

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

टेली फैक्स नंबर (0261) 23 99445; फोन नंबर 23 99 9 11;

Email: dc1suratsez@yahoo.co.in

SSEZ/B/AC/30/2014-15/Vol-IV/316

Dated: 13th June, 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 second (82nd) meeting of Approval Committee for multi-product Surat Special Economic Zone, Developed by DGDC, held on Wednesday the 12th June, 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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Email: dc1suratsez@yahoo.co.in

Minutes of the 82nd (Eighty Second) meeting of the Approval Committee for the multi product Surat Special Economic Zone held on 12-06-2019 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 Suresh P Tamhane, FTDO, DGFT, Surat.	Member
02	Shri Ghanasyam Soni, Dy. Commissioner, Customs, Surat.	Member
03	Shri Kavan Limbasiya, Asst. Commissioner, Income Tax, Surat.	Member
04	Shri A.K. Pathak, Sr. Ind.Insp., 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 81st Meeting held on 12.06.2019.

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 MB Diamonds LLP, Mumbai, 611, Panchratna, Mama Parmanand Marg, Opera House, Mumbai-400 004. (PAN: ABBFM6518K):-

Their proposal was for setting up a unit in Surat SEZ for manufacturing activity of Manufacturing of (1) Polished Diamonds from Rough Diamonds (ITC[HS] Code-71023910) (2) Polished Diamonds by Re-cutting Polished Diamonds (ITC[HS] Code-71023910) and proposed annual capacity is (1) 3000 Carats (2) 2000 Carats respectively.

Shri Atul Dilipsingh Sampat, Chief Financial Officer of the Firm duly authorised by both the Partners appeared before the Approval Committee and explained their proposal.

Shri Sampat stated that they intend to set up a unit in Surat SEZ for manufacturing of Polished Diamonds from Rough Diamonds and Polished Diamonds by Re-cutting Polished Diamonds. He made aware that the firm is a group of companies running in the name of 'Mahendrabhai & Brothers' and having approximately 3000 Crores turnover in the DTA and the firm is involved in the Diamond Sector. Shri Sampat further added that all their raw material mainly rough diamonds will be imported. On being asked about generation of fund to set up the unit, he submitted that the partners



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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. The value addition norms will be applicable as per 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.

82-A - (02) Application for setting up a Unit in Surat SEZ namely M/s Renkar Exim Pvt. Ltd, Mumbai, Office No. 108, Floor-G, Plot-80-84, Swadeshi Mill Building, Jagannath Shankarsheth Marg, Charni Road, Girgaon, Mumbai-400004 (PAN: AAICR7690G):-

Their proposal was for setting up a unit in Surat SEZ for manufacturing activity of Manufacturing of (1) Cut & Polished Diamonds Studded Gold Jewellery (ITC[HS] Code-71131930) (2) Precious & Semi Precious Stone Studded Gold Jewellery (ITC[HS] Code-71131940) (3) Plain Gold Jewellery (ITC[HS] Code-71131110) and proposed annual capacity is (1) 80000 Grams (2) 60000 Grams (3) 70000 Grams respectively.

Shri Deepak Jain, one of the Director of the Unit appeared before the Approval Committee and explained their proposal.

Shri Jain stated that they intend to set up a unit in Surat SEZ for manufacturing of Cut & Polished Diamonds Studded Gold Jewellery, Precious & Semi Precious Stone Studded Gold Jewellery, Plain Gold Jewellery. He stated that his firm is one of the leading Diamond & Jewellery vendor based in India with a network of more than 25 suppliers and 50 satisfied global customers. On being asked about generation of fund to set up the unit, he submitted that the company have some fund and remaining amount will be funded by their Banker Andhra Bank. A letter from the Bank in this regard has been produced before the Committee by Shri Jain. Other relevant documents i.e. Income Tax Return, Bank Statement etc. have been submitted.

The Committee after due deliberations approved the proposal subject to standard terms and conditions and the value addition norms will be applicable as per 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.

82-B- OTHER CASES

- (1) Request made by M/s Dindayal Commodities Pvt. Ltd, Surat SEZ for Enhancement of Annual Capacity in manufacturing activity in their existing LOA.

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M/s Dindayal Commodities Pvt. Ltd., Unit No. 122, Plot No. 295, Surat SEZ is an approved unit in Surat SEZ 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 02.05.2019 informed that the Unit have filed application for enhancement of Annual Capacity from 500 Kgs. to 2000 Kgs. Per annum of their authorised operation.

Shri Lakshmikant Biyani on behalf of the Unit appeared before the Committee and explained that in the current calendar year, they have already exported approximately 95 Kgs. Jewellery and they expect demand for manufactured Jewellery, hence, the Unit want to enhance their annual capacity from 500 Kgs. to 2000 Kgs. On being asked about employment generation if approved annual capacity enhancement, he stated that as their whole manufacturing activity is based on automatic machinery, however, their unit have projected increase in employment from 10 to 15 persons.

The Committee after due deliberations approved the above proposal.

(2) Request made by M/s Kalyan Exim Gold Jewellery Pvt. Ltd for addition of additional space as Unit No. 11-N on Plot No. 222-A in Surat SEZ from their existing LOA.

M/s Kalyan Exim Gold Jewellery Pvt. Ltd is an approved unit in Surat SEZ having valid Letter of Approval bearing No. SSEZ/II/009/2016-17/771 dated 22.06.2016 for manufacturing activity at Unit No. 10-N on Plot No. 222-A, Surat Special Economic Zone, Sachin, Surat.

The Committee were informed that the Unit vide letter dated 23.05.2019 have requested **to add additional area of 1000 Sq. Feet in their existing LOA.** Shri Pankaj C. Sanghani, one of the Director of the Company appeared before the Committee and explained that presently, the Unit is having only 1000 sq. feet area which is not sufficient and do not serve their purpose and as their manufacturing is growing day by day, their unit is in need to add additional area in their LOA. The Developer have earmarked adjacent unit No. 11-N on Plot o. 222-A to the Unit.

The Committee after due deliberations approved the above proposal.

(3) Request made by M/s Evergreen Technologies for change of partners in Surat SEZ from their existing LOA.

Approved by 13/6/2019



M/s Evergreen Technologies, Unit No. 358 on Plot No. 239, Surat Special Economic Zone, Sachin, Surat have been granted Letter of Approval bearing No. SSEZ/II/18/2012-13/1453, dated 12.03.2013 valid upto 14.07.2023 for manufacturing of following items:

- (1) Diamond processing(cutting) Machines,
- (2) Diamond polishing Machines,
- (3) Diamond planning and marking machines,
- (4) Diamond brutting machines,
- (5) Trading of Components and Parts.

The Committee members were informed that the Unit vide letter dated 19.03.2019 have submitted that a change in constitution of Partnership has taken place in the firm i.e. M/s Evergreen Technologies whereby one Partner Shri Parimal N. Gajjar has retired from the Partnership. In this regard, a copy of Partnership Deed has been submitted by the Unit. Now, the said Partnership Firm have remained two Partners namely Shri Bharatkumr R. Chaudhary and Shri Suarabh S. Srivastava.

As in terms of Instruction No. 89 dated 17.05.2018 issued by the Ministry, change of constitution of Unit in SEZ may be undertaken prior approval of the Approval Committee.

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.
- (4) **Request made by M/s Shubharatna Gems & Jewels Pvt. Ltd, Surat SEZ for**
- (i) **Enhancement of Annual Capacity in manufacturing activity**
 - (ii) **Addition of area in Surat SEZ in their existing LOA and**
 - (iii) **Broad Banding of additional items for manufacturing activity in their existing LOA.**

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M/s Shubharatna Gems & Jewells Pvt. Ltd, Surat SEZ is an approved unit in Surat SEZ having valid Letter of Approval bearing No. No. SSEZ/II/007/2016-17/637 dated 24.10.2016 for manufacturing activity.

The Committee was informed that the Unit vide letter dated 28.05.2019 have submitted Form F for enhancement of Annual Capacity of Production from 350 Kgs. (Capacity for all product: 945 Kgs.) to 5200 Kgs. Per annum. The Unit has also intended to add area i.e. 4000 Sq. feet in their existing LOA for which the Developer earmarked Unit No. 151 to 154 on plot No. 258.

The unit vide letter dated 10.06.2019 have also requested for broad banding in their LoA for manufacturing activity by including following items in their existing LoA:

Item(s) of manufacturing activity	Annual Capacity (In Sets)	ITCHS code
Pearls Studded Silver Jewellery	1200000 Grams	71131130
Pearls Studded Gold Jewellery	300000 Grams	71131920

The unit has submitted the necessary Form-F alongwith process chart of the new product.

Shri Punit Kapila, one of the Directors of the Firm appeared before the Committee and explained their above proposals one by one. First of all, he stated that looking to their export orders from their overseas customers and previous year performance of the Unit, their firm want to enhance their annual capacity categorically jewellery made of precious & semi precious stone studded in Silver from. He further submitted that their manufacturing activity is going to enhance significantly, his firm intend to add more area in their LOA. Therefore, on request of the Firm, the Developer have earmarked four Unit No. 151 to 154 on plot No. 258 to the Unit. On the front of employment, he assured that a number of persons will be employed as soon as authorised activity starts.


As far as broad banding is concerned, he explained that looking to the demand of Pearls Studded Silver Jewellery and Pearls Studded Gold Jewellery, his firm have decided to start manufacturing of these items also.

The Committee after due deliberations approved the proposal of the Unit subject to fulfillment of other standard terms and Conditions.

- (5) **Request made by M/s Sagar Diamonds Ltd, Surat SEZ for Enhancement of Annual Capacity in manufacturing activity and Broad Banding of 15000 carats of Cut & Polished Diamond in their existing LOA..**

M/s Sagar Diamonds Ltd., Surat SEZ is an approved Unit in Surat SEZ having valid LOA No. SSEZ/II/006/2016-17/624 dated 24.10.2016 on Unit at 101, Plot

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193, Surat SEZ as amended from time to time for manufacturing of Plain Gold Jewellery, Diamond studded Gold Jewellery, precious & Semi Precious stone studded gold jewellery CZ studded gold jewellery, diamond studded silvery jewellery, plain silver jewellery, precious & semi precious stone and CZ diamond studded silvery jewellery.

The Committee was informed that M/s Sagar Diamonds Ltd., Surat SEZ vide letter dated 29.05.2019 have submitted Form F for enhancement of Annual Capacity of Production (Precious and semi precious stone and CZ diamond studded silver jewellery) from 1000 Kgs. to 4000 Kgs. Per annum. The Unit has also intended for Broad Banding of 15000 carats of Cut & Polished Diamond in their existing LOA.

Shri Vaibhav Shah, one of the Directors of the Unit appeared before the Committee to explain the proposal. Shri Shah stated that in previous financial year, his firm have already touched their projection made for the year and keeping the demand and export order in view, he is of the firm view that his firm will cross the projection made for this FY within 02-03 months. Hence, enhancement in annual capacity is required for their firm. He further added that his firm also requested for Broad Banding of 15000 carats of Cut & Polished Diamond in their existing LOA. He also pointed out that his firm is going to increase in number of employment from 9 to 50 persons and to add more area upto 5500 sq. feet from 2338.58 sq. feet in their LOA.

The Committee after due deliberations approved the proposal of the Unit subject to fulfillment of other standard terms and Conditions.

(6) Intimation of M/s Marshal Technologies (Now Bhathwari Technologies), Surat SEZ for change in constitution of Partnership Deed of Firm.

M/s. Bhathwari Technologies, Surat SEZ is an approved Unit of Surat SEZ and having valid Letter of Approval bearing No. SSEZ/II/011/2016-17/45 dated 19.04.2019 for establishment of New Unit in Surat SEZ for manufacturing of (1) Microwave Plasma CVD System (2) Spare Parts of Microwave Plasma CVD System.

The Committee members were informed that the Unit vide letter dated 29.05.2019 have informed that there are change in constitution of Partnership Deep of the Firm as under:

DEED OF PARTNERSHIP DATED 15.02.2019					
Sr. No.	Name of the Partner	Profit/loss sharing ratio		Remarks	
		Previous upto 31.01.2019	New w.e.f. 01.02.2019		
1	Bakulbhai Chaturbhai Limbasiay	30%	72%	Continuing Partner	

Amended by
13/6/2019



2	Sunilbhai Patel	Bhogibhai	12%	14%	Continuing Partner
3	Shaileshbhai Patel	Bhogibhai	14%	14%	Continuing Partner
4	Kamlaben Patel	Bakulbhai	06%	--	Retiring Partner
5	Niranjanaben Patel	Sunilbhai	02%	--	Retiring Partner
6	Rajesh Limbasiya	Chaturbhai	30%	--	Retiring Partner
7	Bharatiben Limbasiya	Rajeshbhai	06%	--	Retiring Partner

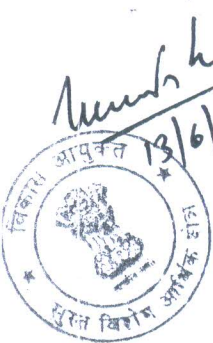
The Committee after due deliberations approved the above proposal subject to fulfillment of following conditions:

- 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 Application for renewal of Letter of Approval of M/s. Purple Medical Solution Pvt. Ltd.(earlier known as M/s MIV Therapeutics (India) Pvt. Ltd.) for further period of 05 years w.e.f. 03.06.2019 to 02.06.2024.

The Committee were informed that M/s. Purple Medical Solution Pvt. Ltd.(earlier known as M/s MIV Therapeutics (India) Pvt. Ltd.) vide their letter dated 11.04.2019 had applied for renewal of LOA(expiring on 02.06.2019) as well as Merger(Amalgamation) of Company's assets and liabilities of M/s MIV Therapeutics (India) Pvt. Ltd. to M/s Purple Medical Solution Pvt. Ltd. by way of transfer of ownership under Rule 74A of SEZ Rules, 2006.

Merger(Amalgamation) of Company's assets and liabilities of M/s MIV Therapeutics (India) Pvt. Ltd. to M/s Purple Medical Solution Pvt. Ltd. by way of transfer of ownership under Rule 74A of SEZ Rules, 2006 was approved by the Approval Committee in its 81st Meeting held on 30.04.2019. The approval of Committee was



conveyed to the Unit vide this office letter of even No. dated 02.05.2019. However, as the renewal of LOA came under the purview of Development Commissioner, the same was taken up later after the said Meeting.

The Committee was further explained that during the scrutiny of the export/import data of the Unit and APRs submitted by the Unit, it was noticed that a huge mismatching in figures of export/import data available with Customs Wing of Surat SEZ and APRs submitted by the Unit. A clarification in this regard was sought for from the Unit and the Unit vide letter dated 29.05.2019 informed that as the data pertains to 05 years and voluminous in nature, they need some time to cross verify the same and as their LOA is expiring on 02.06.2019, the Unit requested to extend the validity of their LOA till the date they submit their reply so that their day to day work is not hampered.

On the request of the Unit, the Development Commissioner extended the validity of the Unit's LOA till 13.06.2019 and referred the matter to place the same in next meeting of Approval Committee.

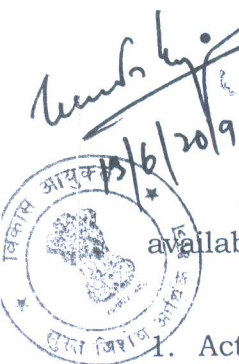
In the meantime, the Unit vide letter dated 06.06.2019 have submitted their detailed reply in the matter with documentary evidence. On examination of the same, it was found that

- The major differences are in Freight value. As per the BOE, Freight value comes Rs. 388 Lakhs whereas actual freight paid (Freight Certificate submitted) by the Unit is Rs. 28.76 Lakhs for the block of 05 years (2014-15 to 2018-19).
- As per the Customs data, total import value for the said block is Rs. 2631.47(as on 31.03.2019) Lakhs inclusive of total value of Capital Goods imported during the period. During the block of 05 years, total value of imported capital goods is Rs. 283 Lakhs and their amortized value during these years comes to Rs. 81.80 Lakhs.

Closing balance of raw material in stock has not been excluded in the Customs Report. The same is Rs. 293.54 Lakhs as on 31.03.2019.

If the following factual data is considered, which has been verified from the available records, the NFE of the Unit comes positive at Rs. 3.87 Lakhs:

- | | | |
|---|---|---|
| 1. Actual Freight paid by the Unit | = | Rs. 28.76 Lakhs against Rs. 388 Lakhs as per BOE. |
| 2. Amortized value of Capital Goods | = | Rs. 81.80 Lakhs against as full value of Rs. 283 Lakhs of Capital Goods |
| 3. Closing Balance of Raw Material as on 31.03.2019 | = | Rs. 293.54 Lakhs |



In view of the above, the NFE position of the Unit comes as under:

Figures in Lakhs

F.Y.	Actual CIF value of consumed Raw material imported	Amortized value of Capital Goods imported during the year	Export value	NFE
2014-15	174.58	0.45	109.89	-65.14
2015-16	404.42	17.54	602.05	180.09
2016-17	405.24	17.73	1000.52	577.55
2017-18	377.11	17.78	50.43	-344.46
2018-19	347.89	28.3	32.02	-344.17
Cumulative total	1709.24	81.8	1794.91	3.87

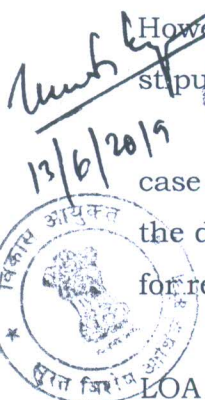
In terms of Rule 19(6B) of SEZ Rules 2006, the renewal of Letter of Approval shall be based on the evaluation of the following criteria, namely:-

Sr. No.	Criteria for renewal in rule 6(B)	Performance of the Unit
(i)	Export performance of the Unit in the last block vis-a-vis the initial export projection submitted by the Unit.	The Unit achieved Rs. 3.87 Lakhs against the projection of Rs. 1750.00 Lakhs
(ii)	Projected employment with reference to actual employment generated	As per the Form F1, the Unit have given employment to 48(38 Men and 10 Women) persons against the projection of 50(40 Men and 10 Women)
(iii)	Instance of violation of applicable statutes related to the functioning of the Unit.	NIL
(iv)	Cases of default, if any, of statutory payments.	NIL
(v)	Undertaking of any activity not sanctioned or approved by the Development Commissioner.	NIL

In terms of Rule 19(6)(A)(1) of SEZ Rules, 2006, the Unit had to file application for renewal of LOA before 02 months from the date of expiry of LOA i.e. before 02.04.2019. However, the Unit applied for the renewal of application on 12.04.2019 i.e. after stipulated date of renewal of LOA.

As per the provision of the Rule 19(6)(A)(1) of SEZ Rules, 2006, 'Provided that in case an application is submitted after the said period of two months, reasonableness of the delay shall be examined on the merits and circumstances of the case and the request for renewal of Letter of Approval shall be decided by the Development Commissioner.'

The Unit vide letter dated 11.04.2019 have submitted that renewal application of LOA could not be filed before two months of expiry of LOA due to merger(amalgamation) of their Unit i.e. MIV Therapeutics Pvt. Ltd. to Purple Medical Solution Pvt. Ltd. Therefore, the Unit have requested to condone the delay in filing the captioned renewal application.



In view of the above, the following issues have been placed before the Approval Committee for the perusal and suitable decision:

1. Export performance of the Unit: The Unit achieved Rs. 3.87 Lakhs against the projection of Rs. 1750.00 Lakhs.
2. Projected employment with reference to actual employment generated: As per the Form F1, the Unit have given employment to 48(38 Men and 10 Women) persons against the projection of 50(40 Men and 10 Women).
3. Delay in filing of application for renewal of LOA.

To explain the issue, Shri Rajesh Shrivastava, one of the Director appeared the Committee. He reiterated their reply as submitted on 06.06.2019 and requested to condone the delay in filing of renewal of LOA before two months of expiry of LOA.

The Committee after due deliberations condoned the delay in filing of renewal application before two months of expiry of LOA and decided to renew the LOA of the Unit for further period of 05 years.

(8) Request for revoke of Suspension of Letter of Approval issued to M/s. D. Jewels, Plot No. 183, Surat SEZ.

The Committee were informed that M/s. D. Jewels, Surat SEZ, Sachin, Surat vide letter dated 06.05.2019 have informed that the goods seized by the Customs Authorities(DRI) on 28.09.2016 from their factory in Surat SEZ have been released on 03.05.2019 vide Panchnama dated 03.05.2019 in light of the Order No. 1 of 2018 in R/Tax Appeal No. 1303 of 2018 dated 14.02.2019 of Hon'ble High Court of Gujarat. The Unit in the context of the direction of the Court have requested that they are permitted to sell their goods lying in their SEZ Unit into DTA on payment of applicable Duty. Alternatively, they requested to revoke the suspension order of their LOA and grant them formal permission to commence manufacturing operations and grant specific permission to bring the released goods back to SEZ and keep the same in their Unit.

In view of the order of Hon'ble High Court of Gujarat and release of goods by the Customs Authority, this office granted permission to the Unit vide letter dated 07.05.2019 to take the goods into the SEZ in their premises.

Brief of the case is submitted as under:

- The Directorate of Revenue Intelligence on specified information Seized the following goods under Panchnama dated 13.10.2016

1. 8069.63 grams Gold Bars valued at Rs. 2,34,03,754/-.,
2. 3064.22 carats diamonds/precious stones/moti valued at Rs. 36,08,956/- and
3. 8676.553 grams valuing Rs. 3,20,96,437/- unaccounted gold jewellery was found in D. Jewels premises.

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- M/s. D. Jewels, Surat SEZ, Sachin, Surat and others were issued Show Cause Notice dated 27.03.2019 for confiscation of goods and imposition of penalty.
- The Commissioner, GST & Central Excise, Surat vide OIO dated 13.10.2017 confirmed the confiscation of the goods as demanded by the above said SCN.
- The Appeal filed by M/s D. Jewels & Choksi Vachhraj Makanji & Co. Before CESTAT against the OIO was dismissed by the CETAT.
- M/s D. Jewels & Choksi Vachhraj Makanji & Co. Challenged the order of CESTAT before the Hon'ble High Court of Gujarat. The HC in its judgement dated 14.02.2019 passed the order that upon paying redemption fine to the extent of 10% of the value of the confiscated goods and penalty to the extent of 1% of the value of the confiscated goods and furnishing bank guarantees of Rs. 50 Lakh by each of the applicants, to be kept alive till the final disposal of the appeal, before the Commissioner of Customs, Surat, the authority is directed to release in favour of the applicants all the confiscated goods at the earliest.
- In compliance of the Court's above order, the Customs Authority vide Panchnama dated 03.05.2019 have released the seized goods.

M/s D. Jewels was granted Letter of Approval bearing No. SSEZ/II/31/2011-12/976 dated 01.09.2011 valid upto 24.02.2017 for manufacturing activity of (a) Gold Plain Jewellery (b) Diamond studded gold/silver Jewellery and (c) Platinum studded Jewellery.

Shri Deepak Dholakiya, one of the Partners of the Unit appeared before the Committee to present their side. Shri Dholakiya prayed the Committee to revoke the suspension of his Unit's LOA pursuant to the Hon'ble High Court of Gujarat so that manufacturing activity can be started. Shri A.K. Pathak, one of the Committee member asked Shri Dholakiya whether you have applied for renewal of LOA which was already expired on 24.02.2017. He said due on going case, he could not apply for renewal of his Unit's LOA. The Member explained Shri Dholakiya that as the LOA of Unit is expired on 24.02.2017, there is no question of revoking of expired LOA.

The Committee after due deliberations decided to defer the case for next meeting or till the date the Unit file renewal application of LOA as prescribed in the SEZ Rules.

- (9) **Post facto approval of Exit Order of M/s Jindal Dyechem Industries Pvt. Ltd., Unit No. 06 on Plot No. 296, Surat SEZ.**

Amish
13/6/2019



The Committee members were informed that the Approval Committee in its last meeting held on 30.04.2019 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.

As directed above by the UAC, all the respective Banks were written letters to confirm the genuineness of the verification report made by the Banks. As the confirmation of genuineness received from all the respective Banks, the NFE of the Unit comes positive in terms of INR and USD as well. In view of the above facts, as requested by the Unit, Final Exit Order from SEZ Scheme was granted to the Unit.

The Committee after due deliberations approved post facto approval of Final Exit of the Unit.

(10) Monitoring of audited APRs of the Units of Surat SEZ.

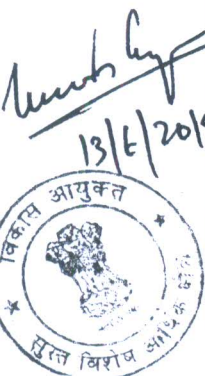
As per the Rule 54 of the SEZ Rules, 2006,

(1) Performance of the Unit shall be monitored by the Approval Committee as per the guidelines in Annexure appended to these rules.

(2) In case the Approval Committee come to the conclusion that a Unit has not achieved positive NFE, the said Unit shall be liable for penal action under the provisions of FTDR Act 1992.

The Committee were informed that the Approval Committee in its Meetings held from time to time monitored the APRs of the Units of Surat SEZ till the year 2014-15. The APRs for the year 2015-16 and onwards of the following Units have been audited by the Chartered Accountant appointed by the Development Commissioner's office as per the direction of the Zonal Development Commissioner: The Details are furnished in the Annexure.

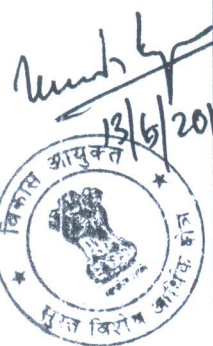
Sr. No.	Name Of The SEZ Units	Date of Commencement of production	Total (figure of FY 2015-16 to 2017-18)		
			Export	Import	Total
1	Artek Exports LLP.	01.08.2007	4583.08	1230.15	3352.93
2	C Tech Corporation. (Mfg.)	01.04.2004	44.41	0	44.41
3	Dimple Diamonds. (Mfg.)	25.06.2013	2267.48	1870.53	396.95
	Dimple Diamonds.	25.06.2013	0	0	0



	(Trading)				
4	Gautam Jewels Pvt. Ltd.	20.08.2004	850.44	234.77	615.67
5	Gopal Jewels Pvt. Ltd.	02.07.2012	0	0	0
6	Harmony Plastics Pvt. Ltd. (Mfg)	01.04.2011	1870.49	1196.2	674.29
	Harmony Plastics Pvt. Ltd. (Trading)	18.07.2011	0	0	0
7	K. K. Jewels Pvt. Ltd.	10.08.2004	4149.87	76.46	4073.41
8	Kalika International. (Mfg.)	13.04.2006	7263.53	2752	4511.53
	Kalika International. (Trading)	13.04.2006	14.07	0	14.07
9	Kiran Jewellery. (Mfg.)	01.12.2007	184691.69	49618.05	135073.64
10	Marvel India.	02.12.2011	24.21	17.36	6.85
11	Marvel International.	01.04.2005	8039.22	6255.57	1783.65
12	Mercantile Shipping Agencies. (Mfg.)	01.04.2011	318.1	87.48	230.62
	Mercantile Shipping Agencies. (Trading)	03.12.2010	0	0	0
13	Mukta Enterprise. (Mfg.)	11.12.2011	113.1	106.68	6.42
	Mukta Enterprise. (Trading)	11.12.2011	0	0	0
14	Narola Machines.	22.02.2016	2554.51	678.69	1875.82
15	New Nirmal Industries	24.12.2012	0	0	0
16	Parvati Impex.	13.11.2009	7119.78	6248.56	871.22
17	Picus Tech Software.	04.01.2010	1441.22	40.16	1401.06
18	Athreyas Wellness Pvt. Ltd. (Quest)	24.03.2007	0	2.34	-2.34
19	Runi Impex.	20.10.2010	0	0	0
20	Shree Ganesh Exports.	10.04.2003	979.17	904.57	74.6
21	Shree Nnansharda Jewellery. (Mfg.)	26.07.2011	12683.07	8070.74	4612.33
	Shree Nnansharda Jewellery. (Trading)	17.05.2012	0	0	0
22	Shreyanshu Gems & Jewellery. (Mfg.)	22.05.2014	14267.35	4252.26	10015.09
	Shreyanshu Gems & Jewellery. (Trading)	22.05.2014	0	0	0
23	SMD Rays.	27.08.2015	1031.53	398.38	633.15
24	Universal Packaging.	18.10.2012	1160.96	0	1160.96
25	Vivah Classique. (Mfg.)	20.03.2007	201.17	189.16	12.01
	Vivah Classique. (Trading)	16.07.2008	0	0	0

Post facto Monitoring of APRs of the following Units whom Exit Order from the SEZ Scheme have been granted under Rule 74 of the SEZ Rules, 2006 from time to time:

Name of the Unit	Activity	Export	Import	Total	Remarks
Ausom	Mfg.	9014	0	9014	In terms of Ministry's



Enterprise Ltd.	Trading	128009	136362	-8353	clarification, after clubbing of NFE from trading and Mfg., NFE of the Unit comes positive.
Chemsworth	Mfg.	8.84	7.68	1.16	--
Jindal Dychem Industries	Trading	353192.95	359134.98	-5942.03	The Exit request of the Unit was placed before the UAC from time to time regarding negative NFE in INR as in terms of US dollar, the NFE of the Unit comes positive. However, as directed by the UAC in the last Meeting, as per the Bank Computation duly certified by the respective Banks, the NFE of the Unit comes positive both in terms of INR and USD.
Khandwala Enterprise Pvt. Ltd.	Trading	476889.74	478864.35	-1974.61	In terms of Ministry's clarification, after clubbing of NFE from trading and Mfg., NFE of the Unit comes positive.
	Mfg.	2464	0	2464	
PMK Impex Pvt. Ltd.	Mfg.	29896	27595	2301	In terms of Ministry's clarification, after clubbing of NFE from trading and Mfg., NFE of the Unit comes positive.
	Trading	72082	73504	-1422	
RBZ Jewellers Pvt.	Mfg.	00	00	00	--
Yashi Co.	Mfg.	9826.79	6260.79	3566	--

The Committee after due deliberation decided that the Unit(s) having negative NFE should be issued Show Cause Notice for cancellation of LOA and imposition of penalty under FTDR Act and SEZ Act & Rules.

The meeting ended with vote of thanks to the Chair.



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