

Minutes of the 104th Unit Approval Committee Meeting of Kandla SEZ held on 15.11.2016 at 11:30 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

Following were present:

1. Shri. Krishan Kumar : Joint Development Commissioner, KASEZ.
2. Shri. Nirmal Kumar : Superintendent, SIIB, Kandla,
Gandhidham-Representative of
Commissioner of Customs Kandla.
3. Shri. M. U. Sumra : Manager (RM), DIC, Bhuj
4. Shri. R. H. Jivani : GPCB, Gandhidham, Kutch (East).
5. Shri. R. G. Khairkar : Foreign Trade Development Officer,
Rep. of Jt. DGFT, Rajkot.

Absentees:-

1. Director (Banking)
2. SDM
3. Income Tax

**Review/Confirmation of the minutes of last meeting (103rd UAC)
of the Approval Committee:-**

Minutes of the last meeting of Approval Committee was confirmed.

104.1 NEW UNIT APPLICATION

AGENDA - Item No. 104.1.1

**M/s Integrated Warehousing Kandla Project Development Pvt. Ltd., 10,
Community Centre, 2nd Floor, East of Kailash, New Delhi - 110065**



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Their proposal is for setting up a unit for trading, warehousing, storage and handling service unit in Kandla SEZ. Dr. Mohammed Sagheer, CEO of the company appeared before the Approval Committee and explained their proposal.

Dr. Mohammed Sagheer informed the Committee that they are receiving land enquiry from various clients for 1000 to 5000 sq. mtrs. in the FTWZ they are developing. He further informed that Developer has already earmarked separate plot nos. 23 to 27 for their new proposed unit.

The Chairman informed them that being a co-developer of FTWZ they were supposed to build infrastructure as per client requirements and provide the same to valid LOA holders in SEZ on rent for their authorised operations.

The present proposal is for setting up a SEZ unit of trading, warehousing, storage and handling service. They have submitted list of items which they intend to trade, warehouse and store. The Committee observed that the list is voluminous and covered almost entire products of ITC (HS). The Chairman directed the unit to come up with specific proposal with list of items proposed to be warehoused and traded for which they have orders in hand and condition that no DTA sale will be permitted and services/charges, payment should be received only in foreign currency as per provisions of Rule 18(5) of SEZ Rules. The CEO confirmed that their clients will not do any DTA Sale.

The party's authorised representative Dr. Sagheer, further confirmed to the Committee that they would not make any DTA clearance for warehousing goods/trading goods and that they have no objection in case it is made a condition of LOA, if proposal is approved.

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The Approval Committee after due deliberation directed the unit to submit list of ITC HS code and with specific items to be warehoused/traded and also directed to O/o. Development Commissioner to processes the said request on file and get approval of Development Commissioner. These items so permitted may be got ratified in the next UAC meeting. Further, the unit shall not be allowed to do business of renting of space and that the unit will have to carry out warehousing activities strictly. Also they have to submit MOU between their clients and the proposed unit seven days prior to start of the operation.

104.2 REQUEST FOR BROADBANDING

AGENDA- Item No.104.2.1

M/s GKN Enterprises letter have requested for addition of 09 items in their trading activities in their existing LoA F.No. KASEZ/IA/04/2015-16 dated 18-05-2015.

Nobody appeared for explaining the proposal. Hence, the Committee decided to defer the proposal for next UAC meeting.

SUPPLEMENTARY AGENDA

NEW UNIT APPLICATION

AGENDA ITEM NO. 104.3.1

Application for setting up a Packing/ Repacking and Warehousing unit in KASEZ namely M/s. Rishi Kiran Logistics Pvt. Ltd., "Kiran House" Plot No. – 08, Sector-08, Opp. Post Office, Gandhidham (Gujarat), India - 370201.

Nobody appeared for explaining the proposal. Hence, the Committee decided to defer the proposal.



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BROAD BANDING REQUEST IN EXISTING LETTER OF APPROVAL

AGENDA ITEM NO. 104.4.1

M/s Shri Lal Mahal Limited, KASEZ for processing activity of Rice for Export, in their existing LoA.

M/s Shri Lal Mahal Limited, KASEZ is an approved unit for processing of Agro Products and manufacturing activity of Pan Masala and Churna for Pan in Kandla Special Economic Zone vide Letter of Approval No. KASEZ/IA/010/2016-17 dated 28.07.2016 amended from time to time. They have not yet started their commercial production till date. Their LoA is valid for a period of one year from the date of issue i.e. up to **27.07.2017**.

The unit has now requested for addition of Rice for processing activity in their existing LoA.

Shri Devashis Garg, Director of the company appeared before the Approval Committee and explained their proposal. Shri Garg further intimated that they will import exotic rice not produced in India, which is a high value rice costing to the range of about Rs. 100-150 per. kg. or more and that said kind of rice has no markets in India, as Indians do not eat this type of brown rice.

Shri Garg informed that they will import rice from Thailand, Vietnam, Africa, Iran, Dubai etc. in aggregate quantity and do processing such as polishing, grading, sorting, cleaning and export in small package as per

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overseas client requirements. He informed that in the first year they propose export of Rs. 3-4 crores as it is a new business and will increase their exports depending on demands from overseas clients as there is great demand for it. They will make exports to Middle East, USA, Europe, etc. He further informed that they will neither procure nor make any DTA transactions of the said rice. In nutshell, 100% imported from outside India and 100% will be exported out of India.

The Approval Committee after due deliberation noted that Rice is a sensitive consumer item concerning the mass population of India and that its policy of import/export is of the nature of frequent changes. Therefore, after due deliberation the Committee decided to forward and recommend the proposal for consideration before BOA.

MISCELLANEOUS ITEMS

AGENDA- Item No. 104.5.1

M/s Flamingo Logistics – regarding change in Partners.

M/s Flamingo Logistics is an approved unit with LoA No. FTWZ/001/2011-12 dated 19-05-2011, for warehousing services and trading of all items except restricted and prohibited items.

The unit is a Partnership firm with two partners, with sharing ratio of Profit and Loss as mentioned below:-

Sl No.	Name	Share in Profit/Loss
01	Shri. Kiransingh U. Kochhar	50%
02	Shri. Kuljeetsingh U. Kochhar	50%

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The unit has now informed Retirement of Shri. Kuljeet Singh Kochhar and addition of new partner Shri. Amanjeet Singh Kochhar. The new sharing ratio is as mentioned below :-

Sl No.	Name	Share in Profit/Loss
01	Shri. Kiran Singh Kochhar	95%
02	Shri. Amanjeet Singh Kochhar	05%

The Approval Committee after due deliberation decided to take the intimation on records.

AGENDA- Item No.104.5.2

M/s. Milak Warehousing, KASEZ for permission to warehouse of imported raw sugar for 100% Export in their existing Letter of Approval No. KASEZ/IA/007/2013-14 dated 19.08.2013

M/s. Milak Warehouse, KASEZ is an approved unit for trading activity vide LoA F.No. KASEZ/IA/1836/2001-02 dated 09.08.2001, broad banded of LoA for warehousing service activity vide Letter dated 04.08.2010, broad banded of LoA to establish Cafeteria under the recreational services and internet under ITES, broad banded of LoA for manufacturing and packaging of cosmetic / toiletry preparation as well as food products vide letter dated 17.01.2011, and broad banded of LoA for service activity of Back Office Support Operations, Data Processing, Call Centre Service, Human Resource Services, Transport Services and Services Auxiliary to all modes of transport vide letter dated 28.08.2012. Their LoA is valid up to 14.08.2021.

Now the said unit has requested for permission for import of raw sugar for duty free 100% export in their existing LoA on behalf of the overseas client as a warehousing activity.

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Shri Vivek Milak, Partner of the company appeared before the Approval Committee and explained their proposal.

Shri Milak stated that he has received enquiry from M/s. Renuka Sugar on behalf of their overseas clients for import of raw sugar.

As per ITC (HS) Code the raw sugar is freely importable with condition that all sugar import contracts shall be compulsory registered with the APEDA and the same is free under export policy. But the raw sugar when exported outside India attracts duty @ 20% under second schedule of Customs Tariff.

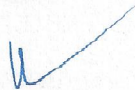
The Approval Committee after due deliberation decided that although sugar is free for import and export but sugar being very sensitive, consumer good, the Committee decided to refer the case to BOA for its consideration.

AGENDA ITEM NO. 104.5.3

M/s Unitrade World, KASEZ for Broad banding of Warehousing Service Activity in their existing LoA.

M/s Unitrade World, KASEZ is an approved unit for trading activity of all items except prohibited, canalized and restricted items, plastic waste/scrap, Second hand clothing, Metal Scrap, Polyester Yarn, Battery scrap including Processing & Assembly in Kandla Special Economic Zone vide Letter of Approval No. KASEZ/IA/1972/2003-04 dated 10.02.2004 amended from time to time. The validity of their LoA is up to **20.04.2019**.

The unit has again requested for broad banding of Warehousing Service Activity in their existing LoA.



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Nobody appeared for the personal hearing. However, the Chairman informed that in the 24th Authority meeting held on 06.10.2016 wherein Authority noted that lot of applications are being received for setting up of warehousing units in KASEZ. It was also noted that as the Zone is not having much space for allotment and there is already an approved co-developer M/s. Integrated Warehousing Kandla Project Development Pvt. Ltd. (IWKPDPL) for development of Free Trade Warehousing Zone within Kandla SEZ, which is being developed. The Authority, therefore, decided not to offer any more space for warehousing units in the area directly under the control of Kandla SEZ Authority as the FTWZ by IWKPDPL is getting operational.

In view of above, Approval Committee decided not to grant any more approval to warehousing proposal in view of already large number of warehousing units in the old area. Therefore, the proposal of the unit was rejected. The unit may surrender excess space to the Authority if the unit is not utilising the same for any authorised operations. The Committee further decided that in case the unit is interested in setting up the warehousing unit, in the new area earmarked, they may obtain the offer letter of space from the co-developer in the new area and accordingly they can apply a fresh. The same policy shall be applicable to all the proposed warehousing.

TABLE AGENDA

NEW UNIT APPLICATION

AGENDA ITEM NO. 104.6.1

Application for setting up a manufacturing unit in KASEZ by the M/s. Vikas Ecotech Ltd., Vikas House, 34/1, East Punjabi Baug, New Delhi

Their proposal is for setting up a unit for manufacturing of Specialty Polymers Compound and Additives in Kandla SEZ, Gandhidham. Shri Sunil



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Dhameja, Vice President Business Development of the company appeared before the Approval Committee and explained their proposal.

Shri Dhameja informed the Committee that they are public limited company. He further informed that they are in business of manufacturing and distribution of Specialty Polymers Compounds and having two units in Jammu for TPR compounds and organotin stabilizer and one unit at Rajasthan for ground calcium carbonate. He stated that they will require water to wash their final products and they will set up Effluent Treatment Plant. Being chemical unit the requirement of water is 4000 ltrs. per day. The Chairman informed that Kutch is water scarcity area and supply of water to KASEZ by GWSSB will be nominal and not upto the mark. Shri Dhameja informed that they will not have any problem if water will be supplied to their unit in lesser quantity and they will manage the same from private tankers. They informed that they plan to recycle water and not discharge any effluents. The representative of GPCB informed the unit that they have to take necessary consent from GPCB before setting up their unit in KASEZ. The unit replied that they will comply with all the statutory requirements of GPCB.

The Approval Committee after due deliberation decided to approve the proposal subject to standard terms and conditions.

MISCELLANEOUS ITEMS

TABLE AGENDA ITEM NO. 104.7.1

M/s High Seas Trading Corporation, Kandla SEZ for permission for Export without de-stuffing Import Cargo.

M/s Highseas Trading Corporation, KASEZ, is an approved unit for trading activity of all items of Engineering goods, Heavy Equipments & Plants, Bulk Chemicals & Other Chemicals and General Merchandise

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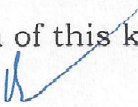
Trading in Kandla Special Economic Zone vide Letter of Approval No. F.No. KASEZ/IA/05/2005-06 dated 28-04-2006 amended from time to time. The validity of their LoA is up to **20-07-2021**.

The unit has informed that they will be importing Cold Rolled Stainless steel coils bearing HS code 72193190 and 72193390 weighing 14 to 16 MTs approx. They had then requested to export the goods in the same container in which they imported, as unloading the goods from Container would cause damage of the cargo.

The unit had earlier made similar request, the request was considered as a special case after deliberation in the 101st UAC held on 14.09.2016 and permission of exports without de-stuffing of import cargo was granted for one consignment and the DC was to discuss this issue at Delhi with other DCs and to brief UAC about the said discussion.

The Chairman stated that he has discussed this issue with other Development Commissioners during the DCs meeting held on 15.09.2016. This kind of practice of exporting the goods in the same container imported without unloading the goods in the Zone is not found to be in practice in any other Zone.

The Approval Committee discussed the issue thoroughly and found that this kind of practice of importing and exporting in same container without unloading is not prevalent in any SEZ. Therefore, the Approval Committee decided to dissuade such kind of practice and accordingly rejected the proposal. The Approval Committee was informed that part of consignment has already arrived. The Approval Committee decided to permit the said consignment of one or two containers that have already arrived. However, no further permission of this kind shall be permitted.



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AGENDA ITEM NO. 104.7.2

M/s. Zest Marine Services Pvt. Ltd., KASEZ for Renewal of LOA for Trading Activity

M/s. Zest Marine Services Pvt. Ltd., KASEZ is an approved unit for trading activity for lubricants, marine chemicals, wire ropes and plastic ropes, hatch sealing tapes, ship spares, paints and navigation equipment for ships vide letter F.No. KASEZ/IA/016/2010-11/7250 dated 12.08.2010. Later vide letter F.No. KASEZ/IA/016/2010-11/11978 dated 01.11.2013, this office has approved their request for trading activity of Cigarettes and filter cigarettes of various brands in their existing trading LoA. The validity of LoA was valid upto 03.08.2016.

Now, the unit have requested for renewal/extension of their LoA for further period of five years.

The request of the unit is covered under Rule 19(6) of SEZ Rules, 2006. However, the case is placed before UAC as trading activity of cigarettes and filter cigarettes was allowed.

Shri Sharad Shetty, Director of the company appeared before the Approval Committee and explained their proposal.

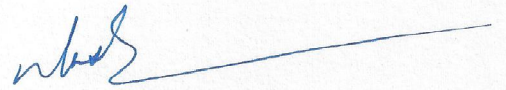
Shri Shetty informed the Committee that although they have got approval for trading of Cigarettes and filter cigarettes of various brands in their existing trading LoA but since approval of the said items they have not made any transactions in cigarettes. He further informed the Committee they do not intend to renew the trading of the aforesaid items.

The Approval Committee after due deliberation decided to renew their LoA for further period of 5 years for trading activity for lubricants, marine

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chemicals, wire ropes and plastic ropes, hatch sealing tapes, ship spares, paints and navigation equipment for ships as approved in their LoA dated 12.08.2010 except trading activity of Cigarettes and filter cigarettes of various brands as also requested by Director of the company in the meeting.

The meeting ended with vote of thanks of the chair.



(UPENDRA VASISHTH)

Development Commissioner