

Minutes of the 99th Unit Approval Committee Meeting of Kandla SEZ held on 07.07.2016 at 12:00 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

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**Following were present:**

1. Shri. Krishan Kumar : Joint Development Commissioner, KASEZ.
2. Shri. Pradeep Sharma : Assistant Commissioner, Customs, Kandla, Gandhidham- Representative of Commissioner of Customs Kandla.
3. Shri. R. G. Khairkar : Foreign Trade Development Officer, Rep. of Jt. DGFT, Rajkot.
4. Shri. Dilip Kumar : Income Tax Officer, Income tax Office – Representative of Additional Commissioner of Income Tax.
5. Shri. R.R. Virda, : Assistant Executive Engineer, GPCB, Kutch (East) Gandhidham

**Absentees:-**

1. Director (Banking)
2. SDM
3. Representative from DIC, Bhuj

**Review/Confirmation of the minutes of last meeting (98<sup>th</sup> UAC) of the Approval Committee:-**

Minutes of the last meeting of Approval Committee was confirmed.

**99.1 NEW PROPOSALS TO SET UP UNITS IN KASEZ**  
**AGENDA – Item No. 99.1.1**

**M/s Kamna Tobacco Private Limited**

Their proposal is for setting up a unit in Kandla Special Economic Zone for manufacturing Activity of the following items:

Sl. No.	Items	ITC (HS) Code
1	Spit Tobacco (Khaini)	24039910
2	Gutkha	24039910
3	Pan Masala	21069020
4	Filter Khaini	24039910
5	Zarda	24039930

Shri. Surendra Chhajer, Director, Ritesh K Patawari. Marketing Head Exports and Shri. R.R. Dave, Consultant, appeared before the approval Committee to explain their proposal.

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They briefed the approval committee, their experience in the field of manufacturing of above products. They explained that they had a unit in Silvassa and that due to Governments policy they had stopped the production at Silvassa unit. They have ready export orders in hand. On inquiry from the Approval Committee about funding of their project, they informed that they have funds of approx. 1 crore in their bank account for funding the project. The approval Committee apprised them that the permission for manufacturing of tobacco products for export is only till September 2016 and if the Government of Gujarat does not extend the permission, their LoA will be cancelled, to which they agreed.

The approval Committee also informed that imports of Betal nuts will not be allowed and No DTA sale of any goods will be permitted .

The Approval Committee after due deliberation approved the proposal subject to standard terms and conditions for such units which include no DTA sale / clearance of any goods and no import of betel nuts (Supari).

## **99.2 BROAD BANDING REQUEST IN EXISTING LETTER OF APPROVAL**

### **AGENDA – Item No. 99.2.1**

#### **M/s Om Shiva Products Inc.,**

M/s Om Shiva Products Inc., KASEZ is an approved unit for manufacturing activity of following items :-

<b>Sl. No.</b>	<b>Name of the Item</b>	<b>ITC(HS) Code</b>
1	Pan Masala	21069020
2	Pan Masala containing Tobacco (Gutkha)	24039990
3	Zarda	24039910
4	Khaini	24039930

The proposal was for Broad Banding and addition of following items for trading activity:

<b>Sl. No.</b>	<b>Items requested for Trading activity</b>	<b>ITC HS Code of items requested for Trading activity</b>	<b>Description shown in DGFT Website</b>	<b>Export Policy</b>	<b>Import Policy</b>
1	Edible Katha	14049050	Indian Katha	Free	Free
2	Food Grade Flavour	21069060	Food Flavoring Material	Free	Free

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3	Non Alcoholic Fragrance	33029090	Mixtures of odoriferous substances and mixtures(including alcoholic solution) with a basis of one or more of these substances, of a kind used as raw materials in industry; other preparations based on odoriferous substances, of a kind used for the manufacture of beverages	Free	Free
4	Betel nut	08028010	Whole	Free	Free (Import permitted freely, provided CIF value is Rs. 35/- per Kilogram and above)
5	Light Food Grade Magnesium Carbonate	28369920	Magnesium carbonate	Free	Free
6	Ayurvedic Herbs	33019031	Attars of all kinds in fixed oil base	Free	Free
7	Machinery Items	84748090	Machinery for sorting, screening, separating, washing, crushing, grinding, mixing or kneading earth, stone, ores or other mineral substances, in solid(including powder or paste) form; machinery for agglomerating, shaping or moulding solid mineral fuels,	Free	Free

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			ceramic paste, unhardened cements, plastering materials or other mineral products in powder or paste form; machines for forming foundry moulds of sand: Other machinery		
8	Packing material	39201019	Plastics other plates, sheets, film, foil and strip, of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other minerals	Free	Free
9	Edible Veg Oil	15162091	Edible Grade	Free	Free
10	Slaked Lime Powder	25221000	Quicklime	Free	Free

Shri. Devang Mehta, Authorised Signatory appeared before the approval committee and explained his proposal.

The Approval Committee observed that no broad banding of panmasala manufacturing unit with other products be permitted, as it would be difficult to monitor 'no DTA sale' condition for Gutkha, etc., and will thus vitiate the said condition.

The approval Committee after due deliberation did not approve the units request for broad banding for trading activity. However, the UAC permitted Manufacture of Flavoured Betel Nut with the condition that no import of Betel Nut will be allowed and flavoured betel nut will only be exported. Regarding trading, the unit was advised to apply for a separate unit and come with list of such items only for which they have orders specifically.

**AGENDA- Item No.99.2.2 :-**

**M/s Zug Bearing Private Limited :-**

M/s Zug Bearing Private Limited, KASEZ is an approved unit for manufacturing activity and trading activity of Industrial and Automobiles Use Bearings.

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The units request is for broad banding and addition of Warehousing Service Activity in their existing LoA.

None of the representative appeared before UAC. However, the UAC discussed the issue. After due deliberation, the UAC opined that, a Committee formed in this regard is already working on various issues of warehousing units and this issue can only be decided after receipt of report from the Committee. Therefore, the proposal is deferred.

### **99.3. MISCELLANEOUS MATTERS**

#### **AGENDA ITEM 99.3.1**

##### **M/s GKN Enterprises**

Request of M/s GKN Enterprises, KASEZ, for broad banding and addition of manufacturing of Melamine Formaldehyde Resins to their Letter of Approval was approved in the 97<sup>th</sup> Approval Committee meeting.

However, in the meantime, Melamine Formaldehyde Resins, vide Notification G.S.R No. 395 (E) dated 04-04-2016 issued by the Ministry of Environment, Forest and Climate Change have been classified in Schedule VI of Hazardous & Other Wastes (Management & Transboundary Movement) Rules 2016 (B3010) under prohibited category. Therefore, the UAC unanimously decided to withdraw the approval granted in 97<sup>th</sup> UAC.

#### **AGENDA ITEM 99.3.2**

##### **M/s India International**

M/s India International, KASEZ has been approved unit for Warehousing and Service Activity for Sulfolane, Dimethyl disulfide, Heat Transfer Fluid / Salt, Di-isopropanol amine, MDEA (Methyl Diethanolamine), MEA (Mono Ethanolamine), Dyes, Intermediates and Pigments, Disposable Surgical Products, vide LoA No. KASEZ/IA/001/2010-11 dated 28-04-2010. The validity of their LoA was upto **10-05-2016**. The LoA was submitted for renewal.

However, it was observed that the unit has calculated NFE based on Import / export figures which is applicable for trading unit. In case of warehousing unit, NFE is on account of rent charged in Foreign Currency. In this regard the unit was earlier informed to appear before the Joint Development Commissioner. The representative of the unit appeared before the Joint Development Commissioner and had explained that the LoA has been issued for 'Warehousing & Services' which includes trading also (Services include trading).

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None of the representative appeared before the UAC.

The issue was discussed in the approval Committee.

The Committee noticed that, initially their proposal was deferred in the 11<sup>th</sup> Meeting held on 09-03-2010 as the agreement with Adar Group was for Warehousing, only and the application was for Trading activity. Later on in the meeting held on 06-04-2010, their proposal has been accepted for warehousing services.

Therefore, the contention of the unit was not accepted by the Approval Committee and the Committee noted that LoA has already been extended for warehousing and decided to call the unit representative for personal hearing in its next Approval Committee meeting. The Committee also decided that the party may be informed that till the issue is resolved, they should not do any Trading Activity.

#### **SUPPLEMENTARY AGENDA**

#### **99.4 NEW PROPOSALS TO SET UP UNITS IN KASEZ SUPPLEMENTARY AGENDA – Item No. 99.4.1**

#### **M/s Tully Promoter & Infrastructure Private Limited**

Their proposal is for setting up unit in Kandla Special Economic Zone for manufacturing Activity of the following items:

Sl. No.	Items	ITC (HS) Code
1	BOPP Tape	39199090

The unit made following projections:

- |       |                             |                     |
|-------|-----------------------------|---------------------|
| (i)   | Investment in Capital Goods | = Rs. 130.00 Lakhs  |
| (ii)  | FOB value of Exports        | = Rs. 4300.00 Lakhs |
| (iii) | NFE                         | = Rs. 1570.00 Lakhs |

Shri. Sukhbir Singh, Vice President, of the unit appeared before the approval Committee to explain his proposal. He also explained that they have entered into understanding with two units in Dubai for supply of these products.

The Approval Committee after due deliberation approved the proposal.

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**SUPPLEMENTARY AGENDA – Item No. 99.4.2**

**M/s. Zip Zap Exim Pvt. Ltd.,**

Their proposal is for setting up a unit in Kandla Special Economic Zone for trading activity of approximately 368 items.

Shri. Gaj Raj Singh Baid Director and Shri. Saboo George, General Manager, of the unit appeared before the approval Committee and explained their proposal.

The Approval Committee observed that the unit had requested for permission for trading of many items. They were not able to explain their exact business plan. It was also noticed by the approval Committee that the party had shown very minimum investment of Rs.5 lakhs in their project, whereas, they intend to trade 368 items. The UAC therefore asked the party to submit a clarification on this.

The Committee advised the representative to come forward with specific items with 6 digit ITS (HS) code which they intend to trade. The unit was also asked to submit documentary evidence of business in hand by way of purchase order. They were also requested to submit a brief of their experience in the field.

The Approval Committee after due deliberation deferred the proposal.

**TABLE AGENDA**

**99.5 NEW PROPOSALS TO SET UP UNITS IN KASEZ**

**TABLE AGENDA – Item No. 99.5.1**

**M/s. Consolidated Cobalt Chemicals Limited**

**M/s Consolidated Cobalt Chemicals Limited** has filed an application for setting up a warehousing service activity unit in Kandla Special Economic Zone under Rule 18(5) of SEZ Rules, 2006. The promoter of the project is already having an approved unit for manufacturing of Cobalt Salts, Ceramic Colours and stains, Magnesium Nitrate Hexahydrate, Borax Decahydrate.

The Committee observed that, the unit had applied for separate LoA for warehousing as advised in the 98<sup>th</sup> UAC.

After deliberation the approval committee approved the proposal.

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**TABLE AGENDA – Item No. 99.5.2**

**Transfer of M/s MGA & Associates, KASEZ under Rule 74-A**

Their request is for permission to transfer their business, including Unit I & II, in the name of Shri Gulab Gidwani and Mrs. Rahika Gidwani with same name & Style “MGA & Associates”, i.e. for taking over of M/s MGA & Associates under Rule 74 A, which would mean taking all assets and liabilities.

None of the representative of M/s MGA & Associates appeared before the approval committee, though, Mr. Gulab Gidwani appeared before the approval Committee. The Committee however, noted that a written letter of M/s MGA & Associates, KASEZ for transfer of their unit to Shri Gulab Gidwani and Mrs. Radhika Gidwani was available on the file.

The Approval Committee observed that both the units have similar address. The Committee decided that there is no objection to transfer LoA of M/s MGA & Associates (Unit-I), as the said unit is operational since 2003. However, in case of Unit-II, presently it is not eligible for transfer because it has not completed two years as on date of transfer which is a precondition under Rule 74A. Therefore, this decision was informed to Shri. Gulab Gidwani.

The Approval Committee decided to defer the case.

The meeting ended with vote of thanks of the chair.



**(UPENDRA VASISHTH)**  
Development Commissioner