

MINUTES OF THE MEETING OF THE APPROVAL COMMITTEE HELD UNDER THE CHAIRMANSHIP OF DEVELOPMENT COMMISSIONER, FOR SEEPZ SEZ ON 18th March, 2015,

1. Name of the SEZ	:	SEEPZ-SEZ
2. Meeting No.	:	91 st
3. Date	:	18.03.2015

Members Present:-

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| 1. | Shri Thakur S. Ratanpal,
Income Tax Officer, 15(3) (4) | : | Nominee of Commissioner
of Income Tax, Mumbai. |
| 2. | Shri. S. Jayaram
Jt. Commissioner of Custom | : | Nominee of Commissioner of Customs
(Air Cargo), Zone-V |
| 3. | Shri. K.S. More
Inspector | : | Nominee of the Development
Commissioner(Ind) Mumbai. |

In attendance:-

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| 4. | Shri K.K.Srivastav
Specified Officer, SEEPZ SEZ. |
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Agenda Item No. 01:- Confirmation of the Minutes of the 90th Meeting held on 11.02.2015.

The Minutes of the meeting held on 11.02.2015 were confirmed.

Agenda Item No. 02:- Approval of list of services required for Authorized Operations - M/s. V.M. Jewellery

Decision:- After deliberation, the Committee approved the services i.e., Foreign Exchange Broker Service, Management or Business Consultant Service, Relation to forward contract Service, Service provided by recognized or registered Association(GJEPC)

Agenda Item No. 03:- Approval of list of services required for Authorized Operations - M/s. Portescap India Pvt. Ltd.

Decision: The Committee deferred the proposal of the unit as the representative of the unit did not attend the meeting.



Agenda Item No. 04:- Rectification in NFE Sheet- M/s. Portescap India Pvt. Ltd.

Decision: The Committee deferred the proposal of the unit as the representative of the unit did not attend the meeting.

Agenda Item No. 05:- Application seeking permission to Import and re-export of third party jewelry - M/s. Uni-Design Jewellery Pvt. Ltd. Unit-III

Decision: After deliberation, the Committee approved the details of import and re-export of third party jewellery as indicated by the unit in revised Form F submitted by them.

Agenda Item No. 06:- Application for broad banding of items- M/s. Elegant Collection

The Committee noticed that the unit has indicated all item(s) indicated in the ITC(HS) tariff.

Decision:- After deliberation, the Committee approved broad banding of items as follows:-

1. Gold and Silver Memento with or without frame, Plain, unstudded or studded with diamonds, precious, semi precious or non precious stones, pearls-10,000 Pcs.
2. Base metal (and its alloys) Memento with or without precious metal plating, with or without frame, plain, unstudded or studded with diamonds, precious, semi precious or non precious stones, pearls -10,000 Pcs
3. Table ware and its parts thereof i.e show pieces, memento of animal/bird/human faces or figure made of precious metal, non precious metal (base metal and its alloys) or its combination-Plain, unstudded, partly studded or studded-10,000 Pcs.
4. Jewellery made of precious or non precious metals studded, partly studded, un studded or plain, in any combination of non metallic items like cord(silk cord, leather cord), wood, rubber, pearls, beads
5. Precious or non - precious metal jewellery studded or un- studded with wood inlay and/or enameled jewellery .



6. Precious or non-precious metal jewellery studded with lab grown diamonds, color stones, pearls, Mother of Pearls, beads

The broadbanding of items approved subject to the following condition.

- 1. For Import Mother of Perls, Customs Procedures and regulations under CITES or Wild Life Act Provisions to be complied with.**
- 2. Value limit of the non precious items to be manufactured should not exceed 10% of the previous year's of FOB value of exports.**
- 3. DTA procurement of Mother of Pearls will require approval of BOA, in terms of provisions of Instruction No. 47.**
- 4. For lab growndiamonds & colour stones, the unit shall maintain records wherein (i) Numbers of Pcs., manufactured (ii) Weight of Diamonds and (iii) Details of Diamonds will be recorded.**

Agenda Item No. 07:- Application received for setting up Distribution Centre in SEEPZ- M/s. The Jewelry Co.

The Committee noted that M/s. The Jewelry Co., were issued LOA No. SEEPZ-SEZ/IA-I/APL/GJ-18/2009-10/9432 dt. 20.06.2011 as amended for manufacturing and export of Plain & Studded Gold/Silver/Platinum Jewellery. The unit has commenced production w.e.f. 01.08.2011. The LOA is valid up to 31.07.2016.

The unit vide letter dated 21.02.2015 has requested for setting up a Distribution Centre within the SEEPZ SEZ the details of activity are as follow.

- a) Quality Control.
 - b) Matching of pairs of stud earrings
 - c) Tagging,
 - d) Photography
 - e) Logistics and distribution
 - f) Repairs.
1. For the above mentioned activity they will import finished articles of jewelry from various manufacturers/suppliers of USA, Taiwan, China etc.
 2. After importing the products they will be re-shipping either to the importer or to various other parties as instructed by their buyers.

3. They would like to state that the above mentioned activity would be done only in foreign currency and would not envisage any DTA sale.
4. The total revenue generated for the above service would be approx 20 million USD annually
5. The value addition or net revenue difference would be 3 % which amounts to USD 60,000/-
6. Employment generation is approx 50 to 100 persons for this new activity.

Decision:- After deliberation, the Committee in principle approved the above activity for their clients subject to procedure to be devised by the Custom and 100% examination of import and export goods and their co-relation by the Customs. The unit should submit the Form F for separate LOA with separate demarcation of space for the service activity.

Agenda Item No. 08- Application for permission to import of jewellery for remaking of third party jewellery-M/s. Sidd's Jewels Pvt. Ltd.

Decision:- After deliberation, the Committee approved the details of import of jewellery for remaking of third party jewellery as indicated in the revised Form F.

Agenda Item No. 09:- Application for change of name and amalgamation of company- M/s. Systime Global Solutions Pvt. Ltd.

The Committee noted that the request of the unit is for renewal of LOA for further period of five years i.e. 2013-14 to 2017-18 which was submitted before the Approval Committee held on 26.09.2014 and as per the direction of UAC, SCN has been issued to the unit on 11.02.2015 for not effecting export during the period 2011-12 and 2012-13 in the block period 2008-09 to 2012-13 and also for effecting the export without valid LOA during 2013-14 and the SCN is under adjudication.

Decision:- After deliberation, the Committee deferred the proposal of the unit as the SCN is not finalized.

Agenda Item No. 10:- Application received for Regularization of unit - M/s. Tache Jewelry Pvt. Ltd.

The Committee noted the excess import of CG made by the unit during the year 2010-2011 to 2014-2015 and justification furnished by the unit.

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Decision:- After deliberation, the Committee regularized the excess import of CG made by the unit.

Agenda Item No. 11:- Application for renewal of LOA with revision of projection for further period of five years- M/s. Sanghvi Jewel Pvt. Ltd.

The Committee noted that the unit has outstanding export proceeds of Rs. 388.11 Lakhs and the unit vide letter dt. 16.02.2015 has applied for extension in time limit for realization of the outstanding foreign exchange.

Decision:- The Committee regularized the excess import made by the unit during the 2010-11 to 2014-15 considering the justifications furnished by the unit and approved renewal of LOA with revision of projection for further period of five years i.e. 2015-16 to 2019-20 w.e.f. 01.04.2015 to 31.03.2020.

Agenda Item No. 12:- Application for renewal of LOA with revision of projection for further period of five years- M/s. Euro Diamonds Pvt. Ltd.

The Committee noted that the unit has outstanding export proceeds of Rs. 22.23 Lakhs and the unit has not obtained extension from the RBI for realization of the outstanding foreign exchange.

Decision:- After deliberation, the Committee approved extension of the validity of LOA up to 30.06.2015 and asked the unit to comply with the RBI guidelines. After compliance, the renewal of LOA may be considered.

Agenda Item No. 13:- Application for renewal of LOA with revision of projection for further period of five years- M/s. Gitanjali Gems Ltd. (Gems Plus Jewellery Division) Unit-II

The Committee noted that the unit has outstanding export proceeds of US \$ 2668265.95 and the unit has not obtained extension from the RBI for realization of the outstanding export proceeds.

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Decision:- After deliberation, the Committee approved extension the validity of LOA up to 30.06.2015 and asked the unit to comply with the RBI guidelines. After compliance, the renewal of LOA may be considered.

Agenda Item No. 14:- Application for renewal of LOA with revision of projection for further period of five years- M/s. Gitanjali Gems Ltd. (Gems Plus Jewellery Division) Unit-I

The Committee noted that the unit has outstanding export proceeds of US \$ 52,06,347 and the unit has not obtained extension from the RBI for realization of the outstanding export proceeds.

Decision:- After deliberation, the Committee approved extension of the validity of LOA up to 30.06.2015 and asked the unit to comply with the RBI guidelines. After compliance, the renewal of LOA may be considered.

Agenda Item No. 15:- Application for renewal of LOA with revision of projection for further period of five years- M/s. SB&T International Ltd.

Decision:- After deliberation, the Committee deferred the proposal as the representative did not attend the meeting.

Agenda Item No. 16:- Application for setting up of new unit- M/s. Electronfab Engineering Pvt. Ltd.

The Committee noted that the unit has envisaged FOB value of export of Rs. 1767.00 Lakhs, NFE of Rs. 1767.00 Lakhs, Investment in Plant & Machinery of Rs. 17.61 Lakhs and employment of 300 persons.

Decision:- After deliberation, the Committee approved the proposal of M/s. Electronfab Engineering Pvt. Ltd., for setting up of a new unit at Unit No. 33, SDF-II, SEEPZ-SEZ, for manufacture of fabricated metal parts for electronics equipments.



Agenda Item No. 17:- Application for deletion of condition specified in the broadbanding approval - M/s. Rank International Pvt. Ltd.

Decision:- After deliberation, the Committee approved deletion of condition no. (1) i.e. Shall not exceed 10% of FOB value of exports of the previous year and amendment in condition no.(iv) as follows:-

- The unit is required to submit Assayers Report along with the export/import consignment.

Agenda Item No. 18:- Application for monitoring of performance of the unit- M/s. ACE Divine Jewellery Pvt. Ltd.

Decision:- After deliberation, the Committee noted that the unit has achieved NFE of Rs.291.55 lakhs during the period from 2010-11 to 2013-14, in terms of Rule 54 of SEZ, Rule 2006.

Supplementary Agenda Item No. 19:- Application for renewal of LOA with revision of projection for further period of five years- M/s. Diagold Creation Pvt. Ltd.

Decision:- After deliberation, the Committee approved extension of validity of LOA up to 31.06.2015 and the matter may be further examined in the file about Import & Export made in preceding year.

Supplementary Agenda Item No. 20:- Application received renewal of LOA with revision of projection for further period of five years - M/s. Systime Global Solutions Pvt. Ltd.

The Committee noted the reason furnished by the unit for no export during the year 2011-12 to 2013-14 as follow:-

The erstwhile, Systime Global solutions Pvt. Ltd was one of the globally leading partner of JD Edwards ERP software platform which has legacy of more than 40 years in North America and other parts of the world.

Due to global meltdown worldwide Systime Global solutions Pvt. Ltd., was facing business challenges as demand for JD Edwards has come down heavily in industries from year 2009 onwards. The Company got adversely affected during period 2010-11.

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Most of overseas contracts executed from this facility got cancelled or not renewed, due to which the company could not undertake export during year 2011-12 to 2013-14. The Management of Systime Global has made all efforts to revive the exports but as few of the Senior JD Edwards resources has moved out of the company due to global meltdown, could not revive the exports. However, development activity at the unit was never stopped any time during those period.

For reviving the unit, management of Systime has approached KPIT Technologies Ltd., one of the largest leading IT/ITES service providers working with variety of technical platform and clientele across a global in 2012. Requisite support was extended by KPIT Technologies Ltd, a global Engineering & Technology company having global tie-up with Oracle who has acquired the JD Edwards worldwide, by entering in to alliance with Systime Global Solution Pvt. Ltd. for revival of JD Edwards practice.

The unit has stated that in view of the joint venture, new technology was introduced and operational changes in streamlining the practice were undertaken.

The entire exercise not only helped in retaining present software professional but also, attracted resources, which are best in the practice from the market. Due to the sustained efforts of the management during the period 2011-12 to 2013-14, Systime not only managed to successfully undertake skill up gradation of the resources but also devoted quality time in developing new products & solutions enabling them to go to market with new perspective and win the overseas contracts which eventually resulted in recommencing exports from Jan 2015.

The unit has further stated that since KPIT proposed to take over the project, it was decided to renovate the premises. Accordingly permission for renovation was sought and work was carried out keeping in mind the prospective cliental requirement. Simultaneously they also took efforts to develop new cliental. KPIT have already recruited 10 person in addition to existing one. At present , the unit is having 25 person and propose to add 20 in the near future. KPIT had already pumped in Rs.170 lacs for the renovation of the office and up- gradation of systems to the requirements of new cliental and software products. The analysis and testing of the new software took some time to overcome the requirement of the cliental. This was the main reason that they could not make any export from the existing premises. Now they are confident that they are able make software exports from this premise and achieve the projected target.



Further , inspite of the fact that there was no export during the period 2011-12 to 2013-14 due to global meltdown and when entire global software industry was going through recession, they could manage to achieve positive Net Foreign Exchange earnings for a block of 10 year period i.e from 2005-06 to 2014-15.

Year	FOB value of Exports	Foreign Exchange outgo	NFE
2005-06	931.71	198.09	733.62
2006-07	659.90	46.64	613.26
2007-08	525.58	31.99	493.59
2008-09	213.21	8.89	204.32
2009-10	105.32	8	97.32
2010-11	170.54	7.20	163.34
2011-12	0	0	0
2012-13	0	0	0
2013-14	0	0	0
2014-15	80.00	0	80
Total	2686.26	300.81	2385.45

Decision:- After deliberation, the Committee approved the renewal of LOA for further period of five years i.e from 2015-16 to 2019-20 with revision of projection in terms of Rule 19(6) of SEZ Rule 2006.

Supplementary Agenda Item No. 21:- Application for broad banding of items -

M/s. Quality 20/20

The Committee has noted that the unit has submitted details of proposed service activities as follows:-

Import, Export and Re-export of

Plain and studded Jewellery in precious metal and non precious metal studded with diamonds, precious stones, semi precious stones, synthetic stones, pearls, crystals and like with rubber, leather, nylon, etc.

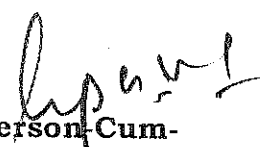
Additional items of services of the above goods inter alia/includes as under:

- (a) Import
- (b) Quality Inspection
- (c) Photography
- (d) Tagging and Packing
- (e) Consolidation of shipments from different sources of procurement into a single or more than one shipments as per requirement of each Principal
- (f) Carry out inter unit repair within the Seepz zone in case of such need.
- (g) Return to Original suppliers or Principals or on their behalf to their Business Associates approved goods or rejected goods as the case may be.

Decision:- After deliberation, the Committee approved the above activities subject to the following conditions:-

1. Trading activity shall not be allowed for Gold and precious metal.
2. Inter Unit transfer of Imported Jewellery will be allowed only for such minor repair which will be not change the characteristics and identification of jewellery
3. Identity of Imported jewellery will be co-related/matched at the time of exports.

The meeting ended with the vote of thanks to the Chair.


**Chairperson-Cum-
Development Commissioner.**