

**SEEPZ SPECIAL ECONOMIC ZONE
ANDHERI (EAST), MUMBAI.**

**SUPPLEMENTARY AGENDA FOR
MEETING OF THE APPROVAL COMMITTEE FOR
SEEPZ-SEZ**

VENUE :Through Video Conferencing on Webex Application

DATE :30th June, 2022

TIME :11.30 A.M.

**MEETING OF THE APPROVAL COMMITTEE FOR SEEPZ-SEZ
UNDER THE CHAIRMANSHIP OF DEVELOPMENT
COMMISSIONER, SEEPZ-SEZ ON 30TH JUNE, 2022.**

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Supplementary Agenda Item No.	Subject
Agenda Item No. 01	M/s. Jewel Art 2- Application for Mid-term Projections for remaining 3 years 2022-23 to 2024-25 on additional Import
Agenda Item No.02	M/s. BVC Logistics Pvt. Ltd- Application for Broad Banding of Items
Agenda Item No.03	M/s. Rosy Blue India Pvt. Ltd- Application for Broad Banding of Items

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

AGENDA NOTE FOR CONSIDERATION OF APPROVAL COMMITTEE

a. Proposal: -

Application received from M/s. Jewel Art (Unit-II), Unit no.19/22, G&J Complex No. II, SEEPZ-SEZ,. For Mid-term Revision for remaining period of 3 years i.e. 2022-23 to 2024-25.

b. Specific Issue on which decision of AC is required: -

Permission for Mid- term revision projection i.e. Unit no.19/22, G&J Complex No. II, with Revised Projection for remaining period of 3 years i.e. 2022-23 to 2024-25.

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

Proviso 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 item of manufacture or services activity if it meets the requirement of Rule 18".

D. Other Information: -

M/s. Jewel Art (Unit – II) has been granted SEEPZ-SEZ/NUS/APL/GJ/33/04-05/ 2420 dated 10.03.2005 as amended for manufacture & export of Studded Gold Jewellery & Gold, Silver, Or platinum Jewellery, plain or studded with Diamonds / Previous/ Semi- Precious Stones or in Combination etc. at Unit no.19/22, G&J Complex No. II. The unit started its commercial production w.e.f. 10.12.2004. The validity of LOA is upto 31.03.2025.

Sr. No.	Heading	Details
1	Name of the Unit	M/s. Jewel Art Unit II
2	Present location	Unit no.19/22, G&J Complex No. II,
3	Area	659 Sq.mtr
4	LOA No. & Date	SEEPZ-SEZ/NUS/APL/GJ/33/04-05/2420 dated 10.03.2005 as amended

.....2/-

5	Items of Manufacture/Service	Studded Gold Jewellery & Gold, Silver, Or platinum Jewellery, plain or studded with Diamonds / Previous/ Semi-Precious Stones or in Combination thereof
6	Date of Commencement of Production	10.12.2004
7	Validity of LOA	31.03.2025
8	Outstanding Rent dues	NIL as on 26.06.2022
9	Labour Dues	Nil
10	Validity of Lease Agreement	Sublease agreement is registered for the period 01.04.2020 to 31.03.2025 for both the Units
11	Pending CRA Objection, if any	NIL
12	Pending Show Cause Notice/ Eviction Order/Recovery Notice/ Recovery Order issued, if any	NIL

- Further the unit vide letter dated 08.03.2022 has stated that due to the increased sales, the imports of Raw materials, components, Spares & consumables would also exceed the projected imports during the block 5 years. Hence, they wish to revise their projections for the remaining period of 3 years i.e. 2022-23 to 2024-25. The details of the mid-term revised projections for remaining period of 3 years.

(Figs. Rs. in lakhs)

Description	Approved Projection For five year 2020-21 to 2024-25	Approved projection for Three year 2022-23 to 2024-25	Proposed Projection for Three year 2022-23 to 2024-25	
	(Rs. In Lakhs)	(Rs. In Lakhs)	US \$ 1 = Rs. 74.35	
FOB value of Exports	8200	6000	(Rs. In Lakhs)	(US\$ '000')
Import of Machinery	164	120	45000	60525
Import of Raw Material and components, Spares & Consumables	6560	4800	225	303
Damage broken & Semi furnished jewellery for remaking, remelting, Repairs & Third Party	-	-	36000	48420
			2250	3026

.....3/-

Repatriation of dividends and profits to foreign collaborates	-	-	-	-
Royalty	-	-	-	-
Lumpsum Know how fee	-	-	-	-
Design & Drawing fees	-	-	-	-
Payment of foreign technicians	-	-	-	-
Payment on training of Indian tech. Abroad	-	-	-	-
Commission on export	-	-	-	-
Foreign Travels	45	30	30	40
Amount of interest to be paid on ECB	-	-	-	-
Any other payment (Specify details) publicity	25	15	30	40
Total	6794	4965	38535	51829
NFE	1406	1035	6465	8695

It is seen from the above, there is increase in the projection as compared to earlier projection.

The approved and actual export import performance

Year	Export		Import of RM+Spares		Import of CG	
	Projected	Actual	Projected	Actual	Projected	Actual
2015-16	1500	208.54	1180	156.71	50	2.19
2016-17	2000	336.50	1570	339.59	50	0.63
2017-18	2500	266.54	1960	184.08	50	4.07
2018-19	3500	2139.15	2750	1648.32	50	0.75
2019-20	5000	722.76	3925	484.79	50	32.70
Total	14500	3673.49	11385	2813.49	250	40.34

NFE status:-

Year	NFE (Rs. In lakhs) on cumulative basis
2015-16	19.46
2016-17	4.34
2017-18	79.36
2018-19	609.80
2019-20	645.17

.....4/-

The proposal of the unit for monitoring of performance was placed before the Unit Approval Committee in its meeting held on 26.08.2021. The Committee in its meeting noted the performance of the unit for the period 2019-20, as unit had achieved the Positive NFE on cumulative basis in terms of Rule 54 of SEZ Rules, 2006.

E. **ADC's Recommendation:**

The proposal of the unit mid-term projections of 3 years i.e. 2022-23 to 2024-25 due to increase in the projections on additional import and exports in terms of Rule 19 (2) of the SEZ Rules 2006 is placed before Unit Approval Committee for consideration.

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

AGENDA NOTE FOR CONSIDERATION OF APPROVAL COMMITTEE

a) Proposal: -

Application received from M/s. BVC Logistics Pvt Ltd., for Broad Banding application of following items :-

Sr. No.	Description of the items to be newly manufactured	Proposed Capacity
01	Assortment, grading and imaging activities of Cut & Polished Diamond	Not Required for Service Unit
02	Videography/Photography Processing Services	

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

In terms of proviso of Rule 19 (2) of SEZ Rules, 2006, "Provided that the Approval Committee may also approve proposal for broad banding, diversification, enhancement of capacity of production, change in the items of manufacture or service activity, if it meets the requirement of Rule 18".

c) Other Information: -

M/s. BVC Logistics Pvt Ltd, were granted Letter of Approval No. SEEPZ-SEZ/IA-I/BVC/17/2020-21/15204 dated 03.12.2000 as amended for manufacture and export of Transport Services-Freight and related services-CPC Code 748 & 749, other Business Services such as Inventory management Services CPC Code 862, other Processing services-CPC code 741 where housing services including storage Services-CPC Code 742 Services Auxiliary to all modes of Transport-Logistics and related Services, cargo handling Services CPC Code 741. The unit is yet to commence activity. The validity of LOA has been extend upto. 02.12.2022.

Sr. No.	Heading	Details
1	Name of the Unit-	M/s. BVC Logistics Pvt Ltd.,
2	Location	Basement SDF-III
3	LOA No. & Date-	SEEPZ-SEZ/IA-I/BVC/17/2020-21/15204 dated 03.12.2020 as amended
4	Authorized Operation-	Transport Services-Freight and related services-CPC Code 748 & 749, other Business Services such as Inventory management Services CPC Code 862, other Processing services-CPC code 741 where housing services including storage Services-CPC Code 742 Services Auxiliary to all modes of Transport-Logistics and related Services, cargo handling Services CPC Code 741

.....2/-

5	Date of Commencement-	Yet to Commence. Confirmation on DCP awaited from SO
6	Validity of LOA	02.12.2021 extension granted for period of one year LOA valid upto 02.12.2022
7	Execution of BLUT	Yes

➤ **Existing approved items to be manufactured:-**

Sr. No.	Description of the items to be manufactured	Approved Capacity
01	Other Business Services Such as Inventory Management Services CPC Code-862, Order Processing Services CPC Code-862, Customs Clearance Services CPC Code-741	Not Required for Service Unit
02	Services Auxiliary to all modes of Transport-Logistics and related Services, cargo handling Services CPC Code-741	
03	Transport Services-Freight and related Services CPC Code 748 & 749	
04	Warehousing services including storage Services CPC Code-742	

➤ **Broad Banding of Items:-**

Sr. No.	Description of the items to be newly manufactured	Proposed Capacity
01	Assortment, grading and imaging activities of Cut & Polished Diamond	Not Required for Service Unit
02	Videography/Photography Processing Services	

➤ **Further unit vide letter dated 05.05.2022 has stated the following:**

seek your permission to commence assortment, grading & Imaging/activities for Cut & Polished diamonds at their service unit-SDF-III

A. CPD Assortment, Grading & Imaging:- activities include:

- 1) Cut & Polished Diamonds- ITC HS Code-7102 XXXX are imported into the BVC Service unit on behalf of their customers (Indian and/ or Foreign).
- 2) Cut & polished Diamonds are available in assorted sizes (caratage) and attributes (cut, clarity, brilliance). These are required to be graded after due sorting size-wise/attributes-wise.

.....3/-

- 3) Tools used- the assortment of CPD is done using either a Sieve method or Eye-Glass method and equipment like Smart-Eye, Imaging equipment etc, are used.
- 4) Such assorted CPS is sold by their Customers (India and/or Foreign) , to jewellery manufactures based out of SEEPZ-SEZ/other SEZs/DTA jewellery manufacturing and diamond dealers/Overseas Buyers.

Currently, most of the global cut & polished Diamond" assortment, grading & imaging activities are happening overseas-in Europe primarily, where the costs of such operations are quite high. If this activity shifts to India, the transaction cost for such assortment/grading/imaging including the freight & other planning costs will become quite economical, relatively. This also allows employment opportunities and becomes a steady source of foreign exchange earnings.

- B. 3D Photography & Cataloguing of Doamonds**-This is another activity that is unit popular in the Diamond industry, which is presently being done elsewhere in the world. This too presents a great opportunity for forex earnings and employment generation, if permitted to be done at their service unit.

They at their service unit in SEEZ-SEZ have created a facility to cater to this requirement and the highlights of the same are enumerated as follows:-

1. CPD Assortment, Grading & Imaging-

- a) Dedicated assortment room with a worktable to accommodate up to 8 sorters at a time, along with their equipment.
- b) Appropriate lighting for the activity.
- c) Dedicated assortment area.
- d) Ease of access of the facility in terms of proximity to international airport and public transport services.
- e) Availability of skilled resources with potential users of this service in close proximity/ within Mumbai.
- f) Uninterrupted power supply.
- g) In-house logistics services support- for Customs clearance, international air freight operations (EXIM), secure transportation from Mumbai Air Cargo Complex- the gateway port for both inbound as well as outbond traffic for this activity

2. Security-

- a) The entire premise is under continuous CCTV surveillance0internally as well as externally.
- b) In-situ Control Room and 24*7 security deployed with a senior security officer in charge through out.
- c) Continuous surveillance by BVC's main Control Room as well as in addition to above.
- d) Multiple CCTV cameras to cover the entire assortment area.
- e) Well-defined security protocols/ processes including physical frisking and restricted ingress/egress to the diamond assortment area of the facility.
- f) Locker facilities for all members of the diamond sorting/ assortment activity to place all personal belongings like lunch bags, mobile phones, keys helmets etc outside the assortment area.

.....4/-

- g) No visitor entry permitted to the assortment area.
- h) Real time access of the assortment area/activity via a CCTV link can be provided to SEEPZ-SEZ/Customs authorities for audit/viewing.

➤ **Subsequently unit vide letter dated 15.07.2022 has stated the following**

They have not required for additional investment. They had provided for manpower for this activity in their earlier Form F submission and hence no further increase in manpower, similarly, their revenue projections too remain the same as their earlier Form F submission.

Further they have submitted the SAC codes for this service activity are as under:-

- (i) 9988- services by way job work in relation to diamonds falling under Chapter 71 in the first schedule to the customs Tariff Act, 1975 (51 of 1975).
- (ii) 99838- videography/photography processing services.

Also unit vide letter dated 27.06.2022 has submitted the Form F3 for broad banding of items

The Specified officer vide letter dated 21.06.2022 has furnished their following comments:-

- 1) The goods to be imported and exported must be examined 100% in order to establish the identity.
- 2) The unit needs to as how they purpose to establish the identity of finally assorted, graded and imaging activity goods with imported goods, in view of accepted fact, that the imported goods will be a single mixed lot and exported goods will be in multiple packages after above mentioned process.
- 3) Every import invoice/procurement from domestic tariff area and export invoice of cut & polished diamond to have specific declaration to the effect that the material supplied is cut & polished diamonds.
- 4) Unit has to maintain separate account for import or procurement form domestic tariff area of Cut & Polished Diamonds.
- 5) In case the made of work is that of a service provider, the unit should not undertake the activity of "Manufacture" as stated in Para 9.31 of the Foreign Trade Policy.

Attention is invited to proviso of Rule 19 (2) of SEZ Rules, 2006 which stipulates that "provided that the Approval Committee may also approve proposal for broad banding, diversification, enhancement of capacity of production, change in the items of manufacture or service activity, if it meets the requirement of Rule 18]."

.....5/-

D) ADC's Recommendation:

The proposal of the unit for Broad Banding of items within the existing projections is placed before Unit Approval Committee for consideration.

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

AGENDA NOTE FOR CONSIDERATION OF APPROVAL COMMITTEE

a) Proposal: -

Application received from M/s. Rosy Blue (India) Pvt Ltd., for Broad Banding application of following items :-

Sr. No.	Description of the items to be newly manufactured	Proposed Capacity
01	Laboratory Created/Laboratory Grown/Manmade/Synthetic Diamonds and Gemstones	within existing approved Capacity

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

In terms of proviso of Rule 19 (2) of SEZ Rules, 2006, "Provided that the Approval Committee may also approve proposal for broad banding, diversification, enhancement of capacity of production, change in the items of manufacture or service activity, if it meets the requirement of Rule 18".

c) Other Information: -

M/s. Rosy Blue (India) Pvt Ltd, was granted Letter of Approval No. SEEPZ-SEZ/NUS/APL/GJ/63/99/12550 dated 29.10.1999 as amended for manufacture and export of Plain & Studded Gold Jewellery, Plain & Studded Platinum Jewellery, Plain & Studded Silver Jewellery and Plain & Studded Combination Jewellery Gold of Platinum & Silver etc. The unit has commenced production w.e.f. 01.02.2002 The validity of LOA is upto 31.03.2025.

Sr. No.	Heading	Details
1	Name of the Unit-	M/s. Rosy Blue India Pvt Ltd.,
2	Location	Unit No. GJ-18, SDF-VII
3	LOA No. & Date-	SEEPZ-SEZ/NUS/APL/GJ/63/99/12550 dated 29.10.1999 as amended
4	Authorized Operation-	Plain & Studded Gold Jewellery, Plain & Studded Platinum Jewellery, Plain & Studded Silver Jewellery and Plain & Studded Combination Jewellery Gold of Platinum & Silver etc
5	Date of Commencement-	01.02.2002
6	Validity of LOA	31.03.2025
7	Outstanding Rent dues	NIL as on 27.06.2022
8	Validity of Lease Agreement	Sub-lease agreement is registered for 30 years
9	Pending CRA Objection, if any	Nil

.....2/-

10	Pending Show Cause Notice/ Eviction Order/Recovery Notice/ Recovery Order issued, if any	NIL
11	Monitoring of Performance	<p>Yes. The monitoring performance of the unit was placed before the Unit Approval Committee in its meeting held on 26.08.2021.</p> <p>After deliberation, the Approval Committee noted the performance of the unit for the period 2019-20, that the unit has achieved positive NFE on cumulative basis in terms of Rule 54 of SEZ Rules, 2006.</p>

➤ **Existing approved items to be manufactured:-**

Sr. No.	Description of the items to be newly manufactured	Approved Capacity
01	Plain & Studded jewellery made out of Gold	450.00 kgs
02	Plain & Studded jewellery made out of Platinum	100.00 kgs
03	Plain & Studded jewellery made out of Platinum	200.00 Kgs
04	Plain & Studded Jewellery made with the combination of precious metals viz. gold Platinum and Silver	30.00 kgs
05	Plain & Studded Palladium Jewellery	1000.00 grams
06	Assortment grading calibration grouping sizing bagging, recuting of polished diamonds	20,000.00 carat
07	Assorting grading calibration grouping sizing recuting of rough diamonds	20,000.00 carat
08	Import of semi-polished diamonds natural and for making final cut and polished diamonds	75,000.00 Pcs
09	Import of semi-finished synthetic diamonds for making final cut and polished diamonds	25,000.00 Pcs

➤ **Broad Banding of Items:-**

Sr. No.	Description of the items to be newly manufactured	Proposed capacity
01	Laboratory Created/Laboratory Grown/Manmade/Synthetic Diamonds and Gemstones	within existing approved Capacity

➤ Further unit vide letter dated 21.06.2022 has requested to amend the same in order to cover broad banding activities for Lab Grown Diamonds/Manmade/Synthetic Diamonds and Gemstones and also stated that the following:

- (i) The application submitted in the prescribed format.
- (ii) The application is submitted in SEZ online system i.e. Form F3 vide request id-422200180511.
- (iii) The current application is for Board Banding services. The services are to be provided for broad banding activity of Laboratory created/Laboratory Grown/Manmade/Synthetic Diamonds and Gemstones. The ITC (HS) code for the proposed item to be board banding is 71049010 (Laboratory- created or Laboratory-grown or manmade or synthetic Diamonds..
- (iv) This is within their existing approved projection and capacity.
- (v) There is no further foreign exchange Investment required.

The Specified officer vide letter dated 21.06.2022 has furnished their following comments:-

- 1) The goods to be imported and exported must be examined 100% in order to establish the identity.
- 2) The unit needs to submit as how they propose to establish the identity of finally assorted, grading, sieving, shading, mapping, planning, marking etc goods with imported goods in view of accepted fact, that the imported goods will be a single mixed lot and exported goods will be in multiple packages after above mentioned process.
- 3) Every import/procurement from domestic tariff area and export invoice of lab grown diamonds to have specific declaration to the effect that the material supplied is lab grown diamonds.
- 4) Unit has to maintain separate account for import or procurement from domestic tariff area of lab grown diamonds.
- 5) Import/domestically procured consignments of lab grown diamond may be 5 % randomly checked and representative sample may be forwarded to approve agencies as per FTP for testing to verify whether the correctness of description is as declared.

Attention is invited to the letter no. SEEPZ-SEZ/IA-I/Policy/46/08-09/3042 dt. 25.03.2009 read with the letter No. SEEPZ-SEZ/IA-I/ Policy/46/2008-09 dated 25.09.2019 regarding Broad Banding of items listed in Chapter 71 of Customs Tariff wherein it is mentioned that ".... Articles remained classified under sub heading 7113, 7114, 7116, 7117 and 7118 of Chapter 71 of the Customs Tariff (excluding articles of Base metal clad with precious Metals), there is no need to approach the Development Commissioner's Office for Broad Banding permission".

.....4/-

However, when the Articles get classified under 7115 and/or excluded from Chapter 71 by notes under Chapter 71 of Customs Tariff or are articles of base metals clad with precious metal, broad banding permission will have to be obtained.

Further, the goods classified under the aforesaid tariff heading should be in compliance with Instruction No. 91 dated 28.11.2018 and DGFT Notification No. 43/2015-2020 dated 05.11.2018. Further condition of any Allied At or any other law in force, if required, for the import of raw material for manufacturing of jewellery shall be fulfilled at the time of export".

Also Attention is invited proviso of In terms of Para Rule 19 (2) of SEZ Rules, 2006 which stipulates that provided that the Approval Committee may also approve proposal for broad banding, diversification, enhancement of capacity of production, change in the items of manufacture or service activity, if it meets the requirement of Rule 18j.

D) ADC's Recommendation:

The proposal of the unit for Broad Banding of items within the existing projections is placed before Unit Approval Committee for consideration.
