

Interactive Session on SEZ Issues

19th July 2018 | Jaipur

Speakers at the Session:

- Dr L. B. Singhal, Zonal Development Commissioner, Noida SEZ
- Shri Virendra Singh, Jt. DGFT, Jaipur
- Shri S. C. Agarwal, Commissioner of Customs, Jaipur
- Shri Vijay Gupta, Vice President, NSDL, Mumbai
- Shri Nirmal Kumar Bardiya, Regional Chairman, GJEPC Rajasthan Region
- Shri Bhuvnesh Seth, Regional Chairman, EPCES, Noida

Objective of the Session:

The Interactive session on SEZ issues was organised by the The Gem & Jewellery Export Promotion Council (GJEPC), Jaipur Region in association with Export Promotion Council for EOUs & SEZs (EPCES), Noida Region on 19th July 2018 at Hotel Crowne Plaza, Jaipur with an objective to give an opportunity to the SEZ units to raise their issues pertaining to SEZ Policy, SEZ Developer, Customs, NSDL etc. before the concerned government officials so as to seek for serious efforts to resolve them which could help these SEZ units to operate.

Key Highlights of the Session:

- The gems & jewellery exporters having units in SEZ, Jaipur raised the issue of Job work on gemstones which is not allowed to a SEZ unit for getting the job work done in DTA while the Job work on jewellery is allowed. Dr L. B. Singhal replied to the issue and showed his support for allowing the same. He further advised the GJEPC to represent the matter to MoC&I with a copy to him thereby stating to allow job work and sale of Rough & perform of coloured gemstones from SEZ to DTA where there is no basic customs duty both while going out of SEZ and Coming in SEZ.
- To allow jewellery below of 8 carat and below from SEZ. The Council was advised to represent the matter with detailed justification for allowing the same.
- The issue relating to non-availability of precious metal in SEZ, Jaipur was raised. As the proposal to allow MMTC, being a nominated agency to supply duty free precious metals to units in SEZ-II Jaipur from SEZ-I has been turned down, these SEZ units have an option to either buy duty paid precious metal from DTA or import. Therefore, MMTC was advised to send a proposal to Unit Approval Committee (UAC) for allotting them a unit in SEZ-II, Jaipur which will be dealt favourably so as to facilitate exporters. The exporters also raised the issue of some of the Banks are not allowing advance remittance to their foreign supplier for importing precious metal. Dr Singhal advised them to represent this matter to him for discussing with these banks and RBI.
- The issue of asking for several sets of documents by SEZ Customs even when these documents are filed online. The SEZ Customs was directed to not to ask for documents with immediate effect.

- Minimum 2-3 days' time taken by Customs in clearing personal carriage of export shipments of gems & jewellery, which is causing problems to exporters and the charges charged by Custodian i.e. Jaipur Gemstones Exchange, Diggi House (JGSE) is exorbitantly high. Shri S.C. Agarwal, Commissioner of Customs, Jaipur informed the members that the hand carry shipments are being dealt manually as the module in ERP is not live due to which the time taken to clear these shipments would be higher than the regular export parcels. However, any inordinate delay shall be reported to him for which he is committed to resolve & correct. With regards to Custodian Charges, Shri Agarwal advised GJEPC to have a meeting with the management of JGSE to resolve.
- Too much time is required to get NoC of various agencies like Drug Controller etc who are not having offices in Jaipur due to which the export/ import shipments are getting delayed. Shri S. C. Agarwal informed that there are certain qualifiers which are required to be filled in properly while filing export or import documents in ERP, as due to this the exporter/ importer can avail some blanket permissions for not requiring some of these NoC. The Gems & Jewellery exporters were advised to give a list of all such items to GJEPC where these NoC is required so as to check for these qualifiers and apprise back to exporters. Dr Singhal also asked for a data having detail of time taken by Drug Controller or any other such Agency to give NoC as he assured to have a meeting with them separately to pursue this matter for expediting the same.
- The SEZ units raised the issue of requirement for filing each and every entry of goods to SEZ from DTA through SEZ online even if the goods are of regular nature for personal consumption like Sugar, Soap, tea etc as this is causing the units to pay Rs.100/- per such filing on NSDL utility 'SEZ Online'. The Zonal Development Commissioner, Noida instructed the SEZ Customs to not to follow this practice as these goods are not for Authorised operation and hence only those goods which are meant for authorised operation needs to be routed through SEZ online. The same practice is being followed in Noida SEZ where they have kept a register to keep a record of entry/ exit of such routine nature goods which are not meant for authorised operations.
- The SEZ units requested for allowing them to Rent/ Sub let full or in part of their units to another unit having valid LOA to operate in SEZ. The Zonal Development commissioner informed that the same would not be allowed as the said proposal is already turned down by MoC&I in consultation with Legal and Tax department opinions. However, he further informed that under Rule 74A there is an option given for exiting from SEZ by way of transfer.
- The exporters requested NSDL to reduce their charges for parcels upto Rs.5000/-. Shri Vijay Gupta said that the present data of Jaipur SEZ shows that almost 50% of the transactions are from DTA to SEZ supplies which would be reduced as already the routine supplies are now not required to be routed through SEZ online so a considerable number of transactions for each units would be reduced which will certainly reduce their cost.
- The units requested NSDL to display message on their website for information about the Server Downtime like ICEGATE. Shri Gupta assured to do the same for all planned Server downtime so that the exporters can plan their activity in advance.
- The SEZ units are not allowed to return goods to their importers even if the said goods are not meeting the benchmarks given to them while placing the order. The SEZ Customs informed Zonal Development Commissioner that the same has already been represented to his office and a response is still awaited. The Zonal Development Commissioner instructed SEZ Customs to put across the representation again as he is of the view that the same has to be allowed.
- A presentation on selling internationally through e-commerce was given by Amazon.com

Glimpses of the interactive Session:



Shri Nirmal Kumar Bardiya, Regional Chairman, GJEPC, welcomes Dr L.B.Singhal, Zonal Development Commissioner, Noida



Shri Virendra Singh, Jt. DGFT, Jaipur addressing the gathering



Shri S.C. Agarwal, Commissioner Customs, Jaipur Addressing the gathering



Dr I.B. Singhal, Zonal Development Commissioner, Noida addressing the gathering



Shri Vijay Gupta, Vice president, NSDL replying to issues of the industry



Shri Nirmal Kumar Bardiya, Regional Chairman, GJEPC Rajasthan Region Raising issues relating to the industry

