

**Welcome**



**GJEPC SEZ Members**

**to**

**The Second Interactive Meet**

***11<sup>th</sup> February, Thursday , 4:00 pm***

***Organised by the SEZ Sub Committee***

***Mr. Suvankar Sen  
Convener  
SEZ Sub Committee  
GJEPC***

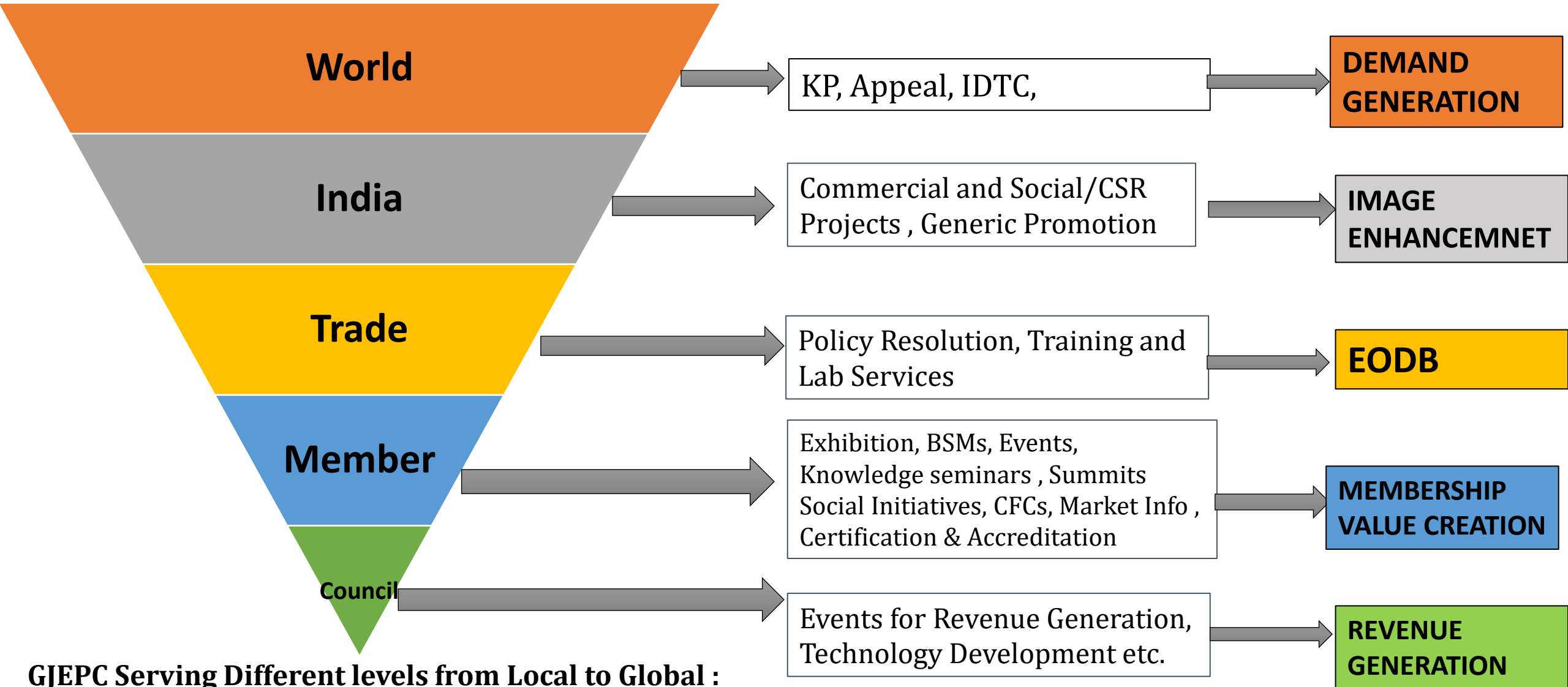
***Mr. Bobby Kothari  
Co- Convener  
SEZ Sub Committee  
GJEPC***

# Agenda Points

1. To share the GJEPC vision and services to its members - At a glance
2. To discuss the policy updates as per the GJEPC recommendations to the Government
3. To share the updates related to other ongoing initiatives and projects
4. To understand the SEZ members' further concerns and suggestions
5. To understand the top 5 priority services areas of the SEZ members
6. To understand the members' expectations from the GJEPC

# 1.1 GJEPC serving Nation & Trade since 1966...

## 55 Years of Rich Legacy...



**GJEPC Serving Different levels from Local to Global :  
Pyramid & Focal Points**

## 1.2 GJEPC Progress towards its Vision and Mission....

### **Vision**

"To make India the preferred source for quality Gems and Jewellery."

### **Mission**

"To enable every individual associated with the Indian Gems and Jewellery industry to achieve their full potential."

### **Where we stand today ?**

US\$36 billion exports , 5.6% share and 6<sup>th</sup> Rank in global exports of US\$650 bn

### **Where we stand today ?**

4.28 million workers  
Unorganised market

### **Where to Go ?**

US\$75 billion, 10% share & improved ranking through strengthening backward and forward linkages BY 2025

### **Where to Go ?**

Employment to increase to 7 million people with social security and better well being via various social schemes and making the sector organised

# 1.3 Services for Members @GJEPC

1. **Advisory Role**
2. **Policy Advocacy**
3. **Trade Consultancy - HELPDESK**
4. **Trade Development**
5. **Strong handholding to MSMEs sector**
6. **Participation in Key activities & Events**
7. **Training & Laboratory Services**
8. **Projects**
9. **Health Insurance & Social Security**
10. **Certification and Accreditation**
11. **Market Intelligence**
12. **Trade Research and Statistics**



## 2.1 Policy Updates – Key Issues Resolved

S.No.	Issues	Brief	Request/Suggestions/ Relaxation received	Status update
1	<b>Export of Goods and Services Realization and Repatriation of Export Proceeds</b>	Extension in the period of realization and repatriation for full export value of goods or software or services exported.	The timeline is extended from nine months to fifteen months from the date of export, for exports made up to or on July 31, 2020.	Circular RBI/2019-20/206 A.P. (DIR Series) Circular no. 27 dated 1 <sup>st</sup> April 2020.
2	<b>Extension of timeline for re-import</b>	Extension of timeline for the following: Return of Jewellery for repairs and sales return. Goods exported for exhibition abroad. Exports on consignment basis. Subcontracting in DTA.	Extension of timeline received: Goods exported for exhibition abroad. Subcontracting in DTA.	Notification issued on 3 <sup>rd</sup> September 2020 vide no. K-43014(22)/23/2020-SEZ.
3	<b>Re-import of consignment goods, one time extension of timeline.</b>	As the set of relaxations granted do not apply to Section 31(7) of the CGST Act, 2017, which deals with sale on approval/consignment export transactions, the same leads to GST consequences even when the transaction could not be concluded/cancelled within the prescribed six-month period, owing to lockdown related challenges.	It is requested that necessary relief is granted in this regard, by virtue of retrospectively extending relaxation from compliance with the said provision, for the period beginning from 1 <sup>st</sup> February 2020 till the time lockdown subsists.	Notification issued on 21 <sup>st</sup> September 2020 vide No. 66/2020-Central Tax

S.No.	Issues	Brief	Request/Suggestions/ Relaxation received	Status update
4	<b>Supply of precious metal to SEZ units procured from FTWZs by Nominated Agencies</b>	The Council has represented to the SEZ Section of Department of Commerce for permitting Nominated agencies having their service units in SEZs to procure precious metals from Free Trade Warehousing Zones (FTWZ) against a Transit bond without payment of Duty which gets discharged on getting confirmation of Customs at respective SEZ on receipt of precious metal in the service unit of the Nominated Agency.	Create regular availability of precious metals from FTWZs which is a special category of Special Economic Zone, designated as a deemed foreign territory to be used as International Trading Hubs. Ensure reduction in logistics cost incurred by SEZ units to procure precious metals due to import in smaller quantities through Air, either by themselves or by Nominated agencies which in case of FTWZ is brought by Sea Route having very less cost as compared with Air route.	All SEZ Development Commissioners on 18th Nov 2020 which was again amended on 26th Nov 2020 for permitting procurement of precious metals from FTWZs by nominated units having service units in SEZs.
5	<b>Clarification on export of Gems and Jewellery through courier mode</b>	Gems & Jewellery is allowed to be exported through courier under the Courier imports & exports (Electronic Declaration and Processing) Regulations, 2010 as also the courier Imports and Exports (Clearance) Regulation, 1998.		Circular No. 52/2020-Customs dated 27 <sup>th</sup> November 2020
6	<b>Pending Import shipments of rough diamonds due to amendment in KP Certificate by e-mail</b>	The issue is related to the non-acceptance of amendment e-mail notification received from Exporting KP Authority by Mumbai Customs. The amendments are due to clerical errors of the exporting country. In the interest of the small-scale manufacturers who are facing untold hardships due to no fault of their it is humbly requested to release parcels held due to amendment in KP certificate and Email communication from the issuing authority of exporting country may be considered for the same.		Notification No. 34/2015-2020 dated 28 <sup>th</sup> September 2020

## Proposed Recommendations and Actual Budget Announcements

S.No.	HS Codes	Commodities	(Proposed) From	(Proposed) To	Actual
1	71081200	Gold *	12.5%	4%	7.5% *
2.	71081200	Gold dore bars *	11.85%	-	6.9%*
3	71069100	Silver *	12.5%	4%	7.5%*
4	71069100	Silver dore bars *	11%	-	6.1%*
5	71101110 & 71102100	Platinum and Palladium	12.5%	4%	10%
6.	71131130	Parts of silver jewellery (Silver findings)	20%	12.5%	10%
7.	71131960	Parts of gold jewellery (Gold findings)	20%	12.5%	10%
8.	7112	Waste & Scrap of Precious Metals	12.5%	-	10%
9.	71123000	Spent Catalyst or ash containing precious metals	11.85%	-	9.2%
10.	71189000	Precious metal coins	12.5%	-	10%
11	71049090	Increase in import duty on Cut and Polished Cubic Zirconia	7.5%	15%	15%
12.	71049090	Increase in Import duty on Synthetic cut and polished stones	7.5%	25%	15%

*\*Also, to attract Agriculture Infrastructure and development Cess at the rate of 2.5% (proposed cess)*



## Tax Incidence : Pre and Post Budget Comparison on all Commodities

S.No.	HS Codes	Commodities	Proposed From	Actual To	Tax incidence Pre Budget**	Tax Incidence Post Budget**	Change	Tax Incidence Increase/ Decrease
1	71081200	Gold *	12.50%	7.50%	16.26	14.07	-2.19	Decrease
2	71081200	Gold dore bars *	11.85%	6.90%	15.57	13.39	-2.18	Decrease
3	71069100	Silver *	12.50%	7.50%	16.26	14.07	-2.19	Decrease
4	71069100	Silver dore bars *	11%	6.10%	14.67	12.49	-2.18	Decrease
5	71101110 & 71102100	Platinum and Palladium	12.50%	10.00%	16.26	14.33	-1.93	Decrease
6	71131130	Parts of silver (findings)	20%	10%	24.22	14.33	-9.89	Decrease
7	71131960	Parts of gold (findings)	20%	10%	24.22	14.33	-9.89	Decrease
8	7112	Waste & Scrap of Precious Metals	12.50%	10%	16.26	14.33	-1.93	Decrease
9	71123000	Spent Catalyst or ash containing precious metals	11.85%	9.20%	15.57	13.42	-2.15	Decrease
10	71189000	Precious metal coins	12.50%	10%	16.26	14.33	-1.93	Decrease
11	71049090	Increase in import duty on Cubic Zirconia (worked)	7.50%	15%	10.96	19.99	+9.03	Increase
12	71049090	Increase in Import duty on Synthetic cut and polished stones	7.50%	15%	10.96	19.99	+9.03	Increase

\*IGST @3% included in above computations , leads blockage of working capital for exporters

**Recently represented ---AIDC should NOT be imposed on import of Gold/Silver/Gold Dore & Silver Dore**

# eCommerce – How it Began & Efforts

**OPPORTUNITY**

**CHALLENGES**

- Knowing the **BUSINESS MODEL**
- Identifying the **HURDLES - Policy & Procedural** – DTA/SEZ
- Deliberating on probable **SOLUTIONS**
- Preparing **COMPREHENSIVE POLICY**
- Reaching out to **GOVERNMENT/ STAKEHOLDERS**

DPIIT, DoC, DoP, RBI, Banks, Couriers, Marketplaces, NSDL, SEZ DC, CBIC, DGEP, DG Systems, Exporters, EICI, Custodian, Customs Field Formations etc

# Achievement – Received & on Cards

## Circular no. 52/2020 – Customs dated 27th Nov 2020

Clarifying on exportability of Gems and Jewellery through **COURIER MODE** – Permitted as per Courier Imports and Exports (Clearance) Regulations, 1998 and Courier Imports and Exports (Electronic Data and Processing) Regulations, 2010

- Courier mode SOP
- Automation of PBE & EDI linkage
- Paperless realisation of export bills
- Reimport of returns
- Cost effective shipping thru Courier/Post
- Faster Customs clearance



- ✓ **Hassle free process**
- ✓ **Speed of delivery**
- ✓ **Cost effective**

**SUCCESS FACTOR – Treat B2C & B2B differently**

## 2.2. Key Policy Concerns - Represented and under consideration

S.No.	Issues	Update
1	<p><b>Transfer of Property &amp; Assets by SEZ Units after the cancellation of their LoA.</b></p>	<p><b>Submission:</b> Request to adopt a simple buy/sell the SEZ property with a transfer fee option and the other forex obligation could be like the EPCG scheme – 5 years of fob value of machinery to exported for de bonding. SEZ Rules may accordingly be amended to provide much needed relief to the gems and jewellery sector pertaining to Special Economic Zones of India to improve the working of gems &amp; jewellery units in SEZ. Many assets like computers/electronic gadgets/telephone etc. outlived their utility , a conducive policy is needed for their disposal.</p> <p><b>Issues represented &amp; Update :</b> The said issue is represented to Hon’ble CIM and Hon’ble Finance Minister, Commerce Secretary, Additional Secretary(SEZ), Joint Secretary, DoC, Director General, DGEP and JS, DPIIT. The matter is under consideration of SEZ Division.</p>
2.	<p><b>Reverse Job Work Policy</b></p>	<p><b>Submission</b> Bringing goods from DTA and removal of manufactured goods to DTA is permitted in the SEZ Rules. For removal, duty as applicable u/s 30 of Customs Act is payable as per Rule 47(1) of SEZ Rules. So there is no requirement of specific provision in SEZ Rules. However, to have more clarity, the necessary provision for doing jobwork for DTA may be incorporated in a new rule after Rule 43 as Rule 43A.</p> <p><b>Issue represented &amp; update :</b> The said issue is represented to Hon’ble CIM, Commerce Secretary, Additional Secretary (SEZ), Joint Secretary, DoC.</p>

## 2.2. Key Policy Concerns - Represented and under consideration

S.No.	Issues	Update
3	<b>Increase of time limit for return of Gems &amp; Jewellery items to units in SEZ after job work in DTA</b>	It is proposed that the items of Gems and jewellery taken outside the Special Economic Zone for sub contracting should be allowed for 90 days as per the provisions prescribed in the Handbook of Procedures for the time for exports after taking delivery of gold from nominated agencies.
4.	<b>Levy of duty on goods re-imported by SEZ units after lapse of 365 days which were earlier exported for display/ consignment.</b>	The matter had been represented to SEZ Division and DGEP and it is expected to be resolved soon.
5.	<b>Conduct a survey for comparing and analysing the gaps pertaining to the facilities available in different SEZs across the country. Ensuring common SOPs for all the SEZs</b>	In talks with top most research agencies so as to conduct a survey and analysing the gaps pertaining to in existence in various SEZs.

## 2.2. Key Policy Concerns- Represented & under consideration : Jaipur /Kolkata/South

S.No.	Issues	Update
7.	<b>Supply of precious metals from foreign buyer to SEZ units, Non-availability of precious and other metals like Gold, Silver, Platinum, Palladium, GPC, etc. units to take supply from foreign buyers</b>	The matter has been taken up with DGEP and it is under process. MoC had asked for comments from SEEPZ, Cochin, and Noida on this issue and they are awaiting comments from Cochin SEZ.
8	<b>Procuring supplies of precious metal (gold/silver) is difficult within SEZ -I, Jaipur, and Procuring precious metal from DTA is costly</b>	The matter had been represented to the SEZ division of Moc&I seeking comments from the DGEP and awaiting a recommendation from the nominated agency.
9	<b>Sending Gemstones for Job Work in DTA is not allowed</b>	The issue is taken up with the concerned authority DC, SEZ Noida , pending
11	<b>Logistics options like Fedex and DHL are not available within the said SEZ. This is resulting high cost for sharing the samples with the customers</b>	South RoD Mr. Surya 2-3 times connected with fedex and the company yet to come back with lesser prices. RoD suggested the members fro Vizag to export through post parcel from Chennai

## 2.3 GJEPC total Representations and Meeting

April 2020 – February 2021

<b>Representations</b>	100+ MoC, RBI, MoF, MSMEs, SEZ, RBI etc.
<b>Meetings</b>	Approximately 90 meetings with GoI <ul style="list-style-type: none"><li>• 5 meetings with Hon'ble FM</li><li>• 1 meeting with Hon'ble MSME Minister</li><li>• 6 meetings with Hon'ble CIM</li></ul>

### 3.1 GJEPC : Key Projects for Districts Developments in Process

<b>Projects</b>	
<b>Cluster Mapping Project</b>	<p>Completed at PAN India level, identified 390 gem and jewellery clusters which can be developed further. 185 manufacturing, 205 trade and 55 potential clusters</p> <p>Mega/ Large clusters - Jewellery Parks/Gem Bourse to be set-up Medium Clusters - Mega CFCs /Model Manufacturing Small Clusters - CFCs</p>
<b>Mega CFC</b>	Preparation of DPR towards establishment of mega CFC at Mumbai and Surat
<b>Jewellery Park</b>	Feasibility study and DPR is approved for Indian Jewellery Park proposed at Mahape will open for booking from April onwards
<b>CFC</b>	8 CFCs set up till date at Junagadh, Visnagar, Palanpur, Amreli which is operational from last 2 years and Coimbatore, Kolkata, Hyderabad, Rajkot, about to inaugurate in March 2021.



### 3.1 GJEPC: SWASTHYA RATNA PROJECT

**PROJECT BRIEF** - The Gems and Jewellery Export Promotion Council (GJEPC) has initiated a **Group Mediclaim scheme** to provide a Mediclaim benefit to the entire workforce of Gems and Jewellery Industry as well as their family members. This Scheme is named as Swasthya Ratna under which all GJEPC member companies can enrol employees and their families. GJEPC also contributes a percentage of the premium.

#### DATA: SWASTHYA RATNA PROJECT TILL JAN 2021:

Key Figures	
Total no of Lives covered	6,51,141
Total no. of Families covered	1,80,885
Total no. of Companies (Policies Issued)	900
Financials	
Total Premium Contribution (Companies)	₹ 765,723,117
Total Premium Contribution (GJEPC)	₹ 26,955,523
Total Claims	₹ 1,674,903,560

- ✓ **Highly customised for GJEPC members with various options**
- ✓ **sum assured from Rs. 1 Lakh to Rs. 5 Lakh**
- ✓ **parents are covered**
- ✓ **GJEPC also contributes to a certain %**

#### Historical Data

Particulars	2015-2016	2016-2017	2017-2018	2018-2019	2020-21
Total Premium Contributed by GJEPC	₹ 1,508,674	₹ 2,278,966	₹ 3,148,258	₹ 6,752,746	₹13,266,878
Total Premium Contributed by Traders	₹ 30,235,669	₹ 97,352,231	₹ 146,694,242	₹ 177,397,530	₹ 314,043,445
Total Claims paid including Projection	₹ 162,958,775	₹ 334,055,389	₹ 301,134,296	₹ 244,658,546	₹ 632,096,555
Claims to premium ratio	587%	385%	233%	154%	201%
No Of Employees covered	24910	41775	36825	32610	44765
Total No of Traders Enrolled	116	186	183	160	255
No of cities covered	6	10	15	15	16

### 3.2 Innovative Initiatives during Covid-19 and Outcomes

Products	VBSM	VBSM	Virtual IIJS	Virtual IIJS	IGC
	<b>7 Existing Markets 72 Buyers</b>	<b>11 New Markets 85 Buyers</b>	<b>11 Existing Market 110 Buyers</b>	<b>14 New Markets 42 New Buyers</b>	<b>5 New Markets Approx 25</b>
Cut and Polished Diamonds	UK, China Ireland				Angola , Namibia
Gold Jewellery	UAE , Bahrain, Kuwait, NZ	Qatar	Bahrain, Belgium, HK, Kuwait, Malaysia, Saudi Arabia, Singapore, Turkey, UAE, UK, USA	Bangladesh, Czeech republic, Denmark, Egypt, Ethiopia, Italy, Japan Jordan, Nepal, Oman, Pakistan, Qatar, Sri Lanka, Thailand	Switzerland, UK
Silver Jewellery	USA	Spain, Mexico , Canada Ireland , Italy, Russia, SA, Australia			Colombia,
Coloured Gem Stones	USA	China, Spain, Ireland, Russia, Australia Brazil (LACs), Colombia			Colombia

6 Virtual BSMs  
2 Virtual IIJGs

- **30 New/Untapped Markets with 127 Buyers Explored including 3 untapped middle east market**
- **18 Existing Markets – 160 Buyers**

### 3.2 GJEPC : Exclusive Activities for SEZs completed and upcoming

Sphere	Programs	Status
<b>Skill Development Programs</b>	CAD Rendering – Key Shot (3 Batches Covered)	Completed with 35 trainees – 3 Batches
	Light Jewellery Making	Upcoming from 15 <sup>th</sup> of Feb 2021
	Hand setting training program	Planning Stage
	Metal setting training program	Planning Stage
	Integrated Stamping with casting Jewellery	Planning Stage
	Special course in basic modelling for the deaf & dumb category people	Panning Stage (CSR)
<b>Webinar</b>	New Labour Laws- Implications for Businesses	Completed
<b>Exclusive Brochure for SEZ</b>	For promoting SEZ capacities of producing G&J products in International Market	Completed

## Agenda points for discussions

4. SEZ members' further concerns and suggestions
5. Top 5 priority services areas of the SEZ members
6. Members' expectations from the GJEPC

## **Key Highlights of the 2<sup>nd</sup> Interactive meet**

## Key Highlights of the 2<sup>nd</sup> Interactive meet

1. Mr. Suvankar Sen, Convener of the SEZ committee, welcomed all the members in 2<sup>nd</sup> SEZ interactive meet.
2. Mr. K K Duggal, Director, Policy shared key GJEPC representations pertaining to various SEZ issues and related updates including the issues which have been resolved and those which are still to be resolved and in the process of being resolved.
3. Mr. Rajeev Pandya, President, SGJMA and also Council member, pointed out that several other issues relating to ease of doing business persist in the SEZs to which Mr. K K Duggal updated that all the stated issues have already been represented by the Council and under consideration of the concerned authority. He also mentioned that if there are any issues which he feels to be taken up with Govt. he can write to the Council for due pursuance with the authorities
4. Mr Nitin Khandelwal, Deputy Director, Jaipur Region explained the members on the various measures undertaken by the Council in relation to easing off the B2C e-commerce policy and recent update on the same.
5. The Convener apprised the members that there have been over 100+ representations with RBI, MOC, MoF, MSMEs, SEZ, RBI, etc and approximately 9- meetings with the Government of India. He also informed the members that the Council is currently working on various key projects for development of exports from districts like cluster mapping project, CFC, Mega CFC, Jewellery Park and CFC and social welfare projects of the workers belonging to it's members like Swasthya Ratna Project, (a subsidised health insurance scheme for workers of members of GJEPC run by GJEPC exclusively for its members) which has proved to be immensely popular and beneficial to members.

6. The Convener updated the members on the various innovative initiatives launched during Covid-19 which included 6 virtual buyer seller meets, 3 virtual trade shows (IIJS) and 5 India Global Connect meets to tap unexplored markets and countries. CAD rendering course, light jewellery making course, Hand setting training program, metal setting training program, Integrated sampling with casting jewellery and a special course in basic modelling for specially abled people were the various training and skill development programs for members, especially those who are from SEZs, that have been already held or are in planning stage. Convener also mentioned of the Webinar on labour laws and an exclusive brochure which is being published by the Council for the benefit of its SEZ members.

## **Key points to carry forward**

1. Follow up on the representations to the Govt. made by the Council.
2. Requesting the concerned department to look for appointing a full time DC in SEEPZ to solve the local issues and matters more efficiently without being referred to the ministry.
3. The concern on the surcharge on electricity in proposed SEZ policy to be undertaken by the GJEPC
4. Examining the case of providing Swasthya Ratna Policy to job workers engaged in the SEZ area.

*For any other information/query related to SEZs you may contact :-*

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*contact no. 9811565164*

**Thanks**