

## JAIPUR SPECIAL ECONOMIC ZONE

### Minutes of meeting of the Approval Committee of Sitapura SEZ, Jaipur held under the Chairmanship of Dr. L.B. Singhal, Zonal Development Commissioner, NSEZ on 20/07/2018 at 11:30 AM, in RIICO Board Room, Udyog Bhawan, Jaipur.

The following members of Approval Committee were present during the meeting: -

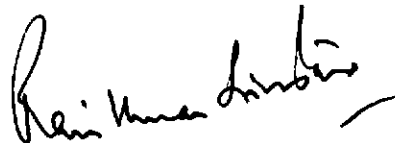
1. Shri Virendra Singh, Jt. DGFT, Udyog Bhawan, Jaipur
2. Shri Sampat Rai, Asstt. Commissioner, Central GST, Jaipur-I
3. Shri Dinesh Pahadiya, Addl. General Manager, RIICO Ltd. Jaipur

2. Besides, during the meeting i) Shri Prakash Chand Upadhyay, ADC, Noida ii) Shri A.K. Meena, D.C. (Customs), Jaipur iii) Shri K.K. Meena, ADC, JSEZ iv) Shri H.K. Meena, JSEZ and v) Shri R.K. Singh Rohhila, Sr. Regional Manager, RIICO were also present to assist the Approval Committee.

3. At the outset, DC, NSEZ welcomed the participants. After brief introduction, each items included in the agenda were taken up for deliberations one by one. After detailed deliberations amongst the members of Approval Committee as well as based on interaction with the applicants / representatives of the developers / units, the following decisions were taken: -

#### **01. Ratification of Minutes of last meeting of the Approval Committee: -**

It was informed that no reference against the decisions of the Approval Committee held on 18/05/2018 was received from any of the members of the Approval Committee or Trade and therefore Minutes of the meetings of Approval Committee held on 18.05.2018 were ratified.



(2) Item -wise decisions on proposals included in agenda are as under:

**2 (i). Proposal of M/s B.G. Jewels for monitoring of performance and Extension of validity of LOA No. 1-29/2003-SEZ-I(J)Proj./ 225 dated 23.09.2010 for a period of next five years-reg.**

It was informed to the Approval Committee that M/s. B.G. Jewels, Plot No. H-35, SEZ-I has been granted LOA No. 1-29/2003-SEZ-I(J)Proj./ 225 dated 23.09.2010 for Manufacture of Silver Jewellery, Gold Jewellery, Gem Stones etc. The unit has started export production on 13.03.2013. Accordingly, first five years of operation of the unit was completed on 12.03.2018. Unit has submitted a request for extension of validity of LOA for a further period of five years. The Performance of the unit was reviewed by Approval Committee in its meetings held on 19.10.2015, 22.04.2016, 17.06.2016, 20.07.2016 & 22.09.2017 and Approval Committee noted that unit has not made any export during 2013-14 to 2015-16. The unit has made export only of Rs. 0.89 Lakhs for the year 2016-17. Approval Committee directed that this is the last opportunity given to the unit to re-start their export activities immediately. However, the unit has not started their export activities since the export for 2017-18 is NIL. Now the unit has requested to renew of LOA for next five years i.e. up to 12.03.2023.

It was further informed that as per APR's unit has made total exports of Rs. 1.90 Lakhs during its first five years of operation and NFE of the unit has remained positive, as would be evident from the following table :-

(Rs in Lacs)

Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 (12.03.18)	Total
FOB Value of Export	1.01	0.00	0.00	0.00	0.89	0.00	1.90
Foreign Exchange out go	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NFE earnings for last five years (1)- (2)	1.01	0.00	0.00	0.00	0.89	0.00	1.90

It was further informed that the unit has submitted projected foreign exchange balance sheet for next five years, as under:

(Rs. in Lacs)

Year	2018-19	2019-20	2020-21	2021-22	2022-23	Total
FOB Value of Export	50.00	60.00	80.00	100.00	110.00	400.00
Foreign Exchange out go	20.00	25.00	33.00	38.00	43.00	159.00
NFE Exchange earnings for next five year (1)- (2)	30.00	35.00	47.00	62.00	67.00	241.00

*Ravi Kumar Dhanraj*

It was further informed that the proposal of unit was placed before Approval Committee in its meeting held on 18.05.2018. As no senior person from the unit appeared before the Approval Committee in its meeting held on 18.05.2018 to present their case, Approval Committee deferred the proposal with the direction that Partner of the company should be invited in the next meeting to present their case.

Sh. Nawal Kishore Aggarwal, Partner appeared before the Approval Committee on behalf of the unit and explained the proposal.

After due deliberations, Approval Committee decided to extend the validity of LOA for a period of one year i.e. up to 12.03.2019, Subject to execution of revised Bond-Cum-Legal Undertaking by the unit.

**2(ii). Proposal of M/s. R.S. Jewels for monitoring of performance and extension of validity of LOA No. 2-169-SEZ-II(J)Proj./ 1647 dated 18.10.2007 for remaining period of five years-reg.**

It was informed to the Approval Committee that M/s. R.S. Jewels Plot No. G-36, SEZ-II has been granted LOA No. 2-169-SEZ-II (J)Proj./ 1647 dated 18.10.2007 for Manufacture of Gold Jewellery (Plain & Studded) Silver Jewellery (Plain & Studded) & Precious & Semi Precious Stones etc. The unit has started export production on 12.04.2010. Accordingly, first five years of operation of the unit was completed on 11.04.2015 and Approval Committee in its meeting held on 19.05.2017 has extended the validity period of LOA for a period upto 18.05.2018. Development Commissioner, Noida has further extended the validity period of LOA for a period two months i.e. up to 18.07.2018 subject to the condition that further extension of LOA will be considered in next Approval Committee after monitoring the export / value addition performance. As per record the performance of the unit during the extended period (i.e. from 01.01.2018 to 10.07.2018) is Rs. 5.46 Lacs against projected export figures of Rs. 27.00 Lakhs. Now the unit has again requested to consider their request for extension of LOA for remaining period of five years (i.e. upto 11.04.2020).

It was further informed that as per APR's unit has made total exports of Rs. 11.80 Lakhs during its first five years of operation and NFE of the unit has remained positive, as would be evident from the following table :-

*Ravi Kumar Dindori*

(Rs in Lacs)

Year	2014-15	2015-16	2016-17	2017-18	2018-19 (10.07.18)	Total
FOB Value of Export	0.00	0.00	0.00	6.34	5.46	11.80
Foreign Exchange out go	0.00	0.00	0.00	4.44	3.36	7.80
NFE earnings for last five years (1)- (2)	0.00	0.00	0.00	1.90	2.10	4.00

It was further informed that the unit has submitted projected foreign exchange balance sheet for next five years, as under:

(Rs. in Lacs)

Year	2018-19	2019-20	2020-21	2021-22	2022-23	Total
FOB Value of Export	27.00	31.00	37.00	42.00	50.00	187.00
Foreign Exchange out go	12.00	14.00	17.00	18.00	21.00	82.00
NFE Exchange earnings for next five year (1)- (2)	15.00	17.00	20.00	24.00	29.00	105.00

Shri Sanjay Godha, Partner, appeared before the Approval Committee on behalf of the unit and explained the proposal. Mr. Godha also requested Approval Committee for extending of LOA validity on sez online system so that work do not suffer,

After due deliberations, Approval Committee took note of the performance of the unit for last five year operations and extended the validity of LOA for remaining period of next five year i.e. up to 11.04.2020, subject to execution of revised Bond-Cum-Legal Undertaking by the unit.

**2(iii) Proposal of M/s Stone Beads International for monitoring of performance and Extension of validity of LOA No. 2-24/2004-SEZ-II(J)Proj./ 1062 dated 23.06.2004 for remaining period of next five years-reg.**

It was informed to the Approval Committee that M/s. Stone Beads International, Plot No. H1-133, SEZ-II has been granted LOA No. 2-24/2004-SEZ-II(J)Proj./ 1062 dated 23.06.2004 for Manufacture of Gem Stone, Gold Jewellery & Silver Jewellery. The unit has started export production on 15.06.2008. Accordingly, ten years of operation of the unit was completed on 14.06.2018. Unit has submitted a request for extension of validity of LOA for a further period of five years. Development Commissioner, Noida has further extended the validity period of LOA for a period three months i.e. upto 13.09.2018 subject to the condition that further extension of LOA will be considered in next Approval Committee after monitoring the export / value addition performance. The Performance of the unit was reviewed by Approval Committee in its meetings held on 22.01.2016, 17.06.2016, & 19.05.2017 and Approval Committee noted that unit has not made any export during 2014-15 to 2015-16. The unit has made export of Rs. 24.55 Lakhs for the year 2016-17. & Rs. 101.62 Lakhs for the year 2017-18 and Rs. 22.68 Lakhs for the current year i.e. up to 10.07.2018. The unit has requested to renew of LOA for remaining period of next five years i.e. upto 14.06.2023.

*Ravi Kumar Singh*

It was further informed that as per APR's unit has made total exports of Rs. 152.17 Lakhs during its first five years of operation and NFE of the unit has remained positive, as would be evident from the following table :-

(Rs in Lacs)

Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 (up to 10.07.18)	Total
FOB Value of Export	3.32	0.00	0.00	24.55	101.62	22.68	152.17
Foreign Exchange out go	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NFE earnings for last five years (1)- (2)	3.32	0.00	0.00	24.55	101.62	22.68	152.17

It was further informed that the unit has submitted projected foreign exchange balance sheet for next five years, as under:

(Rs. in Lacs)

Year	2018-19	2019-20	2020-21	2021-22	2022-23	Total
FOB Value of Export	100.00	150.00	200.00	250.00	300.00	1000.00
Foreign Exchange out go	60.00	90.00	120.00	150.00	180.00	600.00
NFE Exchange earnings for next five year (1)- (2)	40.00	60.00	80.00	100.00	120.00	400.00

Shri Satish Agrawal, Proprietor, appeared before the Approval Committee on behalf of the unit and explained the proposal.

After due deliberations, Approval Committee took note of the performance of the unit for last five year operations and extended the validity of LOA for remaining period of next five year i.e. up to 14.06.2023, subject to execution of revised Bond-Cum-Legal Undertaking by the unit.

**2 (iv) Proposal of M/s Sumati Exports for monitoring of performance and Extension of validity of LOA No. 2-26/2004-SEZ-II(J)Proj./ 1061 dated 23.06.2004 for period of five years-reg.**

It was informed to the Approval Committee that M/s. Sumati Exports, Plot No. H1-83, SEZ-II has been granted LOA No. 2-26/2004-SEZ-II(J)Proj./ 1062 dated 23.06.2004 for Manufacture of Gem Stone, Gold Jewellery & Silver Jewellery. The unit has started export production on 13.06.2008. Accordingly, ten years of operation of the unit was completed on 12.06.2018. Unit has submitted a request for extension of validity of LOA for a further period of five years. Development Commissioner, Noida has further extended the validity period of LOA for a period of three months i.e. upto 13.09.2018 subject to the condition that further extension of LOA will be considered in next Approval Committee after monitoring the export / value addition performance. The Performance of the unit was reviewed by Approval Committee in its meetings held on 21.06.2015, 17.06.2016, 19.05.2017 & 20.07.2017 and Approval Committee noted that unit has not

*Ravi Kumar Dindore*

made any export during 2013-14 to 2014-15. The unit has made export of Rs. 13.91 Lakhs for the year 2015-16. & Rs. 10.68 Lakhs for the year 2016-17 & Rs 22.04 Lakhs for the year 2017-18. The unit have not made any export for the F.Y. 2018-19. The unit has requested to renew of LOA for next five years i.e. upto 12.06.2023.

It was further informed that as per APR's unit has made total exports of Rs. 46.63 Lakhs during its first five years of operation and NFE of the unit has remained positive, as would be evident from the following table :-

Year	(Rs in Lacs)						Total
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 (up to 10.07.18)	
FOB Value of Export	0.00	0.00	13.91	10.68	22.04	0.00	46.63
Foreign Exchange out go	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NFE earnings for last five years (1)- (2)	0.00	0.00	13.91	10.68	22.04	0.00	46.63

It was further informed that the unit has submitted projected foreign exchange balance sheet for next five years, as under:

Year	(Rs. in Lacs)					Total
	2018-19	2019-20	2020-21	2021-22	2022-23	
FOB Value of Export	100.00	110.00	125.00	130.00	150.00	615.00
Foreign Exchange out go	75.00	83.00	95.00	97.00	115.00	465.00
NFE Exchange earnings for next five year (1)- (2)	25.00	27.00	30.00	33.00	35.00	150.00

Shri S. S. Khandelwal, Partner, appeared before the Approval Committee on behalf of the unit and explained the proposal.

After due deliberations, Approval Committee extend the validity of LOA for a period of one year i.e. up to 13.09.2019, subject to execution of Bond-Cum-Legal Undertaking by the unit.

**2 (v). Proposal of M/s. Bamalwa Jewels for monitoring of performance and extension of validity of LOA No. 2-117-SEZ-II(J)Proj./ 379 dated 12.05.2006 for remaining period of next five years-reg.**

It was informed to the Approval Committee that M/s. Bamalwa Jewels Plot No. H-63, SEZ-II has been granted LOA No. 2-117-SEZ-II (J)Proj./ 379 dated 12.05.2006 for the Manufacture of Gold & Silver Jewellery . The unit has started export production on 24.09.2007. Accordingly, ten years of operation of the unit was completed on 23.09.2017. UAC in its meeting held on 22.09.2017 has extended the validity period of LOA for a period up to 31.03.2018, subject to the condition that further extension of LOA will be considered in next Approval Committee after monitoring the export / value addition performance. As per record the performance of the unit during the extended period (i.e. from 29.09.2017 to 31.03.2018) is Rs.

*Ravi Kumar*

1.66 Lacs against projected export figures of Rs. 8.79 Lakhs. Now the unit has again requested of LOA for remaining period of next five years (i.e. upto 23.09.2022).

It was further informed that as per APR's unit has made total exports of Rs. 7.84 Lakhs during its first five years of operation and NFE of the unit has remained positive, as would be evident from the following table :-

							(Rs in Lacs)
Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Total
FOB Value of Export	0.00	0.00	4.18	2.00	0.00	1.66	7.84
Foreign Exchange out go	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NFE earnings for last five years (1)-(2)	0.00	0.00	4.18	2.00	0.00	1.66	7.84

It was further informed that the unit has submitted projected foreign exchange balance sheet for next five years, as under:

						(Rs. in Lacs)
Year	2018-19	2019-20	2020-21	2021-22	2022-23	Total
FOB Value of Export	8.79	10.98	13.43	16.78	20.97	70.95
Foreign Exchange out go	0.75	1.00	1.30	1.50	1.70	6.25
NFE Exchange earnings for next five year (1)-(2)	8.04	9.98	12.13	15.28	19.27	64.70

Shri Jai Hanuman Soni, proprietor, appeared before the Approval Committee on behalf of the unit and explained the proposal and also informed that they have export order of Rs. 25-30 Lakh approx. in hand.

After due deliberations, Approval Committee extend the validity of LOA for a period up to 31.03.2019, subject to execution of revised Bond-Cum-Legal Undertaking by the unit.

**2 (vi). Proposal of M/s. Classic Gems Inc for monitoring of performance and extension of validity of LOA No. 2-177-SEZ-II(J)Proj./ 855 dated 03.09.2008 for remaining period of five years-reg.**

It was informed to the Approval Committee that M/s. Classic Gems Inc., Plot No. H-167, SEZ-II has been granted LOA No. 2-177-SEZ-II(J)Proj./855 dated 03.09.2008 for the Manufacture of Precious & Semi Precious Stones, Synthetic or reconstructed Precious & Semi Precious Stones, Pearls, Natural or Cultured, Diamond (Cut & Polished), Silver (including silver plated with gold or platinum), Gold (including gold plated with platinum), Waste & scrap of precious metal or of metal clad with precious metals, Gold, Silver and platinum Jewellery (plain & studded) goldsmith and silversmiths wares and other articles, Articles of goldsmith and silversmith wares and parts thereof of precious metals or clad with precious metals, Articles of natural and cultured pearls precious & semi-precious stones (Natural, Synthetic or reconstructed), Imitation Jewellery of base metal whether or not plated with precious metal. The unit has started export production on

*Ran Hanuman Soni*

24.04.2012. Accordingly, first five years of operation of the unit was completed on 23.04.2017 and Approval Committee in its meeting held on 16.02.2018 has extended the validity period of LOA for a period upto 30.06.2018. Development Commissioner, Noida has further extended the validity period of LOA for a period of three month i.e. upto 30.09.2018 subject to condition that further extension of LOA will be considered in next Approval Committee after monitoring the export / value addition performance.

As per record the performance of the unit during the extended period (i.e. from 28.02.2018 to 30.06.2018) is Rs. 2.58 Lacs against projected export figures of Rs. 72.35 Lakhs. Now the unit has again requested for extension of LOA for remaining period of five next years (i.e. upto 23.04.2022).

It was further informed that as per APR's unit has made total exports of Rs. 7.30 Lakhs during its first five years of operation and NFE of the unit has remained positive, as would be evident from the following table :-

Year	2013-14	2014-15	2015-16	2016-17	2017-18	(Rs in Lacs)	
						2018-19 (up to 10.07.18)	Total
FOB Value of Export	1.87	0.00	0.00	0.00	2.85	2.58	7.30
Foreign Exchange out go	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NFE earnings for last five years (1)-(2)	1.87	0.00	0.00	0.00	2.85	2.58	7.30

It was further informed that the unit has submitted projected foreign exchange balance sheet for next five years, as under:

Year	(Rs. in Lacs)					Total
	2018-19	2019-20	2020-21	2021-22	2022-23	
FOB Value of Export	50.00	55.00	60.00	65.00	70.00	300.00
Foreign Exchange out go	10.00	12.50	15.00	17.50	20.00	75.00
NFE Exchange earnings for next five year (1)-(2)	40.00	42.50	45.00	47.50	50.00	225.00

Shri Mahavir Aggarwal, proprietor, appeared before the Approval Committee on behalf of the unit and explained the proposal

After due deliberations, Approval Committee extend the validity of LOA for a period of nine months i.e. up to 31.03.2019, subject to execution of Bond-Cum-Legal Undertaking by the unit.

**2 (vii). Proposal of M/s. Gajraj International for monitoring of performance and extension of validity of LOA No. 2-43-SEZ-II(J)Proj./ 174 dated 27.07.2004 for remaining period of five years-reg.**

It was informed to the Approval Committee that M/s. Gajraj International, Plot No. H-120, SEZ-II has been granted LOA No. 2-43-SEZ-II (J)Proj./ 174 dated 27.07.2004 for Manufacture of Silver Jewellery



Plain & Studded & Base Metal Jewellery Plain & Studded with Precious, Semi Precious, synthetic Stones, pearl & Coral (Brass, Copper, Bronze, German Silver . The unit has started export production on 20.07.2007. Accordingly, ten years of operation of the unit was completed on 19.07.2017 and UAC in its meeting held on 16.02.2018 has extended the validity period of LOA for a period upto 30.06.2018. Development Commissioner, Noida has further extended the validity period of LOA for a period of three months i.e. upto 30.09.2018 subject to the condition that further extension of LOA will be considered in next Approval Committee after monitoring the export / value addition performance. As per record the performance of the unit during the extended period (i.e. from 28.02.2018 to 30.06.2018) is Rs. 4.70 Lacs against projected export figures of Rs. 50.00 Lakhs. Now the unit has again requested for extension of LOA for remaining period of next five years (i.e. upto 19.07.2022).

It was further informed that as per APR's unit has made total exports of Rs. 42.29 Lakhs during its first five years of operation and NFE of the unit has remained positive, as would be evident from the following table:-

(Rs in Lacs)								
Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Total
FOB Value of Export	0.00	0.00	5.09	32.50	0.00	4.26	0.44	42.29
Foreign Exchange out go	0.00	0.00	0.00	3.43	0.00	0.00	0.00	3.43
NFE earnings for last five years (1)-(2)	0.00	0.00	5.09	29.07	0.00	4.26	0.44	38.86

It was further informed that the unit has submitted projected foreign exchange balance sheet for next five years, as under:

(Rs. in Lacs)						
Year	2018-19	2019-20	2020-21	2021-22	2022-23	Total
FOB Value of Export	50.00	60.00	70.00	80.00	90.00	350.00
Foreign Exchange out go	30.00	36.00	42.00	48.00	54.00	210.00
NFE Exchange earnings for next five year (1)-(2)	20.00	24.00	28.00	32.00	36.00	140.00

Shri Mal Singh partner, appeared before the Approval Committee on behalf of the unit and explained the proposal.

After due deliberations, Approval Committee extended the validity of LOA for a period of one year i.e. up to 30.09.2019, subject to execution of Bond-Cum-Legal Undertaking by the unit.

**2 (viii). Proposal of M/s Ideal Fiscal Services Limited for monitoring of performance and Extension of validity of LOA No. 2-152-SEZ-II(J)Proj./ 1320 dated 25.02.2011 for period of five years-reg.**

It was informed to the Approval Committee that M/s. Ideal Fiscal Services Limited, Plot No. H-169-170, SEZ-II has been granted LOA No. 2-152-SEZ-II(J)Proj./ 1320 dated 25.02.2011 for Manufacture

*Ravi Kumar*

of Precious / semi precious Gem Stones & Studded Jewellery (Gold / Silver / Metal etc. The unit has started export production on 21.06.2012. Accordingly, first five years of operation of the unit was completed on 20.06.2017. Unit has submitted a request for extension of validity of LOA for a further period of five years. The Performance of the unit was reviewed by Approval Committee in its meetings held on 21.09.2015, 22.04.2016, & 21.10.2016 and Approval Committee noted that unit has not made any export during 2013-14 & 2014-15. The unit has made export of Rs. 1.80 Lakhs for the year 2015-16 & Rs. 4.26 Lakhs for the F.Y. 2016-17 (up to 20.06.2017). Approval Committee directed that this is the last opportunity given to them to re-start their export activities immediately. However, the unit has not started their export activities since the export for 2017-18 is NIL. Now the unit has requested to renew of LOA for next five years i.e. upto 20.06.2022. Unit has also informed that due to non-availability of Shri Rajesh Nawkla, Director they were not able to submit their request for renewal of LOA in time.

It was further informed that as per APR's unit has made total exports of Rs. 6.43 Lakhs during its first five years of operation and NFE of the unit has remained positive, as would be evident from the following table:-

(Rs in Lacs)

Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Total
FOB Value of Export	0.37	0.00	0.00	1.80	4.26	0.00	6.43
Foreign Exchange out go	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NFE earnings for last five years (1)- (2)	0.37	0.00	0.00	1.80	4.26	0.00	6.43

It was further informed that the unit has submitted projected foreign exchange balance sheet for next five years, as under:

(Rs. in Lacs)

Year	2018-19	2019-20	2020-21	2021-22	2022-23	Total
FOB Value of Export	50.00	60.00	70.00	80.00	90.00	350.00
Foreign Exchange out go	5.00	6.00	7.00	8.00	9.00	35.00
NFE Exchange earnings for next five year (1)- (2)	45.00	54.00	63.00	72.00	81.00	315.00

However, no one from the unit appeared before the Approval Committee to explain the proposal.

After due deliberations, Approval Committee deferred the proposal for next Approval Committee meeting.

*Ravi Kumar Dindia*

**2 (ix). Proposal of M/s. Allied Gems Corporation for monitoring of performance and extension of validity of LOA No. 1-9/2003-SEZ-I(J)Proj./2138 dated 30.10.2003 for remaining period of five years-reg.**

It was informed to the Approval Committee that M/s. Allied Gems Corporation Plot No. H1-8-9, SEZ-I, Jaipur has been granted LOA No. 1-9/2003-SEZ-I(J)Proj./2138 dated 30.10.2003 for Manufacture of Gold Jewellery (Plain & Studded), Silver Jewellery (Plain & Studded) & Precious & Semi Precious Stones etc. The unit has started export production on 25.10.2007. Accordingly, ten years of operation of the unit was completed on 24.10.2017 and Approval Committee in its meeting held on 16.02.2018 has extended the validity period of LOA for a period upto 30.06.2018. subject to the condition that further extension of LOA will be considered only after satisfactory performance of the unit during extended period. As per record the performance of the unit during the extended period (i.e. from 24.10.2017 to 30.06.2018) is Rs. 16.70 Lacs against projected export figures of Rs. 150.00 Lakhs. Now the unit has again requested to consider their request for extension of LOA for remaining period of five years (i.e. upto 24.10.2022).

It was further informed that as per APR's unit has made total exports of Rs. 126.99 Lakhs during its first five years of operation and NFE of the unit has remained positive, as would be evident from the following table:-

(Rs in Lacs)

Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 (30.06.18)	Total
FOB Value of Export	0.00	0.00	25.99	84.30	0.00	16.70	126.99
Foreign Exchange out go	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NFE earnings for last five years (1)- (2)	0.00	0.00	25.99	84.30	0.00	16.70	126.99

It was further informed that the unit has submitted projected foreign exchange balance sheet for next five years, as under:

(Rs. in Lacs)

Year	2018-19	2019-20	2020-21	2021-22	2022-23	Total
FOB Value of Export	150.00	180.00	205.00	232.00	260.00	1027.00
Foreign Exchange out go	90.00	108.00	123.00	139.20	156.00	616.20
NFE Exchange earnings for next five year (1)- (2)	60.00	72.00	82.00	92.80	104.00	410.80

*Ravi Kumar*

Shri Bhuwan Kumawat, Manager, appeared before the Approval Committee on behalf of the unit and explained the proposal.

After due deliberations, Approval Committee extended the validity of LOA for a period up to 30.06.2019, subject to execution of revised Bond-Cum-Legal Undertaking by the unit.

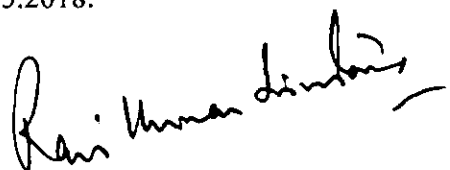
**2 (x). Proposal of M/s Bharti Gems for monitoring of performance and for extension of validity of LOA No. 2-182-SEZ-II(J)Proj./ 651 dated 23.01.2009 for remaining period of five years- reg**

It was informed to the Approval Committee that M/s Bharti Gems, has been issued LOA No. 2-182-SEZ-II(J) Proj./651 on 23.01.2009 for manufacturing and export of the following:-

“Precious & Semi Precious Stone, Synthetic or reconstructed Precious & Semi Precious Stones, Pearls, Coral, Natural or Cultured, Diamond (Cut & Polished) Silver (including silver plated with gold or platinum), Gold (including gold plated with platinum), Waste & Scarp or Precious Metal or of Metal Clad With Precious Metals, Gold, Silver and Platinum Jewellery (Plain & Studded), goldsmith and silversmith wares and other articles, Articles of goldsmith and silversmiths wares and parts thereof of precious metals or metal clad with precious metals, Articles of natural and cultured pearls. Precious & Semi Precious Stones (Natural, Synthetic or reconstructed) Imitation Jewellery of base metal whether or not placed with precious metals”.

2. It was further informed that the unit has started the production on 18.04.2012. Accordingly first five year of operation of unit was completed on 17.04.2017. The validity period of LOA has already expired / lapsed on 17.04.2017. Now they vide letter dated 11.06.2018 have requested for granting exit permission from SEZ Scheme. The Performance of the unit was reviewed by Approval Committee in its meetings held on 22.04.2016 & 17.03.2017 and Approval Committee noted that unit had not made any export during 2013-14 & 2014-15. The unit has however made an export of Rs. 137.17 Lakhs for the year 2015-16. & Rs. 1238.58 Lakhs for the F.Y. 2016-17.

3. Approval Committee in its meeting held on 17/03/2017 had directed the representative of the unit, Shri Amit Pal Singh to get the stock verification done by Customs Authorities of Jaipur SEZ. Besides, the Approval Committee had directed the unit that the Additional Bond-Cum-LUT duly signed by the proprietor of the firm be submitted failing which the Authorized operation as per the existing valid Bond-Cum-LUT only will be permitted. Approval Committee directed Specified Officer to get the stock verification exercise done in accordance with Customs Rules & Regulation. D.C. (Customs) SEZ, Jaipur has submitted report after stock verification vide letter dated 07.05.2018.



4. The Approval Committee observed that as per APRs Export / Import NFEE details are as under :-

Year	(Rs in Lakhs)					Total
	2012-13	2013-14	2014-15	2015-16	2016-17	
FOB Value of Export	1.51	0.00	0.00	137.17	1232.58	1371.26
Foreign Exchange out go	0.00	0.00	0.00	134.02	1212.05	1346.07
NFEE for last five year (1) –(2)	1.51	0.00	0.00	3.15	20.53	25.19

5. The Approval Committee further observed that the Approval Committee in its meeting held on 18.05.2018 had deferred the matter with the direction to D.C. (Customs), Sitapura SEZ & ADC of Sitapura Jaipur SEZ to submit the proposal in the next Approval Committee Meeting with full facts / documents i.e. Export, Import, NFE, value addition, job work details etc. during last five years of operation. Accordingly D.C. (Customs) JSEZ submitted the said report. The same was placed before the Approval committee for deliberations.

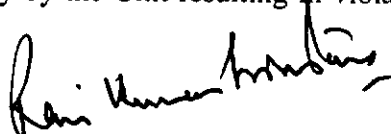
6. D.C. (Customs) JSEZ in his report has inter-alia mentioned that for carrying out the authorized operations mentioned in their LOA, the Unit procured raw materials viz., Gold & Silver by way of import from an overseas entity free of cost and provided only manufacturing services to them. Hence, they basically provided only manufacturing services to an overseas entity. Regarding manufacturing service Rule 18(6) of SEZ Rules, 2006, provides as under:-

The provisions of Rule 18(6) of SEZ Rules, 2006 are reproduced below for ready reference:

*“(6) Units may also be set up for providing services or manufacturing services to Overseas Entities subject to following conditions, namely:—*

- a) capital goods, raw materials including consumables sub- assemblies, components, semi-finished goods shall be supplied by the Overseas Entity free of cost;*
- (b) capital goods for setting up such facilities may also be supplied on loan or lease basis, provided the notional value of such capital goods shall be taken into account for calculation of Net Foreign Exchange Earnings under rule 53;*
- (c) finished goods shall be exported out of the country or transferred to the Customs Bonded Warehouse to be maintained by the Overseas Entity;*
- (d) the Unit shall receive the consideration for its manufacturing services in convertible foreign exchange directly from the said Overseas Entity;*
- (e) in case the said manufacturing facility is used by the Unit for carrying out production on its own account, separate accounts shall be maintained for the manufacturing and service activity.”*

7. DC, Customs, JSEZ had also pointed out that in terms of the above Rule the Unit was required to get approval from the Approval Committee for providing manufacturing services to overseas entities in the LOA besides the approval of manufacturing activity. Further, as per the provision of clause (a) & (b) of the rule 18 (6) the capital goods and other sub assemblies shall also be supplied by the overseas entity but in the instant case the same have been procured indigenously by the Unit resulting in violation of the provisions of Rule



18(6) of SEZ Rules, 2006. Besides the Customs authorities had also pointed out certain Customs procedural lapses on the part on the unit for which they are taking action as per Customs Rules.

8. The Customs authorities had called Smt. Bharti Sharma for rendering her statement in the matter. DC, Customs, JSEZ apprised the Approval Committee that Smt. Bharti Sharma in her statement dated 11.06.2018 had expressed her reluctance for renewal of LOA and also had terminated all authorized signatories except her husband.

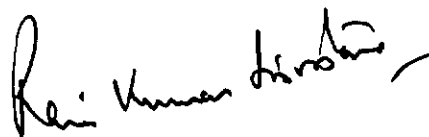
9. Shri Vikash Shama (Husband of Bharti Sharma, proprietor), Sh.Amit pal Singh former authorized signatory, Shri Dharmendra, CA were present on behalf of the unit. Shri Vikash Shama informed that he was under the impression that Mr. Amit Pal Singh, power of attorney holder will take necessary permission for extension of LOA.

10. The matter was deliberated by the Committee in detail. It was observed that the unit had first applied on 24.06.2017 for extension of LOA No. 2-182-SEZ-II(J)Proj./651 dated 23.01.2009. The same was considered by the Approval Committee in its meeting held on 18.05.2018 and was deferred with the direction to D.C. (Customs), Sitapura SEZ & ADC of Sitapura Jaipur SEZ to submit the proposal in the next Approval Committee Meeting with full facts / documents i.e. Export, Import, NFE, value addition, job work details etc. during last five years of operation.

11. In so far as activity of the unit to the extent that it was doing only manufacture services is concerned it was noted that such activities were being done by other G& J units also in JSEZ and NSEZ. The contention of such entrepreneurs was that such services are permissible under Rule 27(1) of SEZ Rules, 2006. Rule 27 (1) is reproduced below for ready reference:-

*"A Unit or Developer may import or procure from the Domestic Tariff Area without payment of duty, taxes or cess or procure from Domestic Tariff Area after availing export entitlements or procure from other Units in the same or other Special Economic Zone or from Export Oriented Unit or Software Technology Park unit or Electronic Hardware Technology Park unit or Bio-technology Park unit, all type of goods, including capital goods (new or second hand), raw materials, semi-finished goods, (including semi-finished Jewellery) component, consumables, spares goods and materials for making capital goods required for authorized operations except prohibited items under the Import Trade Control (Harmonized System) Classifications of Export and Import Items"*

12. Further, contention of such entrepreneurs was that Rule 27 (6) gives them additional facility for procurement of Raw materials. Rule 27(6) is reproduced below for ready reference:-



"A gem and jewellery Unit may also source on outright purchase basis or loan basis, gold or silver or platinum through the Nominated Agencies and where such sourcing is on loan basis, the same shall be subjected to the conditions applicable to such transactions under the provisions of the Foreign Trade Policy in force".

13. When this issue came to the notice of Zone Administration full facts were referred to DOC for clarification. DOC vide their letters dated 28.08.2017 and 19.09.2017 has clarified as under:-

*"It has been decided that the provisions of Rules 27(6) may be strictly adhered to and precious metals imported by SEZ Units on loan basis should be sourced only through Nominated Agencies"*

14. Since then the G&J units are not allowed to import Gold on loan basis. When the units were doing import of gold on loan basis, their consideration was to the extent of job-work charges only. Therefore their NFE is to be seen with reference to forex earned by them on the basis of Job charges by treating notional value of gold obtained on loan basis as zero.

15. After due deliberations, Approval Committee decided as under:-

- i. In respect of Customs related issues, the decisions will be taken by Customs Authorities as considered appropriate.
- ii. Approval Committee directed Mr. Vikash Sharma to give in writing for extension of LOA along with clarification with regard to earlier submission of not taking further extension. That it will take decision on merit after all the information /documents are available before it .

**3 (i). Inclusion of additional items / Revised Projections and enhancement of C.G. and R.M. in LOA-reg.**

It was informed to the Approval Committee that M/s Vaibhav Global Limited, a Unit in Jaipur Special Economic Zone, has submitted a proposal for inclusion of additional items, revised projections and enhancement of the value of imported C.G. & R.M. in the LOA.

Details of existing & proposed additional authorized operation:-

Existing Authorized Operation		Proposed additional Authorized Operation	
Item of manufacture	Annual capacity	Item of manufacture	Annual capacity
1. Gold Studded/ Plain Jewellery	450 Kg. (104000 Pcs)	1. Gold Studded/ Plain Jewellery	450 Kg. (104000 Pcs)
2. Silver Studded/ Plain Jewellery	43200 Kg. (5921356 Pcs)	2. Silver Studded/ Plain Jewellery	43200 Kg. (5921356 Pcs)
3. Platinum Studded/ Plain Jewellery	105 Kg. (27,000 Pcs)	3. Platinum Studded/ Plain Jewellery	105 Kg. (27,000 Pcs)

*Ravi Kumar Sharma*

4. Base Metal Studded /Plain Jewellery	5000 Kg. (3094000 Pcs)	4. Base Metal Studded /Plain Jewellery	5000 Kg. (3094000 Pcs)
5.Used /Old/Broken Jewellery (Gold / Silver / Platinum / Base Metal)	350 Kg.	5.Used /Old/Broken Jewellery (Gold / Silver / Platinum / Base Metal)	350 Kg.
6. Horns / Bones / Mother of Pearl / Sea Shells / Fossil.	100 Kg.	6. Horns / Bones / Mother of Pearl / Sea Shells / Fossil.	100 Kg.
7. Stone Beads Jewellery	11000 Kg	7. Stone Beads Jewellery	11000 Kg
		8. Cut & Polished / Perform Stone (precious / semi precious / synthetic / others )	3500 Kgs
		9. Gadget Jewellery (with Silver / Gold / Platinum / Base Metal ) (studded / plain)	10000 Pcs
		10 Watch Jewellery (with Silver / Gold / Platinum / Base Metal) (studded / Plain)	50000 Pcs

It was further informed that the unit has also submitted revised form-F for inclusion of additional items / revised projection & Value of Capital of Imported Capital Goods & Raw Materials, Consumable etc. details are as under:-

**Investment (Plant & Machinery)**

(Rs in Lakhs)

Particulars (for five years)	Existing Projection	Revised Projection
Projected FOB value of exports	63500.00	1,01,700.00
Foreign Exchange Outgo	44346.00	70,498.00
NFE over a period of 5 years	19154.00	31,202.00

**Requirement of Imported Capital Goods / Raw Materials & Indigenous Consumable etc.**

(Rs in Lakhs)

Particulars	Existing Value	Revised value
Imported Capital Goods	463.00	466.00
Indigenous Capital Goods	274.00	276.00
Imported Raw Material	43700.00	50984.00
Indigenous Raw Materials / Consumable / Components	1500.00	1550.00

It was further informed that as per APR's unit has made total exports of Rs. 427.62 Lakhs during its first five years of operation and NFE of the unit has remained positive, as would be evident from the following table:-

(Value in Rs. Crore)

year	2015-16	2016-17	2017-18	2018-19 (up to June-18)	Total
Export	10.16	117.58	238.16	61.72	427.62
Import	7.76	83.77	179.84	42.41	313.78
NFE	2.40	33.81	58.32	19.31	113.84

*Ravi Kumar Datta*



Shri Girdhari Lal Sharma, General Manager, appeared before the Approval Committee on behalf of unit and explained the proposal. Shri Sharma also presented before the Approval Committee the sample of items proposed to be included in the LOA.

After due deliberations, Approval Committee approved the proposal of M/s Vaibhav Global Limited for Inclusion of additional items / Revised Projections and enhancement of C.G. and R.M. in their LOA, subject to execution of revised Bond-Cum-Legal Undertaking by the unit.

**4 (i). Review of Export Performance-reg.**

It was informed to the Approval Committee that M/s Rawat Creation Jewels Pvt. Ltd., Plot No. G1-148, SEZ-II, Jaipur, Total Area 1000 Sqm. has been granted LOA No. 2-121-SEZ-II(J)Proj./ 448 dated 15.06.2006. The unit has started production on 01.07.2009. Accordingly first five years of operation of the unit was completed on 30.06.2014 & LOA was renewed / extended for a further period of 5 years upto 29.06.2019. The case of the unit was placed before the Approval Committee in its meetings held on 17.06.2016 & 19.05.2017 for review of export performance. Approval Committee noted that unit had not made any export during the year 2014-15. Approval Committee further noted that unit has made an export Rs. 13.53 Lakhs for the year 2015-16 and Rs. 32.19 Lakhs for the year 2016-17. No representative from the unit appeared before Approval Committee meeting held on 18.05.2018. The Approval Committee decided to give another opportunity for personal Hearing to the unit to present their case and decided that the export performance of the unit be again reviewed in its next meeting.

As per record export performance of the unit is as under:-

Year	2014-15	2015-16	2016-17	2017-18	(Rs. in Lacs)	
					2018-19 (up to 10.07.18)	Total
FOB Value of Export	0.00	13.53	32.19	0.00	0.00	45.72
Foreign Exchange out go	0.00	0.00	25.08	0.00	0.00	25.08
Net Foreign Exchange earning for last five year (1)- (2)	0.00	13.53	7.11	0.00	0.00	20.64

Shri Aswani Sharma, Manager, appeared before the Approval Committee and explained business plans & targets.

Approval Committee took a serious view on non-appearance of Directors of the Unit and conveyed its displeasure. The Performance of the unit was reviewed in terms of Rules 54 of SEZ Rules, 2006 and the Approval Committee noted that the LOA is valid up to 29.06.2019. Approval Committee noted that the unit had not made any export during 2014-15, 2017-18 & 2018-19 (up to 30.6.2018) However, the unit has made export of Rs. 32.19 Lakhs during 2016-17. Representative informed that they will commence export in September, 2018.

After due deliberations, Approval Committee directed the representative of the unit to start export activity at the earliest.

*Ravi Kumar Sharma*