

Minutes of the 98th Unit Approval Committee Meeting of Kandla SEZ held on 21.06.2016 at 12:00 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

Following were present:

1. Shri. Rajesh Kumar : Joint Development Commissioner, (I/C) KASEZ.
2. Shri. Pradeep Sharma : Assistant Commissioner, Customs, Kandla, Gandhidham
3. Shri.R.R.Virda, : Assistant Executive Engineer, GPCB, Kutch(East)
4. Shri. R. G. Khairkar : Foreign Trade Development Officer, Rep. of DGFT.
5. Shri.Dilip Kumar : Income Tax Officer, Income tax Office, Gandhidham
6. Shri.M.U.Sumra : Industries Inspector, D.I.C, Bhuj

Absentees:-

1. Director (Banking)
2. SDM

Review/Confirmation of the minutes of last meeting (96th UAC) of the Approval Committee:-

Minutes of the last meeting of Approval Committee was confirmed.


98.1 NEW PROPOSALS TO SET UP UNITS IN KASEZ

AGENDA - Item No.98.1.1:-

M/s. Shri Lal Mahal Limited

Their proposal is for setting up *Manufacturing Activity for processing of agro products and Pan Masala and churn of Pan and items attached as per Annexure-I*, in Kandla SEZ, Gandhidham.

Shri. Anil Nair, Director and Shri.B.P.Sharma, Advisor, of the company appeared before the approval Committee and explained their proposal. They assured the approval Committee that they do not intend to import any restricted item including fresh ginger, poppy etc. and that they will import only those items which are freely importable. They don't have any plan for any DTA clearance of their goods and they will export the entire products. They also confirmed that their manufacturing products Pan Masala and churn of Pan shall not contain tobacco and nicotine. They will not procure from DTA or import any item of tobacco or nicotine for manufacturing of Pan Masala and churn of Pan.



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The Approval Committee after due deliberation approved the proposal Subject to standard terms and conditions. IT was also noticed by the approval Committee that they will be importing Betal Nuts (Supari), for which are not permitted by the Approval Committee in case of tobacco and Pan Masala manufacturing unit, the issue of imports of Betal nuts is already in the subsequent agenda item (98.4.1). The permission to import Betal nuts by the unit will be subject to compliance to the decision taken in agenda item 98.4.1.

98.1.2. M/s. Vimal Trading.

Their proposal is for setting up a unit in Kandla Special Economic Zone for a Warehousing services.

Shri.Vijay Udaysingh, proprietor, of the company appeared before the approval committee. He informed that they intend to import plastic floor sweepings and granules, OGL items and other Electronic goods. He further informed the committee that he is in touch with some foreign clients for warehousing of the above products.

The Approval Committee after due deliberation approved the proposal subject to standard terms and conditions and no restricted items will be imported.

98.2 Broad banding request of M/s. Consolidated Cobalt

98.2.1 M/s Consolidated Cobalt Chemicals Limited

They are an existing unit in the SEZ for manufacturing of Cobalt Salts, Ceramic Colours and stains, Magnesium Nitrate, Hexahydrate, Borax Decahydrate. Their present application is for approval of warehousing service activity for items not covered under restricted category

Shri.Kishor Shah and Shri. Kamlesh Shah, Directors of the company appeared before the approval committee. They informed that they intend to carry out the warehousing service activity in their existing premises. Shri.Kishor Shah, informed that they have two premises in the Zone which are separate from one another and one of these premises will be utilised separately for the warehousing unit.

However, the Unit Approval Committee informed that the warehousing activity cannot be mixed up with their existing activity in the same premises, and that they should apply for separate LoA issued for Warehousing Service Activity for which separate space should be earmarked.

The Approval Committee after due deliberation advised the representative to apply for new LoA for warehousing activity.

The Approval Committee also decided that units having LoA for manufacturing activities, henceforth will not be given Broad banding permission for warehousing activities.



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98.3:- MISCELLANEOUS REQUEST

98.3.1:- M/s Unitrade World

Their application is for intimation regarding change in Partnership of the firm.

The approval Committee approved and decided to take it on record, the Change of partnership of the unit.

98.4:- TABLE AGENDA

98.4.1 : Review of LoA condition, permission to import Betul Nuts for manufacturing of Gutkha, Pan Masala etc. to some manufacturing units.

Approval Committee observed that there is disparity in Letter of Approval issued to manufacturers of Gutkha, Pan Masala, Khaini etc. as for some units import of Betal nuts were restricted whereas in some units who were earlier issued with LoA to manufacturers of Gutkha, Pan Masala, Khaini etc such condition was not imposed .

It was pointed out that Arecanuts/Betal nuts/Supari are freely importable item. However, since there is huge difference in Customs duty depending on the source of country from which it is imported, it was decided that units which are allowed to import Supari should ensure following:

1. Import & consumption should be commensurate with the production and export. For this, they should submit a quarterly report to the Office of the Development Commissioner.
2. No job work permission will be granted for Arecanuts/Betal nuts/Supari to be taken out of the Zone and no DTA clearance or disposal of Supari or its waste/dust will be permitted.
3. The dust of Kernel or waste of betel nut, not fit for consumption, can be permitted to be taken out to the disposal site approved by GPCB under KASEZ Customs escort. For this, specific case to case permission has to be sought from the Deputy Commissioner of Customs, KASEZ.

It was also decided that units issued LoA for manufacturing of Pan Masala, Gutka etc. with the condition of no import of Betal nuts /Supari may also be allowed to import Betal nuts subject to above condition on their specific request to D.C.

98.4.2. Easy Warehousing

Approval Committee observed that M/s Easy Warehousing Pvt. Ltd., has violated the condition of LoA issued to them by giving their shed to M/s Om Siddh Vinayak Impex Pvt. Ltd, a unit dealing with used cloths for storage of their goods since 15-07-2010 and have intimated the commencement of their commercial activities on the strength of the aforesaid subletting, which was not permissible.



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The Approval Committee after deliberation directed the Development Commissioner to take action as per provisions of FT(D&R) Act, 1992, as amended.

98.4.3. Regent Ropes

The Committee observed that their proposed raw material for imports are plastic powder and Lump having ITC Code 3901 and 3902. They also observed that the representative while explaining his proposal in the 97th UAC had committed that they will import only OGL items and no restricted items will be imported. Committee noted that the goods intended to be imported by the unit is are virgin plastic items and not the Plastic waste included in Schedule VI of Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016.

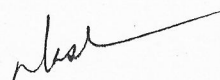
Therefore the Committee after due deliberation ratified the decision taken in the 97th Approval Committee meeting.

98.4.4:- Monitoring of Policy for Plastic Scrap recycling units

The approval Committee observed that 15 plastic recycling units have not yet submitted their data required for monitoring minimum physical export obligation of not less than 40% of the total annual turnover as imposed in their LoA even after repeated reminders issued to them. As decided in the 92nd UAC, the data regarding physical export of above 15 plastic recycling units collected from NSDL site were presented before the Approval Committee. The Approval Committee after going through the said data observed that none of the 15 units have achieved the condition of 40% physical export as envisaged in their LoA condition.

The Committee after due deliberation directed the D.C's office to issue Show Cause Notice to all 15 units based on export data collected from NSDL site under provision of FT(D&R) Act, 1992, as amended.

The meeting ended with vote of thanks of the chair.



(Upendra Vasishth)
Development Commissioner