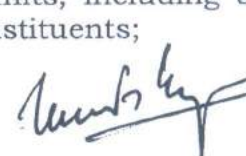

As directed by the UAC, this office vide letter dated 20.11.2018 addressed to the Registrar of Companies, Ahmadabad conveying the above issue for clarification.

The RoC vide their letter F.No. ROC-GJ/Liq./Compl./2019/6737 dated 20.02.2019 have informed that M/s Fragomatrix Global Pvt. Ltd. was incorporated in the name and style of M/s Fragomatrix Global Pvt. Ltd. on 29.05.2009 under the Companies Act, 1956. As per the MCA portal record, the registered office of the captioned company is situated at "Flat No.-479, Tower No. D20, 4th Floor, Raj-Abhishek City Home, Palsana Highway, Sachin, Surat, Gujarat-394230. Further, it is informed that this office functions as registry of records, relating to the companies & Limited Liabilities Partnership registered under the jurisdiction of this office and under the purview of the Companies Act, 2013 and LLP Act, 2008 and Rules made there under.

Shri Pushkar Jain, Partner of the Unit appeared before the Approval Committee and explained the matter. The Committee asked Shri Jain why the address of one of the partner i.e. M/s Fragomatrix Global Pvt. Ltd. of the Unit was on same address of the running Unit without having valid LOA. Shri Jain admitted his mistake and explained that he has no knowledge that address of partner which is a Pvt. Ltd. could not be in the SEZ without having valid LOA. As soon as the above mistake brought to the notice of the Unit by the Department, they shifted the address of M/s Fragomatrix Global Pvt. Ltd. out of SEZ.

Taking into clarification of the RoC, the Committee after due deliberations approved the request of M/s Fragomatrix Global subject to fulfillment of following conditions:

- a) Seamless continuity of the SEZ activities with unaltered responsibilities and Obligations for the altered unit entity;
- b) Fulfilment of all eligibility criteria applicable to units, including security clearances etc. by the altered unit entity and its constituents;

- c) Applicability of and compliance with all Revenue/Company Affairs/SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.
- d) Full financial details relating to the transfer of equity shall be furnished immediately to the Member(IT), CBDT, Department of Revenue.
- e) The Assessing Officer shall the right to assess the taxability of the gain/loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and ownerships etc. as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.
- f) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.
- g) The unit shall furnish the details of PAN and jurisdictional assessing officer of the unit to CBDT.
- h) Copy of amended IEC.

81-C- OTHER CASES

(1) Request made by M/s Dindayal Commodities Pvt. Ltd for change in directors.

M/s Dindayal Commodities Pvt. Ltd., Unit No. 122, Plot No. 295, Surat SEZ is an approved unit in Surat having valid Letter of Approval bearing No. SSEZ/II/14/2019-10/1285 dated 08.01.2010 renewed upto 15.07.2020 vide letter dated 29.10.2015 for manufacturing activity, in terms of Rule 19(6) of the SEZ Rules, 2006.

The Committee Members were informed that M/s Dindayal Commodities Pvt. Ltd. vide letter dated 25.03.2019 informed that there is following change in their management: (a) one of Director Mr. Sandip Khandelwal has resigned and in place of him, Mr. Rishi Biyani has been appointed as Director of the Firm.

The Unit has submitted required documents regarding above changes.

The Committee after due deliberations approved the above changes in the management of the Unit subject to fulfillment of following conditions:

- a) Seamless continuity of the SEZ activities with unaltered responsibilities and Obligations for the altered unit entity;
- b) Fulfilment of all eligibility criteria applicable to units, including security clearances etc. by the altered unit entity and its constituents;
- c) Applicability of and compliance with all Revenue/Company Affairs/SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.
- d) Full financial details relating to the transfer of equity shall be furnished immediately to the Member(IT), CBDT, Department of Revenue.
- e) The Assessing Officer shall the right to assess the taxability of the gain/loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and ownerships etc. as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.
- f) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.

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- g) The unit shall furnish the details of PAN and jurisdictional assessing officer of the unit to CBDT.
h) Copy of modified IEC.

(2) Request made by M/s. Maa Padma Exports for surrender their rental premises i.e. Unit No. 11-12 on Plot No. 296 in Surat SEZ from their existing LoA.

M/s Maa Padma Exports is an approved unit in Surat SEZ having valid Letter of Approval bearing No. SSEZ/II/02/2017-18/342 dated 10.08.2017 for manufacturing activity at Unit No. 4-N, Plot No. 240, Surat SEZ and on the request of the Unit, the UAC in its 75th Meeting held on 11.05.2018 had approved to include additional Unit No. 11-12 on Plot No. 296 on rental basis in their existing LOA.

Now M/s Maa Padma Exports vide letter dated 11.03.2019 informed that they want to surrender their rental premises which is located at Plot No. 296, Unit No. 11-12, Surat SEZ as they are not doing any manufacturing activity at this location. They further submitted that they are doing their authorised operation at Plot No. 240, Unit No. 4-N, Surat SEZ.

The Committee after due deliberations approved the above changes subject to fulfillment of standard terms and conditions and submission of modified IEC.

(3) Request made by M/s New Diamond Era for change in constitution of partnership firm during the period 01.09.2017 to 04.01.2019. And request for acceptance of Bond Cum-Legal undertaking in the name of M/s NDE Eternal Diamonds due to change in name.

M/s New Diamond Era, Plot No. 24-25, 62-63 & 222, Surat SEZ is an approved unit in Surat SEZ having valid Letter of Approval bearing No. SSEZ/II/027/2011-12/677 dated 18.07.2011 valid upto 18.12.2022 for manufacturing activity.

The Committee was informed that the Unit vide letter dated 19.03.2019 submitted the Bond-cum-Legal Undertaking for acceptance in connection to renewal of LOA for further period of 05 years upto 18.12.2022. The Unit further informed that there have been changes in constitution of the Partnership Firm after approval.

They further added that they have failed to intimate timely regarding the change in the constitution and change of name of Firm due to non-availability of Certificate from Registrar of Firms(RoF) as required. Their application regarding addition of Partner in their firm has been rejected by RoF and they have preferred appeal to Hon'ble High Court against the order of RoF and the case is pending in the Hon'ble High Court with reference to Special Civil Application No. 5231 of 2018.

As submitted by the Unit, during the period September, 2017 to January, 2019, following changes have been effected in the Deed of Partnership of the Firm:



DEED OF PARTNERSHIP DATED 01.09.2017				
Sr. No.	Name of the Partner	Profit/loss sharing ratio		Remarks
		Previous upto 31.08.2017	New w.e.f. 01.09.2017	
1	Shri Chiragkumar B. Limbasiya	29.10%	29.90%	Continuing Partner
2	Harsh M Desai	50.00%	30.00%	Continuing Partner
3	Shri Shaileshbhai B. Patel	7.27%	---	Retiring Partner
4	Shri Sunilbhai B. Patel	7.27%	---	Retiring Partner
5	Kuldis H Khichadiya	6.36%	---	Retiring Partner
6	M/s Gogreen Diamonds LLP	---	26.10%	Joining Partner
7	Shri Nirav S. Patel	---	7.00%	Joining Partner
8	Niranjanaben S. Patel	---	7.00%	Joining Partner

Vide Addendum dated 20.12.2017 to the Deed of Partnership dated 01.09.2017, the name of the Company was changed from M/s New Diamond Era at Plot No. 24-25, 62-63 & 222 Surat SEZ, Sachin, Surat to M/s NDE Enternal Diamonds.

DEED OF PARTNERSHIP DATED 12.07.2018				
Sr. No	Name of the Partner	Profit/loss sharing ratio		Remarks
		Previous upto 11.07.2018	New w.e.f. 12.07.2018	
1	Shri Chiragkumar B. Limbasiya	29.90%	28.10%	Continuing Partner
2	Harsh M Desai	30.00%	20.00%	Continuing Partner
3	Niranjanaben S. Patel	26.10%	5.40%	Continuing Partner
4	M/s Gogreen Diamonds LLP	7.00%	26.10%	Continuing Partner
5	Shri Nirav S. Patel	7.00%	1.80%	Continuing Partner
6	Shri Ghanashyambhai N Patel	---	15.00%	Joining Partner
7	Shri Shaileshbhai B. Patel	---	3.60%	Joining Partner

DEED OF PARTNERSHIP DATED 04.01.2019				
Sr. No	Name of the Partner	Profit/loss sharing ratio		Remarks
		Previous upto 03.01.2019	New w.e.f. 04.01.2019	
1	Shri Chiragkumar B. Limbasiya	28.10%	38.00%	Continuing Partner
2	Harsh M Desai	20.00%	48.00%	Continuing Partner
3	Niranjanaben S. Patel	5.40%	7.00%	Continuing Partner
4	Shri Nirav S. Patel	26.10%	1.80%	Continuing Partner
5	Shri Shaileshbhai B. Patel	1.80%	5.20%	Continuing Partner
6	Shri Ghanshyambhai N Patel	15.00%	---	Retiring Partner
7	M/s Gogreen Diamonds LLP	3.60%	---	Retiring Partner

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Shri Rahul Makani, Chartered Accountant and authorised by the Unit appeared before the Committee to explain the issue. Shri Makani stated that their client Unit is a partnership firm. Vide Partnership Deed dated 12.09.2017, a partner namely M/s Gogreen Diamonds LLP was included and as required, applied for registration in jurisdictional Registrar of Firm(RoF). But RoF rejected their application stating that a LLP firm could be a partner of partnership Firm. Against the order of RoF, their client Unit preferred appeal before Hon'ble High of Gujarat with reference to Special Civil Application No. 5231 of 2018. He added that last hearing in the case has been heard in the Court and final judgment is about to come. Till then, he requested that the above facts and changes may be taken on record by the Committee.

The Committee after due deliberations decided that as the matter is subjudice in Hon'ble High Court of Gujarat, the Bond in the new name and changes in the constitution of the firm could not be acceded right now. The above changes in constitution of Partnership Deeds and change of name of the Firm will be effected after having final decision of the Court in the matter and submission of required documents for the above changes till then *status quo* may be maintained.

(4) Request made by M/s Diamond Nation for change in constitution of Partnership & Name of the Company has also been changed from M/s Diamond Nation to M/s DN Eternal Diamonds vide Deed of Partnership dated 20.11.2017.

M/s Diamond Nation, Plot No. 106-107, 148-149, Surat SEZ is an approved unit in Surat SEZ having valid Letter of Approval bearing No. SSEZ/II/014/2014-15/1095 dated 18.11.2014 valid upto 31.08.2020 for manufacturing activity.

The Committee was informed that M/s Diamond Nation vide letter dated 18.04.2019 has submitted that there has been changes in constitution of Partnership with effect from the following dated 16.08.2017, 11.12.2017, 12.07.2018 and 04.01.2019. The Unit further submitted that the name of the Company has also been changed from M/s Diamond Nation to M/s DN Eternal Diamonds vide Deed of Partnership dated 20.11.2017.

They further added that they could not intimate regarding the changes in the constitution and change of Name of Company due to non-availability of Certificate from Registrar of Firms(RoF) as required. Their application regarding addition of Partner in their firm has been rejected by RoF and they have preferred appeal to Hon'ble High Court against the order of RoF and the case is pending in the Hon'ble High Court with reference to Special Civil Application No. 5230 of 2018.




During the period August, 2017 to January, 2019, following changes have been effected in the Deed of Partnership of the Firm:

DEED OF PARTNERSHIP DATED 16.08.2017				
Sr. No.	Name of the Partner	Profit/loss sharing ratio		Remarks
		Previous upto 15.08.2017	New w.e.f. 16.08.2017	
1	Shri Mukeshbhai N Deasi	90.00%	30.00%	Continuing Partner
2	Shri Chiragkumar B. Limbasiya	---	29.90%	Joining Partner
3	Shri Nirav S Patel	---	7.00%	Joining Partner
4	Niranjanaben Sunilbhia Patel	---	7.00%	Joining Partner
5	M/s Gogreen Diamonds LLP	---	26.10%	Joining Partner
6	Shri Lalit Labhshankar Pandya	5.00%	---	Retiring Partner
7	Shri Sunishkumar B. Tnakar	5.00%	---	Retiring Partner

DEED OF PARTNERSHIP DATED 11.12.2017				
Sr. No.	Name of the Partner	Profit/loss sharing ratio		Remarks
		Previous upto 10.12.2017	New w.e.f. 11.12.2017	
1	Mukeshbhai N. Desai	30.00%	---	Retiring Partner
2	Shri Chiragkumar B. Limbasiya	29.90%	29.90%	Continuing Partner
3	Shri Nirav S Patel	7.00%	7.00%	Continuing Partner
4	Niranjanaben Sunilbhia Patel	7.00%	7.00%	Continuing Partner
5	M/s Gogreen Diamonds LLP	26.10%	26.10%	Continuing Partner
6	Shri Harsh M. Desai	---	30.00%	Joining Partner

Vide the said Deed of Partnership dated 11.12.2017, the name of the Company was changed from M/s Diamond Nation to M/s DN Enternal Diamonds.

DEED OF PARTNERSHIP DATED 12.07.2018				
Sr. No.	Name of the Partner	Profit/loss sharing ratio		Remarks
		Previous upto 11.07.2018	New w.e.f. 12.07.2018	
1	Shri Harsh M. Desai	30.00%	20.00%	Continuing Partner
2	Shri Chiragkumar B. Limbasiya	29.90%	28.10%	Continuing Partner
3	Niranjanaben Sunilbhia Patel	7.00%	5.40%	Continuing Partner
4	M/s Gogreen Diamonds LLP	26.10%	26.10%	Continuing Partner

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5	Shri Nirav S Patel	7.00%	1.80%	Continuing Partner
6	Shaileshbha B. Patel	---	3.60%	Joining Partner
7	Ghanashyambhai N. Patel	---	15.00%	Joining Partner

DEED OF PARTNERSHIP DATED 04.01.2019				
Sr. No.	Name of the Partner	Profit/loss sharing ratio		Remarks
		Previous upto 03.01.2019	New w.e.f. 04.01.2019	
1	Shri Chiragkumar B. Limbasiya	28.10%	46.00%	Continuing Partner
2	Shri Nirav S Patel	1.80%	1.80%	Continuing Partner
3	M/s Gogreen Diamonds LLP	26.10%	52.20%	Continuing Partner
4	Niranjnanaben Sunilbha Patel	5.40%	---	Retiring Partner
5	Shaileshbha B. Patel	3.60%	---	Retiring Partner
6	Shri Harsh M. Desai	20.00%	---	Retiring Partner
7	Shri Ghanashyambhai N. Patel	Joined as Partner on 12.07.2018 and retired on same day.		Retiring Partner

Shri Rahul Makani, Chartered Accountant authorised by the Unit appeared before the Committee to explain the issue. Shri Makani stated that their client Unit is a partnership firm. Vide Partnership Deed dated 11.12.2017, a partner namely M/s Gogreen Diamonds LLP was included and applied for registration in jurisdictional Registrar of Firm (RoF). But RoF rejected their application stating that a LLP firm could be a partner of partnership Firm. Against the order of RoF, their client Unit preferred appeal before Hon'ble High of Gujarat with reference to Special Civil Application No. 5230 of 2018. He added that last hearing in the case has been heard in the Court and final judgment is about to come. Till then, the above fact and changes may be taken on record.

The Committee after due deliberations decided that as the matter is subjudice in Hon'ble High Court of Gujarat, the Bond in the new name and changes in the constitution of the firm could not be acceded right now. The above changes in constitution of Partnership Deeds and change of name of the Firm will be effected after having final decision of the Court in the matter and submission of required documents for the above changes till then *status quo* may be maintained.

(5) **Request made by M/s MIV Therapeutics (India) Pvt. vide their letter dated 11.04.2019 has requested to allow them to merge (transfer) company's assets and liabilities of SEZ unit to M/s Purple Medical Solutions Pvt. Ltd by way of transfer of ownership under Rule 74-A of SEZ Rules, 2006.**

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M/s MIV Therapeutics (India) Pvt. 136-B, Surat SEZ is an approved Unit in Surat SEZ having valid LOA No. SSEZ/B-2/152/2003-04/1277 dated 16.12.2003 for manufacturing of Endo/Cardio-Vascular Equipments. The Unit had commenced their authorized operation of manufacturing activity w.e.f. 03.06.2004 and unit's LOA is valid upto 02.06.2019.

The Committee was informed that M/s MIV Therapeutics (India) Pvt. Ltd. vide their letter dated 11.04.2019 has requested to allow them to merge (transfer) company's assets and liabilities of SEZ unit to M/s Purple Medical Solutions Pvt. Ltd. by way of transfer of ownership under Rule 74-A of SEZ Rules, 2006.

Shri Chirag Bhatt, Director of the Unit appeared before the Committee to explain the proposal. Shri Bhatt stated that M/s Purple Medical Solutions Pvt. Ltd. is one of the shareholder (shareholding 99.97%) of the Unit intends to merge(transfer) company's assets and liabilities of SEZ Unit to M/s Purple Medical Solutions Pvt. Ltd. by way of transfer of ownership under Rule 74-A of SEZ Rules, 2006. For this purpose, the Unit has submitted all the required documents and information to the Department.

The Committee after due deliberations approved the above proposal subject to fulfillment of following conditions:

- a) Seamless continuity of the SEZ activities with unaltered responsibilities and Obligations for the altered unit entity;
- b) Fulfilment of all eligibility criteria applicable to units, including security clearances etc. by the altered unit entity and its constituents;
- c) Applicability of and compliance with all Revenue/Company Affairs/SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.
- d) Full financial details relating to the transfer of equity shall be furnished immediately to the Member(IT), CBDT, Department of Revenue.
- e) The Assessing Officer shall the right to assess the taxability of the gain/loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and ownerships etc. as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.
- f) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.
- g) The unit shall furnish the details of PAN and jurisdictional assessing officer of the unit to CBDT.
- h) Copy of modified IEC.

(7) Request made by M/s S. S. Impex, Unit No. 359 on Plot No. 239, Surat SEZ vide their letter dated 22.04.2019 intimated that the name of the company has been changed from M/s. S. S. Impex to M/s. Shubharatna Gems & Jewels Pvt. Ltd. as well as converted from Proprietorship to Private Limited Company.

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M/s. S. S. Impex, Unit No. 359 on Plot No. 239, Surat SEZ is approved Unit of Surat SEZ and having valid Letter of Approval bearing No. SSEZ/II/007/2016-17/627 dated 24.10.2016 for manufacturing activity in the Surat SEZ. The LOA is valid upto 09.08.2022.

The Unit vide letter dated 22.04.2019 intimated that the name of the company has been changed from M/s. S. S. Impex to M/s. Shubharatna Gems & Jewels Pvt. Ltd. as well as converted from Proprietorship to Private Limited Company.

The details of shareholding pattern in new Firm i.e. M/s Shubharatna Gems & Jewels Pvt. Ltd. are as under:


Sr. No.	Name of the Share holder	No. of Shares held	Total Amount(Rs.)	% of Share holding	Date becoming Member
1.	Shri Puneet Kapila	5000	50,000	50	17/08/2017
2.	Shri Siddhant Bhaskar Bhosle	2500	25,000	25	27/04/2018
3.	Shri Sanjay Himmat Joshi	2500	25,000	25	24/05/2018
Total		10,000	100,000	100	

Shri Puneet Kapila, Director of the Unit appeared before the Committee and explained that he wants to convert the proprietorship firm to Pvt. Ltd. Company so that the business of the SEZ can be expanded. As per the resolution passed in the new firm namely M/s Shubhranta Gems & Jewels Pvt. Ltd., the name of Unit in the SEZ will also be changed from S.S. Impex to M/s Shubhranta Gems & Jewels Pvt. Ltd. for which the firm has submitted all the required documents.

The Committee after due deliberations approved the above proposal subject to fulfillment of following conditions:

- Seamless continuity of the SEZ activities with unaltered responsibilities and Obligations for the altered unit entity;
- Fulfilment of all eligibility criteria applicable to units, including security clearances etc. by the altered unit entity and its constituents;
- Applicability of and compliance with all Revenue/Company Affairs/SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.
- Full financial details relating to the transfer of equity shall be furnished immediately to the Member(IT), CBDT, Department of Revenue.
- The Assessing Officer shall the right to assess the taxability of the gain/loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and ownerships etc. as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.

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- f) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.
- g) The unit shall furnish the details of PAN and jurisdictional assessing officer of the unit to CBDT.
- h) Copy of modified IEC.

(6) Request for exit from SEZ Scheme made by M/s. Jindal Dyechem Industries Pvt. Ltd., Unit No. 06 on Plot No. 296, Surat SEZ.

M/s. Jindal Dyechem Industries Pvt. Ltd., Unit No. 06 on Plot No. 296, Surat SEZ vide their letter dated 16.01.2017 had requested for exit from SEZ Scheme.

The request was placed before the UAC. The Committee in its 80th Meeting held on 12.03.2019 had directed to regularize the minimum specified Net Foreign Exchange in terms of Rule 80 of the SEZ Rules, 2006 which says that if an Special Economic Zone Unit, in case of bona fide default, fails to achieve the minimum specified Net Foreign Exchange or specified value addition, then such shortfall may be regularized after the Unit deposits an amount equal to one per cent of shortfall in Free on Board of Approval Value.

The Unit holder vide letter dated 24.04.2019 and dated 26.04.2019 requested to review of the decision taken in the 80th Meeting by the UAC on the following grounds and new facts came into light:

The stated Order is wrongly based on Rule 80 of the SEZ Rules 2006, which was not being prevailing during the period of Import/Export took place i.e. FY 2012-13 & 2013-14. It is recorded fact that the said Rule 80 of the SEZ Rules,2006 was inserted when the Central Government made the "Special Economic Zone(Amendment) Rule, 2018 vide Notification No. GSR 909(E) dated 19.09.2018 which came into effect from 19.09.2018. Hence, their case should not be dealt under the guidelines which were not into force at the time of their business transaction. Further, this is not out of place to mention here that they had formally applied for exit from SEZ' vide their letter dated 17.01.2017 when the this rule was not in existence eve. They may also addt hat directions contained in the said Rule 80 cannot be implemented from Retrospective effect.


In Para 2 of their letter, they have stated their case is fully and squarely covered by the then prevailing guidelines of Instruction No. 41 dated November 2009. Their case needs to be looked into the light of this notification only and the said notification can not be ignored. The directive contents of the said Notification are produced as under:

The matter has been examined in this department and it is clarified that NFE is to be calculated in rupee terms only. In case a unit is NFE negative and claims that it is due to foreign exchange fluctuation, the Approval Committee may consider such cases provided that the unit gets the computations certified by the Authorised Bank, on a case to case, basis.

They further stated that their unit is not NFE negative either in terms of USD or in terms of INR as per the Bank Computations Certificate. To substantiate their claim, the data for relevant period has been depicted below:

TOTAL IMPORT		TOTAL IMPORT		TOTAL DIFFERENCE	
IN USD	IN INR	IN USD	IN INR	IN USD	IN INR
39073687.00	23196186.56	235339344.00	13526180831.37	196265657.00	13502984644.81

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65740508.00	4111151280.37	21279940.00	1331115363.59	-44460568.00	-2780032916.78
7265000.00	409749814.13	229826771.00	12760674568.21	222561771.00	12350924754.08
36850723.00	2191498706.86	59942066.00	3378005492	23091343.00	1186506785.14
146260629.00	8604909502.61	51298333.00	2880582100.00	-94962296.00	-5724327402.61
336432947.00	19733559788.37	34266169.00	1965793376.25	302166778.00	17767766412.12
631623494.00	35074065278.90	631952623.00	35842354731.42	329129.00	768289452.52

Shri Manoj Verma, authorised person of the Unit appeared before the Committee and explained the issue and fresh facts. He mentioned that firstly Rule 80 of SEZ Rules, 2006 inserted vide Amendment Rules w.e.f. 19.09.2018 would not apply with retrospective effect as their export-import in question was taken place in the F.Y. 2012-13 and 2013-14. Further, they stated that as per the Bank Computation Certificate as endorsed by the respective Banks, their NFE in both terms USD and INR are positive and stood at USD 3,29,129/- and INR 76,82,89,452/-. Hence, his Unit is not liable to any regularization and penalty.

The Committee after due deliberations noted that since the new facts have come to notice of the Committee and the Unit have achieved positive NFE as per Bank Computation Certificate as endorsed by the respective Banks. The case was reviewed and a view was taken that if the firm achieve positive NFE as per Instructions No. 41, the case will be considered for exit subject to verification of all Bank Computation Certificate by the respective Banks.

The meeting ended with vote of thanks to the Chair.



(Signature)
 (Virendra Singh)
 Development Commissioner,
 Surat Special Economic Zone,
 Sachin, Surat.