

JAIPUR SPECIAL ECONOMIC ZONE

Minutes of meeting of the Approval Committee of Sitapura SEZ, Jaipur held under the Chairmanship of Dr. L.B. Singhal, Development Commissioner, NSEZ on 22/09/2017 at 12.00 NOON, in RIICO Board Room, Udyog Bhawan, Jaipur.

The following members of UAC were present during the meeting: -

1. Shri Virendra Singh, Jt. DGFT, Udyog Bhawan, Jaipur
2. Shri Mahesh Kumar Jt. Commissioner, Central Excise GST, Jaipur-I
3. Shri P.R. Sharma, Dy. Director Industries, Jaipur.
4. Shri Dinesh Pahadia, Additional General Manager, RIICO Ltd. Jaipur
5. Representative of SEZ Developer (RIICO) / Units


Besides, during the meeting i) Shri Prakash Chand Upadhyay, ADC, Noida ii) Shri H.K. Meena, ADC, iii) Shri J.C. Gupta, Specified Officer (Customs) and iv) Shri Manoj Kumar Sogani, Asstt. Regional Manager, RIICO were also present to assist the Approval Committee.

At the outset, DC, NSEZ welcomed the participants. After brief introduction, Approval Committee took the following general decision:-

Section 13(7) of SEZ Act mandates that all orders and decisions of the Approval Committee and all other communications issued by it shall be authenticated by the signature of the chairperson or any other member as may be authorized by the Approval Committee in this behalf. It was noted that once minutes are approved by chairman of Approval Committee, letters communicating decisions of the Approval Committee are being signed by DDC/ADC (Sitapura SEZ). Approval Committee decided to continue this practice & accordingly authorized DDC/ADC (Sitapura SEZ) to communicate decisions of the Committee under their signature.

(1). 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 20/07/2017 was received from any of the members of the Approval Committee or Trade and therefore, Minutes of the meetings of Approval Committee held on 20/07/2017 were ratified.



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

(2) (i) Proposal of M/s Ayana Jewels, for Renewal of LOA No. 2-207-SEZ-II (J) Proj. 878 dated 22.11.2011 for remaining period of five years.

It was informed to the Approval Committee that M/s. Ayana Jewels has submitted proposal for renewal of LOA dated 22.11.2011 for next five years beyond 11.09.2017. It was informed that the unit has started export production on 12.09.2012. Accordingly, first five years of operation of the unit was completed on 11.09.2017. It was informed that the Development Commissioner, Noida had extended the validity period of LOA for a period of two months i.e. up to 11.11.2017, subject to condition that further extension of LOA shall be considered in the next Approval Committee after monitoring the performance of the unit.

It was further informed that as per APR's the unit has made total exports of Rs. 8703.10 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 (up to 31.08.17)	Total
FOB Value of Export	592.25	1504.98	1665.33	1752.22	2412.08	776.24	8703.10
Foreign Exchange out go	178.55	613.57	748.87	658.72	1124.17	370.00	3693.88
NFE earnings for last five years (1)-(2)	413.70	891.41	916.46	1093.50	1287.91	406.24	5009.22

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

(Rs. in Lacs)

Year	2017-18	2018-19	2019-20	2020-21	2021-22	Total
FOB Value of Export	2200.00	2700.00	3200.00	3700.00	4200.00	16000
Foreign Exchange out go	1200.00	1500.00	1800.00	2100.00	2400.00	9000
NFE Exchange earnings for next five year (1)-(2)	1000.00	1200.00	1400.00	1600.00	1800.00	7000

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

It was informed to the Approval Committee that the unit is working on rental premises of M/s. Bhansali Trading Corp. Plot No. F-23, SEZ-II, Jaipur and Approval Committee directed the unit to take steps for allotment of land /Plot from the RIICO (Developer) within six months period as per Rule 18(2) of SEZ Rules, 2006 since as per DOC letter No. H-5/1/2013-SEZ dated 7/3/2017 only fresh allotment is to be allowed and no sharing of space by the sister concern with the original allottee can be allowed. Approval Committee observed that NSEZ has already made a request to DOC requesting that existing unit which has already been given sharing permission should be continued. Mr. Bhansali requested for extension of time for sharing purpose.

After due deliberations, Approval Committee decided to extend the validity period of LOA for a period upto **31/03/2018** with the direction to the unit to obtain allotment of land /Plot from RIICO (Developer) immediately. Approval Committee further observed that if unit does not take any steps for allotment of land within six month's period then the LOA may not be renewed further and Approval Committee directed ADC to put up further development regarding allotment of land / plot from the RIICO (Developer), if any, in the Approval Committee meeting periodically.

Ravi Kumar Jindani

(2) (ii) Proposal of M/s Bamalwa Jewels, for Renewal of LOA No. 2-117-SEZ-II (J) Proj. 379 dated 12.05.2006 for remaining period of five years.

It was informed to the Approval Committee that M/s. Bamalwa Jewels has submitted a proposal for renewal of LOA dated 12.05.2006 for next five years beyond 23.09.2017. It was informed that the unit has started export production on 24.09.2007. Accordingly, ten years of operation of the unit was completed on 23.09.2017.

It was further informed that as per APR's the unit has made total exports of Rs. 6.18 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	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 (up to 31.08.17)	Total
FOB Value of Export	0.00	0.00	4.18	2.00	0.00	0.00	6.18
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	0.00	6.18

(Rs in Lacs)

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

(Rs. in Lacs)

Year	2017-18	2018-19	2019-20	2020-21	2021-22	Total
FOB Value of Export	6.79	7.47	8.22	9.04	9.95	41.47
Foreign Exchange out go	0.00	0.00	0.00	0.00	0.00	0.00
NFE Exchange earnings for next five year (1)-(2)	6.79	7.47	8.22	9.04	9.95	41.47

Shri Jai Hanuman Soni, Proprietor appeared before the Approval Committee on behalf of the unit and explained the proposal. He also informed the Approval Committee that at present they have export orders in hand and expect to make Export of approx. Rs. 3.00 Lakhs up to 31.03.2018.

After due deliberations, Approval Committee decided to extend the validity period of LOA for a period upto **31/03/2018** with the direction to the unit that further extension of LOA will be considered only after satisfactory performance of the unit during the extended period.

(2) (iii) Proposal of M/s Bairaj International, for Extension of LOA No. 2-167-SEZ-II (J) Proj.1641 dated 17.10.2007 for remaining period of five years.

It was informed to the Approval Committee that M/s. Bairaj international had submitted a proposal for extension of LOA dated 17.10.2007 for next five years beyond 10.10.2015. It was informed that the unit has started export production on 11.10.2010. Accordingly, first five years of operation of the unit was completed 10.10.2015 and thereafter Approval Committee in its meeting held on 22.01.2016 & 23.01.2017 had extended the validity period of LOA up to 21.01.2017 & 20.07.2017. subject to condition that further extension of LOA shall be considered in the next Approval Committee after monitoring the performance of the unit. The Approval Committee was informed that unit has made an export of Rs. 1.72 Lakhs during 2016-17 (up to 31.03.2017) and during the extended period (i.e. 21.1.2017 to 20.7.2017 exports is NIL again projected export figure of Rs 50.00 lakhs.

Shri. Sajal Kandira, Partner, appeared before the Approval Committee on behalf of the unit. He stated that due to recession in the Jewellery Sector and due to non-availability of export orders, they have not been working since last one year. He also accepted lapse on the part of unit for not applying for renewal of LOA in time and assured to be punctual in future. He further stated that they are interested in re-starting their operations in JSEZ at the earliest.

After due deliberations, Approval Committee decided to extend the validity period of LOA for a period upto **31.03.2018**, with the direction that this is the last opportunity given to them to restart their export activity and further extension of LOA will be considered only after satisfactory performance of the unit during the extended period failing which their LOA may not be renewed further.

Shri Hanuman Soni

3(i) Proposal M/s Amrapali Exports, for inclusion of additional items -reg.

It was informed to the Approval Committee that M/s Amrapali Exports, has submitted proposal for inclusion of additional items in their LOA dated 10.06.2004. It was informed that the LOA of the unit is valid up to 19.04.2018 and list of items proposed to be included is as under:-

Existing Authorized Operation		Proposed additional Authorized Operation	
Item of manufacture	Annual capacity	Item of manufacture	Annual capacity
1. Silver Jewellery Plain and Silver Articles	4000 Kg.	1. Silver Jewellery Plain and Silver Articles	4000 Kg.
2. Gold Jewellery Plain and Gold Articles	150 Kg.	2. Gold Jewellery Plain and Gold Articles	150 Kg.
3. Base Metal (Copper, Brass and Zinc) Jewellery Plain & Base Metal Articles	6000 Kg.	3. Base Metal (Copper, Brass and Zinc) Jewellery Plain & Base Metal Articles	6000 Kg.
4. Silver Jewellery Articles Plain and Studded with diamonds, Precious Stones, Semi Precious Stones, Synthetic Stones, Pearls and Glass	1500 Kg.	4. Silver Jewellery Articles Plain and Studded with diamonds, Precious Stones, Semi Precious Stones, Synthetic Stones, Pearls and Glass	1500 Kg.
5. Gold Jewellery Plain and Studded With Diamond, Precious Stones, Semi Precious Stones, Synthetic Stones, Pearls and Glass	200 Kg.	5. Gold Jewellery Plain and Studded With Diamond, Precious Stones, Semi Precious Stones, Synthetic Stones, Pearls and Glass	200 Kg.
6. Base Metal (Copper/Brass/Zinc) Jewellery Plain and Studded with Diamonds, Precious Stones Semi Precious Stones, Synthetic Stones, Pearls and Glass	1000 Kg.	6. Base Metal (Copper/Brass/Zinc) Jewellery Plain and Studded with Diamonds, Precious Stones Semi Precious Stones, Synthetic Stones, Pearls and Glass	1000 Kg.
7. Platinum Jewellery Plain and Studded with Diamonds, Precious Stones, Semi Precious Stones, Synthetic Stones, Pearls and Glass	300 Kg.	7. Platinum Jewellery Plain and Studded with Diamonds, Precious Stones, Semi Precious Stones, Synthetic Stones, Pearls and Glass	300 Kg.
8. All Types of Plain and Studded Jewellery and articles of Gold, Silver, Copper, Brass, Wood, Leather and resin and Imitation Jewellery	3000 kg.	8. All Types of Plain and Studded Jewellery and articles of Gold, Silver, Copper, Brass, Wood, Leather and resin and Imitation Jewellery	3000 kg.
9. Articles made from Silver, Gold and Base Metal (Copper, Brass Zinc etc.)	1000 Kg.	9. Articles made from Silver, Gold and Base Metal (Copper, Brass Zinc etc.)	1000 Kg.
10. Garland/Chain of Diamonds, Precious Stones, Semi Precious, Stones Pearls, Synthetic Stones and Glass	800 Kg.	10. Garland/Chain of Diamonds, Precious Stones, Semi Precious, Stones Pearls, Synthetic Stones and Glass	800 Kg.
11. Diamonds, Precious Stones, Semi Precious Stones, Pearls, Synthetic Stones and Glass Temporarily Strung for Convenience of transport	3000 Kg.	11. Diamonds, Precious Stones, Semi Precious Stones, Pearls, Synthetic Stones and Glass Temporarily Strung for Convenience of transport	3000 Kg.
12. Copper and Brass Jewellery and Articles	1500 Kg.	12. Copper and Brass Jewellery and Articles	1500 Kg.
13. Articles of Nature or Cultural Pearls, Precious Stones, Semi Precious Stones, Wood, Resin.	500 kg.	13. Articles of Nature or Cultural Pearls, Precious Stones, Semi Precious Stones, Wood, Resin.	500 kg.
14. Cloth Pouches for Packing of Jewellery and articles	1000 Kg.	14. Cloth Pouches for Packing of Jewellery and articles	1000 Kg.
		15. Used / Old / Broken Jewellery (Gold / Silver and Base Metal)	185 Kg.
		16. Titanium –Components / Findings (made from Metal of Titanium)	50 Kg.

Shri A.K. Jain, Chief General Manager, appeared before the Approval Committee on behalf of the unit and explained the proposal.

After due deliberations, Approval Committee approved the above proposal of M/s Amrapali Exports for inclusion of additional items in their LOA dated 10.06.2004, subject to the conditions as mentioned in instruction No 51 issued by DOC vide letter No. D.11/32/2009-SEZ dated 25.03.2010 and also subject to execution of revised Bond-Cum-Legal Undertaking by the unit.

Ravi Kumar Dinsara

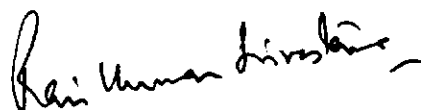
3(ii) Proposal M/s Vaibhav Global Limited, for inclusion of additional items & enhancement of production capacity-reg.

It was brought to the notice of Approval Committee that M/s Vaibhav Global Limited, had submitted proposal for inclusion of plain jewellery in item 1 to 4 and enhancement of production capacity in item 1 to 5 and inclusion of additional item i.e Stone Beads Jewellery mentioned at sl. No. 7 in their LOA dated 18.12.2014. It was informed that the LOA of the unit is valid up to 22.11.2020 and list of items proposed to be included is as under:-

Existing Authorized Operation		Proposed additional Authorized Operation	
Item of manufacture	Annual capacity	Item of manufacture	Annual capacity
1. Gold Jewellery (Studded)	404 Kg. (84,000 Pcs)	1. Gold Jewellery (Plain & Studded)	450 Kg. (104000 Pcs)
2. Silver Jewellery (Studded)	6067 Kg. (1,260,000 Pcs)	2. Silver Jewellery (Plain & Studded)	43200 Kg. (5921356 Pcs)
3. Platinum Jewellery (Studded)	101 Kg. (21,000 Pcs)	3. Platinum Jewellery (Plain & Studded)	105 Kg. (27,000 Pcs)
4. Base Metal Jewellery (Studded)	3540 Kg. (735,000 Pcs)	4. Base Metal Jewellery (Plain & Studded)	5000 Kg. (3094000 Pcs)
5. Used /Old / Broken Jewellery (Gold /Silver / Platinum / Base Metal)	240 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.
		<u>7. Stones Beads Jewellery</u>	<u>11000 Kg.</u>

Shri Girdhari Lal Sharma, Chief General Manager, appeared before the Approval Committee on behalf of the unit and explained the proposal.

After due deliberations, Approval Committee approved the above proposal for inclusion of plain jewellery in item 1 to 4 i.e. plain jewellery of gold/silver/platinum/base metal and enhancement of production capacity in r/o item 1 to 5. The Committee also approved inclusion of additional item i.e Stone Beads Jewellery mentioned at sl. No. 7 in the existing LOA of M/s Vaibhav Global Limited. Subject to fulfilment of prescribed value addition norms and execution of revised Bond-Cum-Legal Undertaking by the unit.



Agenda Items No. 4(i).

Sub:-Mis-declaration of the export article declared as gold Jewellery and diversion of imported gold from Sitapura SEZ, Jaipur by M/s DSR Overseas-reg.

It was informed to the Approval Committee that M/s DSR Overseas, has been granted LOA No. 2-1/2016-SEZ-II(J)Proj./310 Dated 23.06.2016, for setting up unit at Plot No H-54, (on rental basis part portion of M/s Gem Excel) SEZ-II, Sitapura, Jaipur) for the Manufacturing of Gold Jewellery (Plain & Studded) with Gem Stones and other articles, Silver Jewellery (Plain & Studded) with Gem Stones and other articles. The unit commenced its operation w.e.f. 21.09.2016 and accordingly LOA is valid up to 20.09.2021.

2. The unit had executed Bond-cum-LUT on 01.07.2016, which was jointly accepted by the Specified Officer and this office and acceptance of the same was conveyed to the unit vide this office letter dated 11.07.2016.

3. A letter dated 28.08.2017 has been received from DRI, Jaipur alongwith a copy of SCN issued to M/s DSR Overseas & others. From the SCN it has been observed that the unit and its promoters have been issued the SCN on the following grounds: -

i) Forwilfulclandestine diversion of 24971.8 grams of gold. DRI has seized 9412.00 grams of gold jewellery having declared value (FOB) of Rs. 1,85,14,591.20 (which was to be exported from SEZ-II) on the face of accessed shipping Bill no. 1033 dated 25.02.2017. On examination of these jewellery conducted by DRI with the help of expert, only 700.8 gram gold having purity of 99.5% has been found instead of 7079.46 gram as declared in the invoice.

ii) Also 489.53 gram of gold jewellery seized on 14.08.2017 having a value of Rs. 1,25,000/- to 1,40,000/- approx was detained during stock taking of the unit by DRI on 27.02.2017.

iii) In the past, prior to the above seizure effected on 25.02.2017, the unit had exported gold jewellery having declared weight 21490.46 grams and FOB value of Rs. 5,09,75,919/- on the face of four shipping bills during the period from 1.10.2016 to 22.11.2016 by mis-declaring quantity of gold content and value thereof.

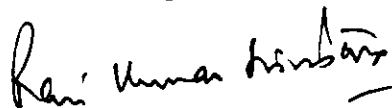
iv) As per statements of various persons including statements of all 4 partners no gold jewellery was manufactured at factory premises of M/s DSR Overseas, H-54, SEZ-II, Sitapura, Jaipur.

v) Duty amounting to Rs. 72,21,717/- was demanded for diversion of 24971.8 gram of gold under the provision of Section 28(4) of Customs Act, 1962 read with Section 30 of SEZ Act, 2005 and Rule 25, 34 and 47 of SEZ Rules, 2006alongwith interest under the provisions of Section 28 AA of Customs Act, 1962. The unit has accepted the offence and deposited the Customs duty of Rs. 72,52,003/- on 13.04.2017 through various demand drafts.

vi) In the SCN, penalty has been proposed on the unit Under Section 114, 14 A & 114 AA of the Customs Act, 1962. Penalty has also been proposed upon Shri Rajesh Kumar Verma, Shri Sunil Dahiya, Partner and Shri Sandeep Jain, and Shri Dibendu Das, workers of the unit under Section 112(a), 112(b), 114 and 114 AA of Customs Act, 1944.

4. The case of M/s DSR Overseas is placed before the approval committee in the wake of report of DRI about Diversion of duty free imported gold and contravention of provisions of SEZ Act, 2005, SEZ Rules 2006, Conditions of LOA and conditions of Bond-cum-LUT. Brief facts are as under:-

5. M/s. DSR Overseas has been issued an LOA dated 23/06/2016 for Manufacturing & export Gold Jewellery (Plain & Studded) with Gem Stones and other articles, Silver Jewellery (Plain & Studded) with Gem Stones and other articles subject to the following conditions:-



“(i) Condition No. (i) of Letter of Approval dated 23/06/2016 “You shall export the goods manufactured as per Provisions of the Special Economic Zones Act, 2005 and Rules made there-under for a period of five years from the date of commencement of production. For this purpose, you shall execute the Bond-cum-Legal Undertaking as prescribed under the Special Economic Zone Rules, 2006”.

(ii) Condition No. (x) of Letter of Approval dated 23/06/2016 “You shall abide by the provisions of Special Economic Zones Act, 2005 and the Rules and orders/Instructions made there-under.”.

(iii) Condition No. (xiv) of Letter of Approval dated 23/06/2016 “if you fail to comply with the conditions stipulated above, this Letter of Approval shall be cancelled as per the provisions of the Special Economic Zones Act, 2005 and the rules and orders made there-under”.

6. The unit had executed Bond-cum-LUT on 01/07/2016, which was jointly accepted by the Specified Officer and the Development Commissioner, NSEZ and acceptance of the same was conveyed to the unit vide this office letter dated 11/07/2016. The unit commenced its export production w.e.f. 21/09/2016 and accordingly LOA of the unit is valid upto 20/09/2021.

7. It is submitted that as indicated in para 3 above a letter dated 28/08/2017 has been received from DRI, Jaipur Regional Unit along with a copy of SCN issued to of M/s. DSR Overseas & other for violations indicated in para 3 above.

8. The following violations have been committed by M/s. DSR Overseas as per DRI:-

- a) M/s. DSR Overseas had clandestinely removed the gold and silver imported on different occasions (9.9.2016 to 31.1.2017) without payment of duty from SEZ.
- b) M/s. DSR Overseas had removed the gold and silver imported on different occasions (9.9.2016 to 31.1.2017) without permission of competent authority.
- c) Specified Officer of Sitapura SEZ had informed DRI that the unit had never granted permission of subcontracting under Rule 41 of SEZ Rules, 2006. However, as per SCN issued by DRI, the unit had clandestinely removed goods in DTA.
- d) M/s. DSR Overseas exported gold jewellery under four shipping bills during period from 1.10.2016 to 22.11.2016 by mis-declaring quantity of gold content and value and thereby violating Rule 25 and Rule 34 of SEZ Rules, 2006 (by not utilizing for authorised operation and not maintaining proper accounts).

Rule 25 and Rule 34 of SEZ Rules, 2006 provides as under:-

- (i) Rule 25 of the SEZ Rules, 2006 mandates that where an entrepreneur does not utilize the goods on which exemption have been availed for the "authorised operations" or is unable to "account for" the same, the entrepreneur is required to refund an amount equal to the benefit of exemption availed without prejudice to any other action under the relevant provisions of the Customs Act, 1962, the Foreign Trade (Development and Regulation) Act, 1992, etc.
- (ii) Rule 34 of the SEZ Rules, 2006 mandates that the goods admitted into a Special Economic Zone shall be used by the Unit or the Developer only for carrying out the "authorized operations" but if the goods admitted are utilized for purposes other than for the authorized operations or if the Unit or Developer fails to "account for" the goods as provided under these rules, duty shall be chargeable on such goods as if these goods have been cleared for home consumption.



The Approval Committee further observed that from the facts it seems that the unit has persistently violated the term and conditions of the LOA/ bond-cum LUT and SEZ rules, 2006. The Approval Committee observed that Section 16(1) of the SEZ Act, 2005 provides that Approval Committee may, at any time, if it has any reason or cause to believe that the entrepreneur has persistently contravened any of the terms & conditions subject to which LOA was granted to the entrepreneur, cancel the LOA but such cancellation will not be done unless the entrepreneur has been afforded a reasonable opportunity of being heard.

In this case, on the basic of documents / information placed before it, the Approval Committee observed as under: -

- i) The unit has persistently violated the provisions of SEZ Act/ SEZ Rules and terms & conditions of LOA/ bond-cum-LUT.
- ii) The unit has grossly misused the provisions of Rule 25 and Rule 34 of the SEZ Rules, 2006 & other exemption granted to the JSEZ units as explained by the DRI.

The Approval Committee further observed that from the facts it seems that the unit has persistently violated the term and conditions of the LOA/ bond-cum -LUT and SEZ rules, 2006. Approval Committee observed that Section 16(1) of the SEZ Act, 2005 provides that Approval Committee may, at any time, if it has any reason or cause to believe that the entrepreneur has persistently contravened any of the terms & conditions subject to which LOA was granted to the entrepreneur, cancel the LOA but such cancellation will not be done unless the entrepreneur has been afforded a reasonable opportunity of being heard.

In the light of above observation, the Approval committee decided as under: -

1. In view of the gravity of violations mentioned above proceeding of cancellation of LOA under section 16(1) of SEZ Act, 2005 may be initiated and a notice under Section 16 (1) of the SEZ Act, 2005 may be issued calling upon the unit to explain within 21 days of issuance of notice as to why LOA issued to them should not be cancelled for persistently contravening the provisions of SEZ Act/SEZ Rules and terms & conditions of LOA / Bond-Cum-LUT.
2. The above action would be without prejudice to any action under any law.

Approval Committee directed to initiate the proceeding of cancellation of LOA under section 16(1) of SEZ Act, 2005 and letter in this regard should be issued by registered post as well as by email also. Approval Committee directed that no further import by the unit is allowed. Approval Committee granted 21 day's time for submission of reply and directed that on receipt of reply case should be placed before the next Approval Committee wherein the unit should be provided an opportunity of personal hearing.

Agenda Items No. 4(ii).

Sub:Goods removed on sub-contracting under Rule 41& 42 of SEZ Rules, 2006 and brought back in the unit without intimation/verification by the Customs Officers in SEZ -reg

It was informed to the Approval Committee that M/s. Derewala Jewellery Mfg. Co. Ltd. Plot No. F-24,G1-25-26, SEZ-I, total area 4620sqm., has been granted LOA No. 1-42-SEZ-I (J) Proj./423 dated 01.06.2006 for the Manufacture Silver Jewellery Plain & Studded with Precious & Semi Precious Stones Diamonds, Gold Jewellery Plain & Studded With Precious & Semi Precious Stones Diamonds, Cut & Polished of Precious, Semi Precious Stones & Diamonds, Stone Jewellery of Precious & Semi Precious, Plain & Studded Jewellery of Copper, Brass, Bronze, Tin, German Silver, Zinc, Aluminum and other base metal. The unit has started export production on 01.07.2008. LOA is valid up to 29.06.2018.

Ravi Kumar Dinsar

The Export performance of the unit for last five years is as under:

(Rs in Lacs)

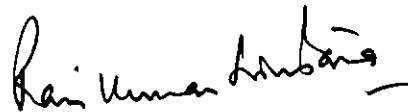
Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 (upto 31.08.17)	Total
FOB Value of Export	1563.54	868.66	1221.20	1362.21	1619.90	632.18	7267.69
Foreign Exchange out go	133.82	97.56	518.30	559.37	337.34	154.19	1800.58
NFE earnings for last five years (1)– (2)	1429.72	771.10	702.90	802.84	1282.56	477.99	5467.11

The Specified Officer (Customs) JSEZ vide letter dated 31/8/2017 has informed that M/s. Derewala Jewellery Mfg. Co. Ltd, SEZ –I, Sitapura, Jaipur has removed goods for sub- contracting and brought back in the unit without intimation/ verification by the Customs Officers. Investigation in the matter was carried out by the Customs Officer and after verifying the facts of the case and submission made by the unit, it was found that the goods namely Silver Bars were removed out of the SEZ for Job work in DTA on 30.4.2016. The job works was completed and the unit authorized representative filed Challan for the processed goods for return of the same on 3.5.2016 against the sub-contracting invoice no J/03/16-17 dated 2/5/2016. The goods were dispatched from the sub- contractor premises on 5.5.2016 and received in the unit on 5.5.2016 without verification of the same by the Authorized Officer at the Gate as required in Rule 42 of the SEZ Rules,2006.

M/s. Derewala Jewellery Mfg. Co Ltd removed goods for sub- contracting and brought back in the unit without intimation/ verification by the Customs officers thereby violating Rule 41(1) and 42(1) (b) viii of SEZ Rules,2006 and this fact has been admitted by the unit. However, the unit has submitted that happened inadvertently, due to the negligence of the newly appointed person of the unit who was not conversant with the procedure.

It is also informed by Specified Officer (Customs) that the unit has several times in past violated the provision of Rules 42(1) (b) viii by way of not bringing back the goods within stipulated time period. In eight such instances, the unit did not brought back the goods within one hundred and twenty (120) days and hence, duty along with applicable interest were recovered from the unit.

After due deliberations, Approval Committee deferred the matter. Approval Committee further directed Specified Officer (Customs) to submit the above proposal with full facts/ documents in the Approval Committee Meeting.



5(i) M/s B.G. Jewels-Review of Exports Performance-reg.

It was brought to the notice of the Approval Committee that the performance of the unit was reviewed by Approval Committee in its meeting held on 19.10.2015, 17.06.2016, 20.07.2017 & 22.09.2017 Promoters of the unit were called for personal hearing before the Approval Committee for review of the performance of the unit.

Shri Girish Kumar, Accountant of M/s. B.G. Jewels, appeared before the Approval Committee to explain the status of the unit.

The Performance of the unit was reviewed in terms of Rules 54 of SEZ Rules, 2006 and the Approval Committee noted that the unit had not made any export during 2013-14 to 2015-16 Only an export Rs. 0.89 Lakhs was made during the year 2016-17. Details of exports made by the unit are as under: -

(Rs. in lakhs)

Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 (31.08.17)	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
N. F.E. earning for last five year(1)- (2)	1.01	0.00	0.00	0.00	0.89	0.00	1.90

After due deliberations, Approval Committee directed the representative of the unit that this is the last opportunity given to them to re-start their export activity. Approval Committee further decided that the export performance of the unit shall be reviewed in the month of March,2018 and if the performance of unit is not found satisfactory during the said stipulated period than the LOA may not be renewed further.

5(ii) M/s N.K.M. Jewels Pvt. Ltd. -Review of Exports Performance-reg.

It was brought to the notice of the Approval Committee that the performance of the unit was reviewed by Approval Committee in its meeting held on 22.09.2017. Promoters of the unit were called for personal hearing before the Approval Committee for review of the performance of the unit. Approval Committee noted that LOA is valid up to 24.06.2019.

Shri, Navnit Kumar, Director of M/s N.K.M. Jewels Pvt. Ltd, appeared before the Approval Committee. He explained business plain & targets.

The Performance of the unit was reviewed in terms of Rules 54 of SEZ Rules, 2006 and the Approval Committee noted that the unit had not made any export during 2015-16 to 2017-18 (up to 31.08.2017) Details of exports made by the unit are as under: -

(Rs. in lakhs)

Year	2014-15	2015-16	2016-17	2017-18 (31.08.17)	Total
FOB Value of Export	0.83	0.00	0.00	0.00	0.83
Foreign Exchange out go	0.00	0.00	0.00	0.00	0.00
N. F.E. earning for last five year(1)- (2)	0.83	0.00	0.00	0.00	0.83

Navnit Kumar

After due deliberations, Approval Committee directed the representative of the unit that this is the last opportunity given to them to restart the export activity. Approval Committee further decided that the export performance of the unit shall be reviewed in the month of March,2018 and if the performance of unit is not found satisfactory during the said stipulated period then the LOA may not be renewed further.

5(iii) M/s Punam Jewels & Beads Inc. -Review of Exports Performance-reg.

It was brought to the notice of the Approval Committee that the performance of the unit was reviewed by Approval Committee in its meeting held on 22.09.2017. Promoters of the unit were called for personal hearing before the Approval Committee for review of the performance of the unit. Approval Committee noted that LOA is valid up to 24.06.2019.

Shri, Navnit Kumar, Partner of M/s Punam Jewels & Beads, appeared before the Approval Committee. He explained business plain & targets. He also informed the Approval Committee that at present they have export orders in hand and expect to make Export of approx. Rs.600 Thousand USD during extended period.

The Performance of the unit was reviewed in terms of Rules 54 of SEZ Rules, 2006 and the Approval Committee noted that the unit had not made any export during 2015-16 to 2017-18 (up to 31.08.2017). Details of exports made by the unit are as under: - (Rs. in lakhs)

Year	2014-15	2015-16	2016-17	2017-18 (31.08.17)	Total
FOB Value of Export	1.04	0.00	0.00	0.00	1.04
Foreign Exchange out go	0.00	0.00	0.00	0.00	0.00
N. F.E. earning for last five year(1)-(2)	1.04	0.00	0.00	0.00	1.04

After due deliberations, Approval Committee directed the representative of the unit that this is the last opportunity given to them to restart the export activity. Approval Committee further decided that the export performance of the unit shall be reviewed in the month of March'2018 and if the performance of unit is not found satisfactory during the said stipulated period then the LOA may not be renewed further.

5(iv) M/s Exotic Jewellery. -Review of Exports Performance-reg.

It was brought to the notice of the Approval Committee that the performance of the unit was reviewed by Approval Committee in its meeting held on 22.09.2017. Promoters of the unit were called for personal hearing before the Approval Committee for review of the performance of the unit. Approval Committee noted that LOA is valid up to 29.06.2019.

Shri, Mahesh Sain, Accountant of M/s Exotic Jewellery, appeared before the Approval Committee. He explained business plain & targets. He also informed the Approval Committee that at present they have export orders in hand and expect to make Export of approx. Rs.300 Thousand USD during extended period.

The Performance of the unit was reviewed in terms of Rules 54 of SEZ Rules, 2006 and the Approval Committee noted that the unit had not made any export during 2012-13 to 2013-14 an export Rs. 0.39 Lakhs was made during the year 2014-15. & Rs. 0.42 lakhs during the year 2015-16. Details of exports made by the unit are as under: -

(Rs. in lakhs)

Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 (31.08.17)	Total
FOB Value of Export	0.00	0.00	0.39	0.43	0.00	0.00	0.82
Foreign Exchange out go	0.00	0.00	0.00	0.00	0.00	0.00	0.00
N. F.E. earning for last five year(1)-(2)	0.00	0.00	0.39	0.43	0.00	0.00	0.82

Ravi Kumar

After due deliberations, Approval Committee directed the representative of the unit that this is the last opportunity given to them to restart the export activity. Approval Committee further decided that the export performance of the unit shall be reviewed in the month of March'2018 and if the performance of unit is not found satisfactory during the said stipulated period then the LOA may not be renewed further.

(vi) M/s G.K. Jewellers -Review of Exports Performance-reg.

It was brought to the notice of the Approval Committee that the performance of the unit was reviewed by Approval Committee in its meeting held on 22.09.2017. Promoters of the unit were called for personal hearing before the Approval Committee for review of the performance of the unit. Approval Committee noted that LOA is valid up to 14.06.2020.

Shri, Alok Godha, Manager of M/s G.K. Jewellers, appeared before the Approval Committee. He explained business plain & targets.

The Performance of the unit was reviewed in terms of Rules 54 of SEZ Rules, 2006 and the Approval Committee noted that the unit had not made any export during 2016-17 to 2017-18 (up to 31.08.2017) Only an export Rs. 0.42 Lakhs was made during the year 2015-16. Details of exports made by the unit are as under: -

(Rs. in lakhs)

Year	2015-16	2016-17	2017-18 (upto 31.08.17)	Total
FOB Value of Export	0.80	0.00	0.00	0.80
Foreign Exchange out go	0.00	0.00	0.00	0.00
N. F.E. earning for last five year(1)- (2)	0.80	0.00	0.00	0.80

After due deliberations, Approval Committee directed the representative of the unit that this is the last opportunity given to them to restart the export activity. Approval Committee further decided that the export performance of the unit shall be reviewed in the month of March'2018 and if the performance of unit is not found satisfactory during the said stipulated period then the LOA may not be renewed further.

(vi) M/s R.K. Associates. -Review of Exports Performance-reg.

It was brought to the notice of the Approval Committee that the performance of the unit was reviewed by Approval Committee in its meeting held on 22.09.2017. Promoters of the unit were called for personal hearing before the Approval Committee for review of the performance of the unit. Approval Committee noted that LOA is valid up to 27.08.2020.

Shri, Prabha Karan, Manager of M/s R.K. Associates, appeared before the Approval Committee. He explained business plain & targets. He also informed the Approval Committee that at present they have export orders in hand and expect to make Export of approx. Rs.300-400 Thousand USD during extended period.

The Performance of the unit was reviewed in terms of Rules 54 of SEZ Rules, 2006 and the Approval Committee noted that the unit had not made any export during 2016-17 to 2017-18 (up to 31.08.2017) Only an export Rs. 0.42 Lakhs was made during the year 2015-16. Details of exports made by the unit are as under: -

Ravi Kumar Sankar

(Rs. in lakhs)

Year	2015-16	2016-17	2017-18 (upto 31.08.17)	Total
FOB Value of Export	0.42	0.00	0.00	0.42
Foreign Exchange out go	0.00	0.00	0.00	0.00
N. F.E. earning for last five year(1)- (2)	0.42	0.00	0.00	0.42

After due deliberations, Approval Committee directed the representative of the unit that this is the last opportunity given to them to restart the export activity. Approval Committee further decided that the export performance of the unit shall be reviewed in the month of March'2018 and if the performance of unit is not found satisfactory during the said stipulated period then the LOA may not be renewed further.

5(Vii) M/s Agkem Impex Pvt. Ltd. -Review of Exports Performance-reg.

It was brought to the notice of the Approval Committee that the performance of the unit was reviewed by Approval Committee in its meeting held on 22.09.2017. Promoters of the unit were called for personal hearing before the Approval Committee for review of the performance of the unit. Approval Committee noted that LOA is valid up to 24.06.2019.

Shri, Vikas Agarwal, Director of M/s Agkem Impex Pvt. Ltd., appeared before the Approval Committee. He explain business plain & targets.

The Performance of the unit was reviewed in terms of Rules 54 of SEZ Rules, 2006 and the Approval Committee noted that the unit had not made any export during 2012-13 to 2017-18 (up to 31.08.2017).Details of exports made by the unit are as under: -

(Rs. in lakhs)

Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 (31.08.17)	Total
FOB Value of Export	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign Exchange out go	0.00	0.00	0.00	0.00	0.00	0.00	0.00
N. F.E. earning for last five year(1)- (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00

After due deliberations, Approval Committee deferred the matter and directed that the same may be placed before next Approval Committee with full facts and updated status.

Approval Committee further directed the representative of the unit to submit a letter to this office by first week of Oct. 2017 to the effect that what activities are being carried out in their unit. Approval Committee directed the representative of the unit that this is the last opportunity given to them to restart the export activity. Approval Committee further decided that the export performance of the unit shall be reviewed in the month of March'2018 and if the performance of unit is not found satisfactory during the said stipulated period then the LOA may not be renewed further.



(6) MONITORING OF CASE UNDER RULE 19(6) of SEZ Rules, 2006

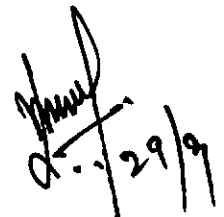
Performance of the following unit were reviewed by the Approval Committee in terms of Rule 54 of SEZ Rules, 2006:
(Rs. in Lakhs)

Sl. No.	Name of Unit	LOA date/ Date of Production	1 st Five year completed	Extension granted upto	Export For 1 st five years	Import For 1 st five years	Pending realization (BRC)	Employment
1.	M/s Rhea Industries	13.07.2007/ 28.05.2004	12.07.2017	12.07.2022	1411.09	1348.59	NIL	25

It was observed that the above units had achieved positive NFE and the Development Commissioner had granted extension for further period of five years, in terms of Rule 19(6) of SEZ Rules, 2006.

After due deliberation, Approval Committee took note of the performance of the above unit.

Meeting ended with vote of thanks to the chair.



Dr. L.B. Singhal
Development Commissioner