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OFFICE OF THE DEVELOPMENT COMMISSIONER,
SEEPZ SPECIAL ECONOMIC ZONE, GOVT. OF INDIA,
ANDHERI (EAST), MUMBAI

AGENDA NOTE FOR CONSIDERATION BEFORE UNIT APPROVAL COMMITTEE
{M/S.KAMA SCHACHTER JEWELLERY (I) PRIVATE LIMITED}

A) Proposal:-

Monitoring performance of the unit for the block period i.e. 2011-12 to 2015-16 of M/s. Kama Schachter Jewellery (I) Pvt Ltd.

B) Under the relevant provisions of SEZ Act-2005 & SEZ Rules-2006 / Instructions / Notification:-
in terms of Rule 54 of SEZ, Rules 2006 "Performance of the Unit shall be monitored by the Approval Committee as per the guidelines given in Annexure appended to these rules".

1. Renewal of LOA subsequent to the block period of 2011-12 to 2015-16:-

The Unit has submitted the APR for the years 2011-12 to 2015-16 duly certified by the CA. The monitoring of the APR for the year 2011-12 & 2012-13 has been approved at N/s.8 & 9. However, as the renewal of LOP being the issue and the fact that the monitoring of APRs for subsequent period are pending vis-a-vis projected data of the unit, the data of the entire block period has been considered.

2. Achievement of NFE on Cumulative Basis during the block period:-

The data of the AJRs were scrutinised and cross verified with the data of NSDL. Anomalies noticed were brought to the notice of the unit. The submissions of the unit vide letters dated 29.11.2017 and 18.12.2017 have been considered and the performance of the Unit has been monitored in terms of Rules 53 of SEZ Rules, 2006. The Status of NFE for the block period of 2011-12 to 2015-16 is detailed below:

Year	NFE (Rs. in lakhs) on cumulative basis
2011-12	Rs.2117.74
2012-13	Rs.2897.26
2013-14	Rs.2799.41
2014-15	Rs.2663.32
2015-16	Rs.2503.84

The Unit has achieved NEGATIVE NFE during the 3rd, 4th and 5th year of appraisal due to minimum exports, however, in the block period of five years the unit has achieved POSITIVE NFE on cumulative basis (from 2011-12 to 2015-16). Further, as per last APR 2015-16 submitted by the unit, there is NO foreign exchange realization pending.

3. Projected data vis-a-vis actual achievements during the authorised block period of 2011-12 to 2015-16:-

In terms of LOP No. Seepz-Sez/IA (I) NUS/APL/GJ-08/2005-06/8743 dated 3.6.2011 the details of the projections made by the unit vide their letter dated 27.4.2011 and their achievements for the block period of 2011-12 to 2015-16 are appended below:-

Details	Amount in USD	Amount in INR @ 44.30*	Achievement	Shortfall
Projected turnover of exports	774,46,670	Rs.343,08,87,481.60 (Rs.34308.87 lakhs)	Rs.6399.33 lakhs	Rs.27908.67 lakhs
Net foreign exchange earnings (projected)	518,11,110	Rs.229,52,32,173 (Rs.22952 lakhs)	Rs.2504.41 lakhs	Rs.20447.59 lakhs

* Exchange rate as on 27.4.2011 has been derived from CBEC website for the relevant period i.e. Notfn No. 24/2011 dated 29.3.2011

The Unit has NOT achieved the target of projected turnover of exports and Net foreign exchange earnings as proposed in their proposal letter dated 27.4.2011 and approved in the LOA No. Seepz-Sez/IA (I) NUS/APL/GJ-08/2005-06/8743 dated 3.6.2011.

The performance of the unit is submitted before the Approval Committee.

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AGENDA NOTE FOR CONSIDERATION OF UNIT APPROVAL COMMITTEE

a) Proposal: -

Vide letter dated 06.01.2018 M/s. U.S. Interactive (I) Pvt. Ltd., has submitted application for broad banding of items as follows:-

Description of the items to be newly manufactured
Export of software embodied Telecom Instrument and Instrument for testing of Fiber Optic

b) Specific Issue on which decision of UAC is required: -

Approval of broad banding of items as mentioned above.

c) Relevant provisions of SEZ Act, 2005 & Rules, 2006/Instruction/ Notification :-

The application of the unit covered In terms of Rule 19(2) of SEZ Rules, 2006, **“Provided that the Approval Committee may also approve proposals for Broad-Banding, diversification, enhancement of capacity of production, change in the items of manufacture or services activity, if it meets the requirements of Rule 18”.**

d) Other Information: -

M/s. U.S. Interactive (I) Pvt. Ltd., has been granted Letter of Approval No. 8/14/90-EPZ dt. 11.04.1991 as amended for Computer Software and Consultancy. The unit has commenced production w.e.f. 20.09.1991. The validity of LOA is upto 31.03.2018.

The unit in it's application has stated that the proposed activity will involve procurement of Telecom Instrument from DTA and embedding the software developed by them in the Telecom instruments through USB cable and exporting the softwar embodied telecom instrument to their clients.

Contd...2/-

According to the unit, the said proposed activity can be undertaken with the available infrastructure facilities and the same can be accommodated with the existing approved export-import projections and therefore they do not propose revision of projections.

Furhter, the unit has stated that they have developed a software which helps in detecting faults in fiber optic lines at any points and this software will work with Telecom / Fiber Optic Testing Equipments. In this connection, the unit has submitted the flow chart and project report for the broad banding items, which may be seen (200-205/C).

As per the same, the unit intends to undertake following activities in it's premises :

- a. Assembling and testing of modules procured from DTA at component level
- b. LPC2148 Data acquisition load embedded firmware
- c. Tesing the output on PC

The unit has been granted LOP dated 11/04/1991 for development & export of computer software and the same is valid upto 31.03.2018. The approved projections viz-a-viz actual performance of the unit for the existing block 2013-14 to 2017-18 of are as follows:-

(Figures Rs. In Lakhs)

Export			Import of RM		Import of CG	
Year	Projected (P-153/C)	Actual	Projected	Actual	Projected (P-153/C)	Actual
2013-14	200.00	201.86	0.00	0.00	05.00	0.00
2014-15	210.00	187.12	0.00	0.00	05.00	0.00
2015-16	225.00	157.22	0.00	0.00	05.00	21.87
2016-17	240.00	65.20	0.00	0.00	05.00	21.87
2017-18	250.00	-----	0.00	-----	05.00	-----
Total	1125.00	611.40	0.00	0.00	25.00	43.74

Contd...3/-

However, from the statement above, it is seen that the unit has exhausted the approved limit of imported CG in 2016-17 itself. As against the approved limit of Rs. 25/- lakhs, the unit has effected actual import of CG of Rs. 43.74 lakhs. The unit has achieved positive NFE of Rs. 604.93lakhs as on 31.03.2017 on cumulative basis.

Submitted for consideration of UAC.

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AGENDA NOTE FOR CONSIDERATION OF UNIT APPROVAL COMMITTEE

a) **PROPOSAL: -**

Monitoring performance of the unit M/s. Oracle (OFSS) Processing Service Ltd. for the first 3 years i.e. 2013-14 to 2016-17 of existing block period (2011-12 to 2018-19) and last year i.e. 2013-14 of previous LOA block period i.e. 2009-10 to 2013-14.

Specific Issue on which decision of UAC is required: -

- i. The Unit is not undertaking the Authorized Operation from Authorized Premises as per LOA i.e from their Unit No.-12 SDF-1, SEEPZ-SEZ since last more than two years.*
- ii. The Unit has failed to achieve Positive NFE from the APR years 2014-15 to 2016-17. However, the Unit has shown NFE as Zero in the said APRs.*
- iii. The Unit is not filing SOFTEX form.*
- iv. Monitoring performance of the unit for the LOA block period i.e. 2013-14 to 2016-17 as the Monitoring till APR year of 2012-13 was already done.*

b) **RELEVANT PROVISIONS OF SEZ ACT, 2005 & RULES, 2006/INSTRUCTIONS / NOTIFICATIONS:-**

In terms of Rule 54 of SEZ, Rules 2006 "Performance of the Unit shall be monitored by the Approval Committee as per the guidelines given in Annexure appended to these rules".

c) **OTHER INFORMATION: -**

M/s. Oracle (OFSS) processing Service Ltd was issued Letter of Approval No. *IAI/APL/SW-16/08-09/440 dated 13.01.2009* as amended for manufacture and export of *IT enabled Services*. The unit had commenced production w.e.f. 01.06.2009. The validity of the earlier LOA was up to 31.03.2014 and existing LOA is valid upto 31.05.2019.

- i. The Unit has submitted manual APR for the year 2013-14 and duly attested & certified APRs were submitted for the years 2014-15 & 2015-16. The Unit has not submitted the certified copy of APR of the year 2016-17.
- ii. The Import/Export data pertaining to the relevant years were retrieved from NSDL for cross verification. No Export data is available in NSDL system from 2013-14 as the Unit is not filing SOFTEX form.
- iii. The unit has not filed SOFTEX for the period from 2014-15 to 2016-17.
- iv. It is to mention that the Unit has shown export, Import and IUT figures as Zero in APRs submitted by Unit for the period 2014-15 to 2016-17. However, as per NSDL data one import made by the Unit of Rs. 45.86 lakhs during the year 2016-17. The Unit vide letter dated 21.11.2017 informed that the subject import is actually of capital goods received from STPI which was earlier transferred by the Unit to STPI, hence, no import from abroad. However, the Unit did not show the said figure in APR for the year 2016-17 either under import head or under IUT head. *Mistake of the Unit.*
- v. Moreover, the Unit has shown the Amortized value of Capital Goods as Zero in the APRs from the years 2013-14 to 2016-17, though the Unit has Capital Goods in stock. *Mistake of unit.*
- vi. After verification and proper amortization of Capital Goods, the NFE for the years 2014-15 to 2016-17 has become negative whereas the unit has shown it as Zero in the said APRs. *(Amortization Sheet and NFE Sheet are attached).*

- vii. From the aforesaid and data available in NSDL as well as in APRs, it appeared that the unit is not undertaking any Authorized Operation from 2014-15 onwards. Hence, discrete enquiries were made and afterwards necessary permission was sought and Unit was visited. It was found that neither any authorized activity was being carried out from the unit nor any employee was present and only one security guard was present at the entry of unit. On investigation, it was found that no authorized activity was undertaken from the Unit in last 3 years.
- viii. In view of the above, clarification was sought from the unit with regard to Nil activity as above, the unit vide their aforesaid letters and verbal information informed that their unit is not doing any export activity and are providing services to STPI Unit i.e Oracle Financial Services Software Ltd situated at Goregaon, Mumbai against foreign exchange in terms of Rule 53(A)(k) of SEZ Rules, 2006. The Unit representative also informed verbally that their staff (SEZ unit's staff) is working from the above STPI unit only. No explanation or clarification was submitted by unit regarding non-usage of SEEPZ-SEZ location for Authorised Operations.
- ix. The Unit was issued LOA for manufacture and export of IT & IT enabled Services and the unit had to achieve the positive NFE.
- x. The Unit failed to achieve positive NFE (2014-15 to 2016-17) and also *did not achieve projected figures of export and NFE (during last LOA Block 2009-10 to 2013-14) as well as for the year 2014-15 to 2016-17 (existing LOA block 2014-15 to 2018-19). Moreover, the unit is not undertaking authorized Operation from Authorized premises as earmarked in LOA issued to the Unit. The same is violation of the provisions of LOA/LUT and SEZ Act/Rules.*
- xi. Regarding the variations pertaining to CG amortization and variation in Import figures in APR & NSDL, the Unit's reply was not found satisfactory. *The NFE figures from the years 2013-14 onwards are as under for APR monitoring purpose:*

Earlier LOA Block i.e 2009-10 to 2013-14			
Fin. Year	Projected figures Rs in lakhs.	NFE as per APR	NFE on Cumulative basis after verification.
2013-14	3746	1394	1388.006
Total	13288	1394	5409.816
Existing LOA Block i.e 2014-15 to 2018-19			
2014-15	600	00	-6.044
2015-16	1000	00	-12.088
2016-17	1800	00	-22.719
Total	3400	00	-22.719

- a. *For earlier LOA block 2009-10 to 2013-14- The unit has achieved positive NFE for on cumulative basis but failed to achieve projected figures of export and NFE during the said period.*
- b. *For existing LOA Block period years i.e. 2014-15 to 2016-17- the Unit failed to achieve positive NFE on cumulative basis and also failed in achieving projected figures of NFE and export (as shown in above table.).*

- xii. As per last APR of 2016-17 submitted by the unit, there is no foreign exchange realization pending beyond the permissible limit.
- xiii. The performance of Unit for the years 2013-14 to 2016-17 may be submitted before the Approval Committee in terms of Rule 54 of SEZ Rules, 2006.
- xiv. The performance of the unit is submitted before the Approval Committee.

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OFFICE OF THE DEVELOPMENT COMMISSIONER,
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GENERAL AGENDA FOR CONSIDERATION OF UNIT APPROVAL COMMITTEE

a) Proposal: -

M/s. Sunjewels Pvt. Ltd., has submitted application for broad banding of items as follows:-

Sr. No.	Description of the items to be newly manufactured	Qty	Value (USD)
01	Plain Statues made in Gold, Silver & Platinum or attached precious stones	110Pcs	7,00,000 approx
02	Statues made in Bronze & Brass with attached precious stone	150Pcs	2,75,000 approx

b) Specific Issue on which decision of UAC is required: -

The proposal of the unit was submitted to the UAC held on 05.12.2017 and vide minutes (copy of agenda & minutes enclosed) the Committee directed JT. Development Commissioner and the Specified Officer to confirm as to whether the proposal of the unit to manufacture the items proposed are in conformity with the SEZ mandate for SEEPZ, for which the jewellery units are encouraged and to submit the report to the UAC in next meeting.

The Committee also directed the representative of the unit to inform the approx.. value of export of the proposed items of manufacture. The Committee deferred the proposal.

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d) Relevant provisions of SEZ Act, 2005 & Rules, 2006/Instruction/ Notification :-

The application of the unit covered In terms of Rule 19(2) of SEZ Rules, 2006, "Provided that the Approval Committee may also approve proposals for Broad-Banding, diversification, enhancement of capacity of production, change in the items of manufacture or services activity, if it meets the requirements of Rule 18".

b) Other Information: -

The unit vide letter dtd. 18.12.2017 (copy enclosed) has submitted the total three value 2017-18, 2018-19, 2019-20 as mentined above.

Further, the unit has stated that, they can manufacture statues of made in Gold, Silver, Platium, Bronze & Brass within their existing facilities and within existing capacity & projection and stated that they ^{do} ^{require} need not any additional capital goods requirements for the ^{said} purpose.

Further, the Sr. Authorized Officer vide letter dtd. 26.12.2017 (copy enclosed) has submitted ^{his} ~~their~~ report and informed that the request made by the unit is not in conformity with the SEZ mandate of SEEPZ, for which the jewellery units are encouraged. However to promote export of jewellery we can consider the request of the unit.

The Sr. Authorized Officer, SEEPZ-SEZ further recommended that the request made by the unit for manufacture of statues of precious metal may be considered ^{and} ~~and~~ for other than precious metal, subject to the condition that such items must have a precious component. It is felt that it will not change the mandate of the SEEPZ-SEZ, but it will be a measure to promote the export of jewellery.

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Further, he has also suggested that the request may be acceded to subject to condition that the export of statues may be allowed only upto 1% of the FOB value of their last year total turnover.

The the proposal of the unit before the UAC for inclusion of following additional items:-

- a. Plain Statues made in Gold, Silver & Platinum or attached precious stone with annual capacity of 110Pcs value of US\$ 7,00,000/-approx.
- b. Statues made in Bronze & Brass with attached precious stone with annual capacity of 150 Pcs value of US\$ 2,75,000/- approx.

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AGENDA NOTE FOR CONSIDERATION OF UNIT APPROVAL COMMITTEE

(a) Proposal: -

Monitoring performance of the unit for the previous block period i.e. from 2009-10 to 2013-14 and current block period i.e. from 2014-15 to 2016-17 of M/s. Tera Informatics Pvt. Ltd

(b) Specific Issue on which decision of UAC is required: -

Monitoring of performance of the unit for two block periods of 5 years

- 1) Previous block period of LOA i.e. from 2009-10 to 2013-14 : out of the five years APR monitoring for the years 2009-10 to 2012-13 was already done. Hence only APR monitoring of the year 2013-14 has been done.
- 2) Current block period of LOA i.e. 2014-15 to 2018-19: APR monitoring for the years 2014-15 to 2016-17 has been completed

Relevant provisions of SEZ Act, 2005 & Rules, 2006 :-

In terms of Rule 54 of SEZ, Rules 2006 "Performance of the Unit shall be monitored by the Approval Committee as per the guidelines given in Annexure appended to these rules".

(c) Other Information: -

M/s. Tera Informatics, were issued Letter of Approval No. SEEPZ-SEZ/NUSA/APL/387/91-511 dated 08.11.1988 for manufacturing and export of Computer Software. The unit commenced production w.e.f. 01.07.1994. The validity of the LOA was up to 31.03.2019.

While monitoring the data it was noticed that the export data (SOFTEX details) was not tallying with the NSDL data of the corresponding financial years. However it was clarified by the unit that the difference was due to current procedure being adopted by the unit in filing SOFTEX which is as follows.

- a) Software exports of the unit (services & software) are not exported physically but are transmitted electronically and afterwards the **SOFTEX form is uploaded in NSDL system by unit; however the same is reflected in NSDL system only after necessary verifications/certification of SOFTEX Form.** Hence in most of the cases though the exports has taken place on an earlier date the same is not reflected in NSDL system as the verification in these cases is pending. The verification is done on a later date which is much after the date of actual exports. (in some cases the date of verification is of the next financial year)

The Unit vide their letter dated 03.11.2017 also submitted year wise export (SOFTEX) data along with SOFTEX no. and corresponding request ID. On the basis of request id the NSDL data was retrieved and browsed to verify the same vis-à-vis submission by the unit and the same was found to be in accordance.

The unit had also submitted year -wise breakup of imported Capital Goods vide their letter dated 26.12.2017

The above details submitted by the Unit along with supporting documents were scrutinized and verified. It was observed that the clarifications given by the Unit were satisfactory. The performance of the Unit has been monitored in terms of Rules 53 of SEZ Rules, 2006. The Unit has achieved the positive NFE on cumulative basis during the years from 2009-10 to 2016-1714 comprising of two different block periods as below.

The NFE on Cumulative basis for previous block period:

Previous Block Period i.e. 2009-10 to 2013-14			
Financial Year	Projected NFE figure in INR	NFE of the year	NFE cumulative basis.
2009-10	110	255.02	255.02
2010-11	120	199.37	454.39
2011-12	130	212.62	667.01
2012-13	140	201.05	868.06
2013-14	150	212.99	1066.85

(The unit has achieved positive NFE for LOA block Period (2009-10 to 2013-14) on cumulative basis and also achieved the projected figures).

The NFE on Cumulative basis for current block period:

Current Block Period so far i.e. 2014-15 to 2016-17			
Financial Year	Projected NFE figure in INR	NFE of the year	NFE cumulative basis.
2014-15	120	240.38	240.38
2015-16	130	228.67	469.05
2016-17	140	242.90	711.95

(The unit has achieved positive NFE for LOA block Period (2014-15 to 2016-17) on cumulative basis and also achieved the projected figures

As per the last APR (2016-17) Submitted by the unit, there is no foreign exchange realization beyond the permissible limit.

The performance report of the unit is submitted before the Approval Committee.
