

**Minutes of Open House Meeting with Honorable Development Commissioner SEEPZ SEZ at Arshiya FTWZ-SEZ, Sai Village, Panvel on 03<sup>rd</sup> September, 2015**

The following issues were discussed:-

1. **Refund of SAD.**

As on date, refund claims of approx. **Rs. 8.50 Crores** has been filed with the SO. Further, more claims are in pipeline. There is no mechanism to give such refunds. Suitable trade notice is required to be issued and implemented. Gujarat High Court has vide its order dated 20.11.2014 has ordered that the refund is to be made by the jurisdictional authority. We understand that Customs Commissionerate has communicated to DC's office that there is no provision for such refunds in SEZ Act.

**For refund of SAD, the matter to be taken up again and will be addressed on priority.**

**[Action: Specified Officer, SEEPZ-SEZ]**

2. **Delay in closure of Undertaking.**

There is a substantial delay in closure of the Undertaking submitted by the DTA buyers even after the requisite documents have been submitted to SO.

**Clients are advised to send specific cases separately to DC, SEEPZ.**

**[Action: Specified Officer, Arshiya]**

3. **Valuation for DTA clearance.**

The warehousing charges paid to the custodian are included in the assessable value for duty purpose. Actually, **the warehousing charges are already considered** by the seller in the sale price offered to the DTA buyer. Then, the logic of including the same again in assessable value is not correct. In any case, 1% Landing charges are being added in value for duty.

**The matter of loading of warehousing charges is raised with MOC as well as Chief Commissioner of Customs IMCH and waiting for reply.**

**[Action: Specified Officer, SEEPZ-SEZ]**

4. **Warehousing of Precious metals in FTWZ.**

Since the FTWZ is a foreign territory, permission to warehouse precious metals including Gold and Silver to be allowed.

**Gold storage is restricted in SEZ due to price volatility and security reasons. However, Silver is not restricted. Suggestion of creating exhibition center in FTWZ itself for precious metals like Gold, Silver, Diamonds & Jewelers, again a Security aspect is main concern. A specific proposal can be examined.**

**[ Action: ASCM]**

5. **Movement of containers.**

Some of the shipping lines are intentionally not allowing movement of their containers to Arshiya FTWZ. When insisted, they are asking for additional Charges. Such practices to be penalized as are happening at JNCH.

**Representation to be submitted to Office of DC-Seepez by trade for such cases so that matter can be taken to next level along with copy of extra charges levied by shipping lines for moving containers in Arshiya FTWZ.**

**[Action: Usha Shipping, Borochemie, Sigma]**

6. **Export to Iran in INR.**

**Regarding export from FRTZ to Iran in INR, the matter is under consideration of MOC.**

7. **Export to Nepal in INR from FTWZ.**

Can imported goods be exported to Nepal in INR. As per the Indo Nepal treaty, only the goods manufactured in India can be exported to Nepal in INR.

**As per FTP, only Indian manufactured goods can be exported to Nepal in INR. However goods imported from foreign country can be exported to Nepal in foreign currency only.**

8. **Clarification of the activity of Value optimization.**

Stitching activity of Labels within FTWZ. Labels required be affixing / stitching on scarves that are procured from Various India Manufactures. The same needs to be exported to various Countries after affixed / stitching labels.

**Labeling, cutting is authorized operation. No separate permission required for stitching.**

**[Action: Specified Officer, Arshiya]**

9. **Delay in Assessment in case of Platt Rate based valuation.**

In cases, where assessment is based on Platt rate valuation, it is requested that the same is assessed by the SO at Arshiya itself.

**Directions have already been issued to SO-Arshiya and no need to seek approval for each Bill of Entry for regular movement.**

**[Action: Specified Officer, Arshiya]**

**10. Working of Customs officials at FTWZ.**

Customs at Arshiya FTWZ should be working 24 X 7. Alternatively, daily working hours should be extended upto 8 PM on all weekdays.

**Proposal will be reviewed once the work volumes increase so that customs can justify the extra cost for appointing new officers.**

**11. SEZ online.**

- a. Online Duty Payment facility is not available which makes it costly to operate as the duty is paid manually.
- b. NSDL has started sharing real time data with RBI. In case of the transaction of client, the IEC, Name etc. are appearing that of the Unit and not of its client. In the records of Authorized Dealer (AD), the name of Unit is getting reflected and not of the Client. Some of the AD's have refused to accept payment for client as the data shows in the name of Unit.

**All matters related to SEZ Online system to be taken up with NSDL in separate session to be arranged by DC-Seepz.**

**[Action: DC Office, SEEPZ]**


**12. Revolving undertaking for SAD exemption.**

**Matter will be reviewed whether a onetime / revolving bond or undertaking can be taken to avoid multiple bonds / undertaking to prevent repetitive documentation. Specified Officer, Arshiya to make proposal.**

**[Action: Specified Officer, Arshiya]**

**13. MEIS scheme applicability on goods exported from FTWZ. The practice of mentioning the declaration of Shipping bill that the goods are under the MEIS scheme and the Scrip will be applied to DGFT is not being accepted by Arshiya Customs.**

**The matter is already under consideration of MOC.**

  
30.9.15  
**(K. K. Srivastav)**  
Specified Officer,  
SEEPZ-SEZ.

