



सत्यमेव जयते

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

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एसएसईजेड/बी/एसी/30/2014-15/वॉल्यूम IV/306

दिनांक: -11 जून, 2019

स्वीकृति समिति के सदस्यों के लिए: -

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|---|-----------------------------|
| 1) संयुक्त सचिव (एसईजेड), एमओसी और आई, नई दिल्ली; | फैक्स नंबर (011) 2306-3418 |
| 2) निदेशक, एमओसी और आई, नई दिल्ली; | फैक्स नंबर (0261) 245-2216 |
| 3) संयुक्त डीजीएफटी, सूरत; | फैक्स नंबर (07 9) 27542343 |
| 4) सीमा शुल्क आयुक्त, अहमदाबाद; | फैक्स नंबर (0261) 265-0102 |
| 5) आयकर आयुक्त; -1, सूरत; | फैक्स नंबर (011) 2336-7702 |
| 6) निदेशक (बैंकिंग), बैंकिंग डिवीजन एमओएफ, नई दिल्ली; | फैक्स नंबर (0261) 246-5116 |
| 7) जिला कलेक्टर, सूरत जिला; | फैक्स नंबर (0261) 246-5929 |
| 8) महाप्रबंधक, डीआईसी, सूरत; | फैक्स नंबर (0261) 23 9-7664 |
| 9) डेवलपर (डीजीडीसी), सूरत. | |

विषय: - सूरत के लिए स्वीकृति समिति की 82 वीं बैठक - एसईजेड

महोदय,

कृपया इस कार्यालय के पत्र संसंख्यक दिनांक 04.06.2019 की निरंतरता में, कृपया सूचना के लिए उक्त बैठक के लिए अनुपूरक एजेंडा इस पत्र के साथ प्राप्त करें।

समिति के सदस्यों को हुई असुविधा के लिए खेद है।

संलग्न: उपर्युक्त

आपका आभारी,

सहायक विकास आयुक्त,
सूरत विशेष आर्थिक क्षेत्र,
सचिन, सूरत - 394230.

O/O DC, SSEZ,
SACHIN, SURAT.

SUPPLEMENTARY AGENDA FOR 82nd (EIGHTY SECOND) MEETING OF THE APPROVAL COMMITTEE FOR SURAT - SEZ TO BE HELD ON 12.06.2019, AT 12:00 HOURS, IN THE CONFERENCE ROOM OF SURAT SPECIAL ECONOMIC ZONE, SACHIN, SURAT.

82-A - Fresh Proposals for Surat - SEZ (SSEZ):-

Sr. No	Name of the Applicant	Brief Subject
02	M/s Renkar Exim Pvt. Ltd, Mumbai	Proposal for setting up SEZ unit for 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).

82-B- Other cases

- (11) Request made by M/s Shubharatna Gems & Jewels Pvt. Ltd, Surat SEZ for broad-banding of additional items for manufacturing activity in their existing LOA.
- (12) Request(Revised) 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

**AGENDA NOTE FOR 82nd (EIGHTY SECOND) MEETING OF THE APPROVAL
COMMITTEE FOR SURAT SPECIAL ECONOMIC ZONE**

Fresh Case No. 82-A-02

Name of the applicant.	M/s Renkar Exim Pvt. Ltd, (PAN: AAICR7690G)
Sector	Gems & Jewellery
Address (Regd. Office)	Office No. 108, Floor-G, Plot-80-84, Swadeshi Mill Building, Jagannath Shankarsheth Marg, Charni Road, Girgaon, Mumbai-400004.
Factory address (Proposed)	Unit No. 003 on Plot No. 193 in Surat SEZ
Type of firm	Private Limited Firm
Details of property	NA
Details of documents of () above	NA
Whether adjudicated or not, if so details of adjudicating authority	NA
Area of land/factory	1000 Sq. Ft.
Proposed items of manufacturing	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)
Proposed Annual Capacity:	(1) 80000 Pieces (2) 60000 Pieces (3) 70000 Pieces
Whether conversion from existing DTA unit into EOU/SEZ	New undertaking.
Name of the Promoter:- (Proprietor/Partners/ Directors)	Name of Directors:- (1) Shri Deepak P. Jain; (2) Shri Umedsingh J. Chundawat
Proposed Import of Capital goods	Rs. 10.00 lakhs (in 5 yrs period)
Proposed Import of Raw material, components, packing material, fuel etc.	Rs. 21296 lakhs (in 5 yrs period)
Other FE outgo.(Foreign Travels + SC)	Rs. 0.00 (in 5 yrs period)
FOB value of Exports	Rs. 23688.00 lakhs (in 5 yrs period)
DTA Sales	Rs. Nil (in 5 yrs period)
NFE	Rs. 2382.00 lakhs (in 5 yrs period)(11.18%)
Proposed Indigenous Raw material, Components, Packing Material etc.	Rs. 30.00 lakhs (in 5 yrs period)
Indigenous Capital Goods	Rs. 15.00 lakhs (in 5 yrs period)
Cost of Project (Rs. In lakhs)	
Land & Building	Rs. 27.00
Plant & Machinery (Imported)	Rs. 10.00

Plant & Machinery (Indigenous)	Rs. 15.00
Working capital	Rs. 15.00
Preoperative Expenses	Rs. 05.00
Total Cost	Rs. 72.00 Lakhs
Sources of funds	Rs. 72.00
Self Finance & Bank Borrowings	
Total: - (Rs. In Lakhs)	Rs. 72.00 Lakhs
Marketing arrangements as given in the proposal.	The unit is one of the leading Diamond & Jewellery vendor based in India with a network of more than 25 suppliers and 50 satisfied global customers.
Whether the items of manufacture and export are restricted or not Remarks as per Exim Policy	No
Whether the unit falls under fraudulent list	Affidavit filed by the applicant that no case is booked against the unit/directors for illegal diversion of goods.
Jurisdiction of Customs/Central Excise(Specify Commissionerate and Range)	SO, SSEZ, Sachin.
Employment	22 Persons (18 Men, 4 Women)

Brief Note

The proposal of M/s Renkar Exim Pvt. Ltd, Mumbai is for setting up a new unit in the Surat-SEZ, for "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)". For the proposed project, FOB value of exports for the 5 years period is projected as Rs. 23688.00 Lakhs, with outgo of foreign exchange as Rs. 21306.00 Lakhs, resulting NFE of Rs. 2382.00 Lakhs (11.18%), from manufacturing activity. The Developer (M/s. DGDC Ltd.) vide letter dated 04.04.2019 has earmarked the Unit No. 003 on Plot No. 193 with area admeasuring 1000 Sq. Ft. for the proposed project in the SEZ and also confirm the space. On scrutiny of the application form submitted by the applicants, it appears that the total investment is amounting to Rs. 72.00 Lakhs, which will be arranged from Self Finance & Bank Borrowings.

In view of the above, the proposal for setting up of the unit is placed before Approval Committee for consideration, and personal interview of the Partner. The same is recommended for approval in terms of the Rule-18 of the SEZ Rules, 2006.

82-B- Other cases

- (11) Request made by M/s Shubharatna Gems & Jewells Pvt. Ltd, Surat SEZ for broad-banding of additional items for manufacturing activity in their existing LOA.**

A Letter of Approval No. SSEZ/II/007/2016-17/627 dated 24.10.2016 has been amended from time to time had been issued to M/s. Shubharatna Gems & Jewells Pvt. Ltd, Unit No. 359 on Plot No. 239, Surat SEZ for manufacturing of (1) Plain Gold Jewellery (2) Diamond Studded Gold Jewellery (3) Precious & Semi Precious Stone Studded Gold Jewellery (4) CZ Studded Gold Jewellery (5) Diamond Studded Silver Jewellery (6) Plain Silver Jewellery (7) Precious & Semi Precious Stone and CZ Diamond Studded Silver Jewellery.

Now, the unit vide letter dated 10.06.2019 has requested for broad banding of 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.

The unit had commenced their authorised operation w.e.f. 10.08.2017. The unit has submitted the APR for the year 2017-18 and the cumulative NFE of the unit is positive to the tune of Rs. 324.58 lakhs for the year.

Hence, the request of the unit for broad banding of LoA under Rule 19 (2) of the SEZ Rules, 2006 for above items of manufacturing activity in their existing LoA is placed before the Approval Committee for consideration and suitable decision.

- (12) Request (Revised) 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.**

M/s Purple Medical Solutions Pvt. Ltd.(earlier known as MIV Therapeutics Pvt. Ltd.) had applied (on 11.04.2019) for renewal of LOA expired on 02.06.2019. At the time of renewal of LOA, NFE as per APRs and data from Customs Wing of Surat SEZ is examined. While doing this exercise, it has been noticed that as per the APRs, NFE of the Unit Comes Rs. 3.29 Lakhs positive whereas as per the Customs Report, NFE of the Unit stands Rs. 810.20 Lakhs in Negative for the last block of five years.

To clarify the above discrepancies, a letter dated 10.05.2019 to the Unit was written. The Unit vide letter dated 29.05.2019 have requested to give some time to cross verify the records and data and till that time the period of their LOA may be extended. As requested, the LOA of the Unit in the system was extended upto 13.06.2019 so that the day to day work of the Unit do not hamper.

The Unit vide letter dated 06.02.2019 received by DC office on 10.06.2019 have submitted their detailed report on the issue.

Point No 1 & 2 - Negative NFE & Import Value mismatch :- The Unit have submitted as under:

- As per custom records, total Import value during given financial year is considered (2014-2019 - (5 Years Block) - CIF Value Rs. 2631.47 Lacs). For NFE Calculation (given in rule 53 of NFE Calculation) Import value of Raw material is considered fully whereas for Capital Goods, amortization amount is considered for calculation. Their total Raw Material Import value is Rs. 1989.25 Lacs Plus total Capital Imports is Rs. 282.99 Lacs. Now if they consider total amortization value for given block is Rs. 81.80 Lacs.
- Secondly, closing stock of imported raw material is included in our NFE calculation shown by Customs which actually should be excluded. Value of same is Rs. 293.54 Lacs as on 31st March 2019. Whereas in provisional APR submitted it was Rs. 315.15 Lacs as on 31st January 2019.
- As their total imports are in AIR mode, clearance time is very less to avoid any delay and demurrages. So while filling Bill of Entry they have considered freight as 20% of total FOB value as per normal customs norms. Freight value as per it is Rs. 388 Lacs. Value of their product is more whereas volume wise it is less. If they consider actual freight value than difference between both is huge. They were forced to take 20% of freight value because of urgency of clearance and delay of giving actual freight from Airlines. As per freight certificate actual freight of all imports is coming to Rs. 28.76 Lacs. Same is shown in their APRs whereas customs has taken as per bill of entry. Total difference of same is coming to Rs. 359.23 Lacs.

The Units have submitted required documents along with airlines freight certificate and revised APRs.

They further drawn attention that they are into medical devices field since last 12 years. They are trying hard to increase their market share. But somehow they grow at slow rate due to overall slowdown. While evaluating reasons they found that they need to invest more in their machinery. So they start upgrading their plant and machinery and invested Rs. 339.218 Lacs in last two FY. Detail for same is attached. Since then they slowly started getting exports order. As on date they have orders worth of Rs. **150.00** Lacs in their hand.

They stated that their intentions are very clear and they are here to do business. This was difficult phase for them and their industry but somehow they had managed to sustain but in future they are sure and confident to succeed.

In addition to it as on date they have not received any official communication from the developer (DGDC) for applicable fees for extension of lease. They are committed to renew the same as per genuine applicable charges as per guidelines and under our supervision.

The submission of the Unit has been examined in light of the documents submitted by the Unit as well as the records available with DC office.

F.Y. Year	CIF value as per BOE				CIF value as per their Books of accounts			
	Cost	Insurance	Freight	Total	Cost	Insurance	Freight	Total
2014-15	26856115	302121	5362440	32520686	26856115	302131	459034	27617280
2015-16	33008104	371341	6601621	55399686	33008104	371341	553189	49351254
2016-17	42874116	482157	7020216	50376488	42874116	482157	724461	44080734
2017-18	43745151	491774	8738806	52975732	43745151	491774	455067	44691993
2018-19	56266294	624780	11076621	71875121	56266294	624780	684634	61483134
TOTAL	202749780	2272173	38799704	263147713	202749780	2272183	2876385	227224395

- On perusal of the above table, the major differences, that are reflected, are in Freight value. As per the BOE, Freight value comes Rs. 388 Lakhs whereas actual freight paid (Freight Certificate submitted by the Unit) by the Unit is Rs. 28.76 Lakhs for the block of 05 years (2014-15 to 2018-19).
- As per the Customs report, total import value for the said block is Rs. 2631.47(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 the years comes 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.

In view of the above, 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:

Actual Freight paid by the Unit	= Rs. 28.76 Lakhs
Amortized value of Capital Goods	= Rs. 81.80 Lakhs
<u>Closing Balance of Raw Material as on 31.03.2019</u>	<u>= Rs. 293.54 Lakhs</u>

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, 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	NIL

sanctioned or approved by the Development Commissioner.	
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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 are 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.

Hence, the matter is put up before the Approval Committee for consideration and suitable decision.