

Minutes of the 129th Unit Approval Committee Meeting of Kandla SEZ held on 17.05.2018 at 11:30 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

Following were present:

1. Shri. Satyadeep Mahapatra : Joint Development Commissioner, KASEZ.
2. Shri. S. C. Sahoo : Assistant Commissioner, Customs, Kandla, Gandhidham-Representative of Commissioner of Customs Kandla.
3. Shri. Prakash Buldak : Income Tax Officer, Gandhidham.
4. Shri. Kanak Der : General Manager, DIC, Bhuj.

Absentees:-

1. Director (Banking)
2. SDM
3. Jt. DGFT

Review/Confirmation of the minutes of last meeting (128th UAC) of the Approval Committee: -

Minutes of the last meeting of Approval Committee was confirmed.



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129.1 NEW UNIT APPLICATION

AGENDA ITEM NO. 129.1.1

Application for setting up a manufacturing unit in KASEZ by the M/s. Guruji International, House No. 464, Model Town, Panipat, Haryana – 131 001

Their proposal is for setting up a unit for manufacturing of Plastic pre-processed Crushing/Granuels from Pet Bottles wastes in Kandla SEZ, Gandhidham.

Shri. Mohinder Kumar, authorised representative of the unit appeared before the Approval Committee and explained their proposal.

Shri Mohinder Kumar stated that they will import plastic bottles from Asia, Australia and Vietnam and after cleaning/segregation and crushing in machine after making granules, the same will be exported. He further informed that they will import pet bottle grindings and there will be 100% exports and most of the exports will be China. They will make investment in plant and machinery to the tune of Rs. 2.5 crores and will employ 300 persons.

The Committee noted that plastic bottles waste are presently prohibited items for import under ITC (HS) and that proposal involved is primarily reprocessing of imported plastic waste and scrap which in terms of Rule 18(4)(a) cannot be considered for approval. Accordingly Approval Committee after due deliberation decided to reject their proposal.

AGENDA ITEM NO. 129.1.2

Application for setting up of a unit in KASEZ namely M/s Apple Textiles, H. No. 148, Sector-7, Gohana, Distt.:- Sonipat, Haryana 134 301

Their proposal is for setting up a manufacturing unit of for segregation / reprocessing of imported old and used clothes.

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The Committee after due deliberation rejected the proposal as it noted that the proposed activity comes under the purview of Rule 18(4)(c) of SEZ Rules, 2006, as import items included second hand materials such as old and used clothes and its reprocessing, which is not permissible for setting up any new unit .

AGENDA ITEM NO. 129.1.3

Application for setting up of a unit in KASEZ namely M/s Apple Enterprises, H. No. 148, Sector-7, Gohana, Distt.:- Sonipat, Haryana 134 301

Their proposal is for setting up a manufacturing unit of Plastic pre-processed agglomerates/granules and trading of Plastic pre-processed agglomerates/granules.

The Committee after due deliberation rejected the proposal as it noted that the proposed activity comes under the purview of Rule 18(4)(a) of SEZ Rules, 2006, as import items included second hand materials such as plastic waste scrap and its recycling, which is not permissible for setting up any new unit.

129.2 REQUEST FOR BROADBANDING

AGENDA ITEM NO. 129.2.1

Request for broad banding of additional items in their existing Letter of Approval/Permission No. KASEZ/IA/04/2009-10 dated 10.06.2009 of M/s Zetts Cosmetics Pvt. Ltd., KASEZ.

M/s. Zetts Cosmetics Pvt. Ltd., KASEZ is an approved unit for manufacturing cum trading activity for Essential Oil/Perfumery Products/Cosmetics & Toiletries Preparations, Preparation for Oral or Dental Hygiene, Perfumes/Toilet Waters and Odoriferous Materials (under Chapter 33 of Customs Tariff) vide letter F.No. KASEZ/IA/04/2009-10/2826 dated 10.06.2009, as amended. Their LoA is valid upto 13.12.2021.

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The said unit has now requested for Broad Banding of their LoA for manufacturing activity for following additional items: -

Sl. No.	Item	ITC (HS) Code
1.	Candles	3406 0010
2.	Floral Candle Sticks	3307 4100
3.	Diffusers	3307 4100
4.	Deo Spray	3307 2000

The Approval Committee after due deliberation decided to approve the broad-banding of Manufacturing Activity of above items in their existing LoA.

AGENDA ITEM NO. 129.2.2

Request for broad banding of trading of yarns & fabrics (Tariff code 5208-5212, 5512-5516 & 5401-5408) in their existing Letter of Approval/Permission No. KASEZ/IA/02/2004-05 dated 13.05.2004 of M/s Strands Textiles Pvt. Limited, KASEZ.

M/s Strands Textiles Pvt. Limited, Plot No. 270/271, Sector-IV, Kandla Special Economic Zone, Gandhidham is an approved unit for **Manufacturing activity** of processing of Cotton Yarn (40 lakh Kgs), Woven fabrics of Cotton (35 lakhs Mtrs), Readymade Garments and made-ups, Wiping cloths and **trading activity** of Virgin/ Regenerated Polymers, Raw Cotton (ITC HS CODE:5201/5202/5203), Readymade Garments (ITC-HS Code-6201 to 6217) & Made-Ups (ITC-HS Code -6302 to 6308) vide Letter of Approval No. KASEZ/IA/02/2004-05 dated 13.05.2004 as amended/extended from time to time. Their LoA is valid up to 11.04.2021.

The said unit has now requested for broad banding of trading of yarns & fabrics (Tariff code 5208-5212, 5512-5516 & 5401-5408) in their existing Letter of Approval.

The Committee noted that in the 116th UAC meeting held on 19.07.2017, the Committee decided that henceforth no broad-banding of

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Trading & Warehousing will be approved with manufacturing activity. In line with the decision of Committee, the Approval Committee as such has no objection of above items to be included for trading. Therefore, the Committee decided that a separate LoA may be issued to M/s. Strands Textiles Pvt. Ltd. (Unit-II) for trading activity incorporating the earlier trading permissions already granted and further decided to approve the above broad-banding of trading of yarns and fabrics in the Trading LoA to be issued subject to the condition that separate area/space is earmarked by the unit with a separation distinguishing both the manufacturing and trading units.

129.3 MISCELLANEOUS ITEMS

AGENDA ITEM NO. 129.3.1

Application for setting up of a unit in KASEZ namely M/s Sequel Logistics Pvt. Ltd., 431, Chetan Society, Bopal Ghuma Road, Ahmedabad, Gujarat, India - 380058.

The Committee noted that their proposal was discussed in the 127th UAC meeting held on 11.04.2018 and the Approval Committee after due deliberation had decided to defer the proposal as the proposal involves handling of precious metals and directed the O/o. DC, KASEZ to depute a team to Sricity SEZ to study the functioning of vaults, entry & exit and security arrangement and submit its report before the Committee.

The team consisting of JDC, KASEZ and AO(IA-I), KASEZ visited Sricity SEZ on 14.05.2018 and studied the vaulting system and security arrangement for similar precious metals there and report was put up the Approval Committee. The Approval Committee after discussion decided that in-principle they agree to permit such proposal. However, the applicant may be invited for further discussion in the next UAC as some logistics and legal issue are yet to be discussed like securitisation of the cargo from gateway port to the SEZ, fixing of duty liability on the security agency, their business

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model being tripartite and similar other logistics issue which requires to be understood. The proposal was thus deferred till the next UAC meeting.

AGENDA ITEM NO. 129.3.2

Request of M/s. V. Milak Enterprises, KASEZ for Import of Precious Metals under Warehousing Approval.

The Committee noted that their proposal was discussed in the 123rd UAC meeting held on 16.01.2018 and the Approval Committee after due deliberation had decided to defer the proposal as the proposal involves handling of precious metals and directed the O/o. DC, KASEZ to depute a team to Sricity SEZ to study the functioning of vaults, entry & exit and security arrangement and submit its report before the Committee.

The team consisting of JDC, KASEZ and AO(IA-I), KASEZ visited Sricity SEZ on 14.05.2018 and studied the vaulting system and security arrangement for similar precious metals there and report was put up the Approval Committee. The Approval Committee after discussion decided that in-principle they agree to permit such proposal. However, the applicant may be invited for further discussion in the next UAC as some logistics and legal issue are yet to be discussed like securitisation of the cargo from gateway port to the SEZ, fixing of duty liability on the security agency, their business model being tripartite and similar other logistics issue which requires to be understood. The proposal was thus deferred till the next UAC meeting.

The meeting ended with vote of thanks of the chair.



(UPENDRA VASISHTH)
Development Commissioner