



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/498

Dated: 25th July, 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 third (83rd) meeting of Approval Committee for multi-product Surat Special Economic Zone, Developed by DGDC, held on Wednesday the 24th July, 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 83rd (Eighty Third) meeting of the Approval Committee for the multi product Surat Special Economic Zone held on 24-07-2019 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 Abanish Kumar, ITO, Income Tax, Surat.	Member
03	Shri M.G. Gamit, Ind. Insp., District Industries Centre, Surat	Member
04	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 82nd Meeting held on 12.06.2019.

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

(A) FRESH CASES:-

83-A - (01) Application for setting up a Unit in Surat SEZ namely M/s Sunheri Exim Pvt. Ltd., Mumbai, 12A-Ground Floor, Plot No. 21, Pancharatna Mama Parmanand Marg, Opera House, Girgaon, Mumbai-400004. (PAN: AAZCS2979Q):-

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-71131910) (4) Cut & Polished Diamonds Studded Silver Jewellery (ITC[HS] Code-71131120) (5) Gold Mounting Jewellery (ITC[HS] Code-71131990) (6) Silver Mounting Jewellery (ITC[HS] Code-71131130) and proposed annual capacity is (1) 55000 Grams (2) 40000 Grams (3) 50000 Grams (4) 30000 Grams (5) 35000 Grams (6) 30000 Grams respectively.

Shri Jitendra Jain, One of the Directors of the Firm 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 gems and jewellery items like diamonds studded gold and silver jewellery, precious/semi precious stone studded jewellery, plain gold jewellery etc. Shri Jain further added that all their raw material mainly CPD and precious & semi precious stone will be imported. On being asked about generation of fund to set up the unit, he submitted that major part of the fund will be generated/borrowed from the Bank for which a certificate dated 18.07.2019 to this effect issued by Bank of Baroda, Vesu

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Branch, Surat was produced by him before the Committee. Remaining fund if falls short will be managed by self and from their family friends in the business.

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.

83-B- Deferred Cases

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

The Committee was 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. After release of goods, the unit has requested that they may be permitted to sell their goods lying in their SEZ Unit into DTA on payment of applicable Duty. Alternatively, they made request 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 was 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.
- As reported by the DRI, the UAC in its 63rd meeting held on 19.10.2016 directed to suspend the LOA issued to the Unit and issue Show Cause Notice for cancellation of LOA and imposition of Penalty under FT(D&R) Act, 1992. The Development Commissioner vide Suspension Order dated 24.10.2016 passed the order of suspension of LOA till further orders. Further, as directed by the UAC in the said meeting, Show Cause Notice dated 22.12.2016 was issued to the Unit by the Development Commissioner for cancellation of LOA and imposition of penalty under FT(D&R) Act, 1992.



- 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 Hon'ble High Court of Gujarat 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.
- The issue of revoke of Suspension of LOA of M/s D. Jewels, Surat SEZ as requested by the Unit was placed before the Approval Committee in its 82nd Meeting held on 12.06.2019.

In the Meeting, Shri Deepak Dholakiya, one of the Partners of the Unit appeared before the Committee to present their side. Shri Dholakiya requested the Committee to revoke the suspension of their 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 to ongoing case, he could not apply for renewal of their 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.

Now the Committee was informed that the Unit have now applied for renewal of their LOA in the form and manner as prescribed in the SEZ Rules, 2006.

Again, in this Meeting, Shri Deepak Dholakiya, one of the Partners of the Unit appeared before the Committee to present their side. Shri Dholakiya stated that they have complied the directions of the Approval Committee imparted in the last meeting and requested to renew their LOA for remaining period of second block of 05 years i.e. 23.02.2022.

The members of the Committee discussed the issue at length and taking the direction and spirit of the Hon'ble High Court of Gujarat's judgement dated 14.02.2019



in the matter in question in consideration, the Committee was of the view that if the judgment of the High Court is perused, it indicates that the release of the goods have been ordered for further use in manufacturing. If we do not allow the Unit to do the authorised operation in the SEZ where the said released goods as well as other goods are lying, the purpose of the interim relief granted by the Hon'ble High of Court of Gujarat will defeat in spirit. Hence, the Committee opined that the LOA of the unit should be revoked and renewed for further period otherwise, the unit cannot do any transaction in the SEZ until the LOA of the unit is revoked and renewed for further period. Further, the Committee also directed that the adjudication of the Show Cause Notice 22.12.2016 issued by the Development Commissioner, Surat SEZ for cancellation of LOA of the Unit and imposition of penalty under FT(D&R) Act, 1992 upon the Unit shall be kept in pending till the final decision of Hon'ble High Court of Gujarat comes in the matter.

Hence, after due deliberations, the Committee decided that the Suspension Order dated 24.10.2016 of LOA of M/s D. Jewels, Surat SEZ issued by the Development Commissioner, Surat SEZ may be revoked and LOA of the Firm may renewed for one year from the date of revoke of suspension of LOA or till the date of clearance/export of all stocks (raw material/finished goods) lying in the Unit, whichever occurs earlier. The Committee further directed that the Unit shall not be permitted to procure/import new principal input/raw material such as gold and silver. The unit may procure/import subsidiary items require to manufacture the finished goods from the precious raw material already lying in the Unit.

- 2. Request made by M/s New Diamond Era for change of Name, Change in constitution of partnership firm during the period 01.09.2017 to 04.01.2019. and requeste for acceptance of Bond Cum-Legal undertaking in the name of M/s NDE Eternal Diamonds due to change in name.**

The Members of the Committee were informed that M/s New Diamond Era, Plot No. 25, 62-63 & 222, Surat SEZ has been granted Letter of Approval dated 01.07.2011 which is renewed time to time and presently valid upto 18.12.2022 for manufacturing activity. It was further informed that the Unit have applied for change of Name, Change in constitution of partnership firm during the period 01.09.2017 to 04.01.2019 and requested for acceptance of Bond Cum-Legal undertaking in the name of M/s NDE Eternal Diamonds due to change in name. The Attention of the Committee was brought to the fact that the Unit had applied for registration in Registrar of Firm regarding addition of Partner in their firm which was rejected by RoF(Registrar of Firm) on the ground that LLP firm cannot be a partner in a Partnership Firm. Against the order of the RoF, the Unit had preferred appeal to Hon'ble High Court of Gujarat and the case was



pending in the Hon'ble High Court with reference to Special Civil Application No. 5231 of 2018.

The Approval Committee in its 81st Meeting was held on 30.04.2019, after due deliberation 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 the 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 this case status quo may be maintained.

Now the Committee was informed that the Hon'ble High Court of Gujarat has delivered the judgment in the matter and rejected the appeal of the Unit.

Shri Chirag Limbasiya, one of the Partners of the Firm and Shri Rahul Makani, Chartered Accountant of the Unit appeared before the Committee and submitted that Hon'ble High Court of Gujarat vide its judgment dated 26.06.2019 in R/Special Civil Application NO. 5230 of 2018 with R/Special Civil Application NO. 5231 of 2018 has dismissed their petition in the matter filed against the RoF. The Unit also mentioned that they accept the judgment of the Court and they will not prefer any appeal against the judgment.


Further, they also mentioned that as per the said judgment of the Hon'ble High Court, it is not necessary to get registration of Partnership Firm in the ROF. Therefore, the unit have requested to:

1. Change of Name: From New Diamond Era to NDE Eternal Diamonds;
2. Accept change of Shareholding pattern as per Partnership Deed dated 04.01.2019;
3. Accept Bond-cum-Legal Undertaking in the name of NDE Eternal Diamon

In this regard, the attention of the Committee was drawn to the relevant of Para of the judgment of the Hon'ble High Court of Gujarat vide which it has been enumerated distinguishing feature of relevant provisions under the LLP Act and the Act which are provided in tabular manner as under:

Details	Partnership Firm	LLP
Definition of Partner	Section 4: Partnership, Partner, Firm and Firm name. Partnership is relation between 'persons' who have agreed to share the profits of a business carried on by all or any of them acting for all.	Section 2(q): 'partner' in relation to a limited liability partnership means any person who becomes a partner in LLP in accordance with LLP agreement.
Nature of Agreement	Partnership agreement can be	LLP-Strictly in accordance

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	oral and written both.	with LLP Agreement.
Registration	No necessary to be registered. However, if registered, registration before the Registrar of Firms. Section 58 provides for application for registration.	Registration to be done before the Registrar of Companies.
Whether a separate and distinct legal entity?	No. it is not a separate legal entity	LLP is a separate legal entity. Section 3 of the Act provides that hit is a separate legal entity from that of its partners.
Perpetual succession	There is no provision in the Partnership Act with the death/resignation of the partner. The Partnership shall dissolve as per the terms of agreement.	Yes, there is a perpetual succession. By virtue of death/cessation of partners, the LLP fir would not stand automatically dissolved.
Provision with respect to foreign investment	Foreign investment is not permissible.	Foreign investment is permissible.
Extent of liability	Unlimited liability. Partners are severally and jointly liable for actions of other partners. Section 25 to 27.	Limited to the extent of contribution. Partners are not personally liable. Section 28 of the LLP Act.

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



83-C- Other cases

- Request made by M/s Indo Auerlicht Manufacturing Company Pvt. Ltd, Surat SEZ for Broad-Banding in manufacturing activity in their existing LOA.**

The Committee members were informed that M/s Indo Auerlicht Manufacturing Company Pvt. Ltd., Surat SEZ vide letter dated 04.06.2019 & 15.06.2019 have submitted

'Form F' for broad-banding for manufacturing of 1) Articles of Brass – Kerosene Burner- Annual capacity-400000 Pieces (ITC HS CODE 74199930) 2) Glass Parts of Lamps- Annual capacity-100000 Pieces (ITC HS CODE 94059100).

The Unit have submitted. Online request vide ID 421900147771 & 421900160603 dated 04.06.2019 & 17.06.2019 respectively.

M/s Indo Auerlicht Manufacturing Company Pvt. Ltd., Surat SEZ have been granted LOA bearing No. SSEZ/II/16/2007-08/440 dated 19.07.2007 on Unit at Plot No. 30 & 31, Surat SEZ as amended from time to time for manufacturing Hard and Soft Incandescent Mantles under Ch-59 of ITC (HS).

Shri Umesh Karnani, one of the Directors of the Unit appeared before the Committee to explain broad banding of new products. Shri Karnani stated that their Unit want to add more product i.e. articles of Brass – Kerosene Burner and (2) Glass Parts of Lamps(globes to be fitted in Lamps) in their existing LOA so that they can expand their business and increase in export from SEZ.

After due deliberations, the Committee decided to approve the broad banding request of the Unit subject to fulfillment of standard terms and conditions.

(2) Request made by M/s V. M. Maniyar Exports, Surat SEZ for Broad-Banding in manufacturing activity in their existing LOA.

The Committee members were M/s V. M. Maniyar Exports, Surat SEZ vide letter dated 08.07.2019 have submitted Form F for broad-banding in manufacturing activity of (1) Sandalwood Heartwood Billets-Annual Capacity-35000 Kgs. (ITC (HS) Code-44039922) (2) Sandalwood Heartwood Small Size Logs-Annual Capacity-55000 Kgs. (ITC (HS) Code-44039922) (3) Sandalwood Heartwood Medium Size Logs-Annual Capacity-70000 Kgs. (ITC (HS) Code-44039922) (4) Sandalwood Heartwood Butts-Annual Capacity-35000 Kgs. (ITC (HS) Code-44039922) (5) Sandalwood Heartwood Artifacts-Annual Capacity-5000 Kgs. (ITC (HS) Code-44039922)

M/s V. M. Maniyar Exports, Surat SEZ have been granted LOA bearing No. SSEZ/II/16/2011-12/476 dated 09.06.2011 on Unit at Plot No. 103-104-A & 104-B, Surat SEZ as amended from time to time for manufacturing Sandalwood in the form heartwood chips, Sandalwood in the form of heartwood mixed chips, Sandalwood in the form of heartwood flakes, Sandal Wood Oil, Sandal Wood Power and Dust, Sandal Wood De-Oiled Spent Dust, Machine finished Sandal Wood Products, Finished Handicraft Product of Sandalwood.

The Unit have submit Online request vide ID 4219000183106 dated 09.07.2019.

Shri Ashok V. Maniyar, one of the Partners of the Unit appeared before the Committee and explained their requests of broad banding. Shri Maniyar has explained in

detail regarding billets, medium/small size logs, artifacts etc. of their broad banding product requested to be added in their existing LOA and presented before the Committee members and explained how it is different from their existing products. Shri Maniyar also stated that the items requested to be broad banded in their existing LOA are now in demand in international market categorically in China.

After due deliberations, the Committee decided to approve the broad banding request of the Unit subject to fulfillment of standard terms and conditions.

(3) Monitoring of audited APRs from 2015-16 to 2017-18 of the Units of Surat SEZ.

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

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

(b) 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 was informed that the Approval Committee in its Meetings held from time to time has monitored the APRs of the Units of Surat SEZ till the year 2014-15 and some APRs of the Units have been monitored upto year 2017-18. In this link, the APRs for the year 2015-16 and onwards of the following Units have been audited by the Chartered Accountant appointed by this office as per the direction of the Zonal Development Commissioner.

Monitoring of APRs of the following Units whom Final Exit Order from the SEZ Scheme have been granted under Rule 74 of the SEZ Rules, 2006 from time to time were placed for post facto approval:

Name of the Unit	Activity	Export	Import	Total
HFP Technologies.	Mfg.	246.85	48.03	198.82
Kanak Exports.	Trading	0	0	0
	Mfg.	0	0	0
M. D. Overseas Ltd.	Trading	0	0	0
	Mfg.	0	0	0
Priyal International Pvt. Ltd.	Trading	0	0	0
	Mfg.	1416.02	5.14	1410.88
Parker Multi Commodities (India) Pvt. Ltd.	Trading	0	0	0
	Mfg.	963.98	9.46	954.52
Symphony Ltd.	Mfg.	5131.45	660.99	4470.46

After due deliberations, the Committee monitored the above cited APRs of the Units who have already been granted 'Final Exit Order' from the SEZ Scheme under Rule 74 A of the SEZ Rules, 2006 and found in order.

The meeting ended with vote of thanks to the Chair.

Virendra Singh
25/7/2019

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

