

**Minutes of the 50<sup>th</sup> Approval Committee Meeting of Kandla SEZ, held on 27<sup>th</sup> January, 2012 at KASEZ office, Gandhidham, under the Chairmanship of Shri Pravir Kumar, IAS, Development Commissioner, KASEZ**

Following were present:-

1	Shri C.J. Maniar,	Addl. Commissioner, Income Tax
2	Shri B. Pattanaik,	Jt. Development Commissioner, KASEZ
3	Shri Saurabh Kumar,	Asstt. Commissioner, Kandla Customs

Absentees:

- (1) Director (Banking)
- (2) Asstt. Collector/SDM
- (3) Jt. DGFT
- (4) GM, DIC
- (5) RO, GPCB

**50.0 Review/confirmation of the minutes of last meeting of the Approval Committee:**

Minutes of the last meeting of the Approval Committee were confirmed.

**50.1 DEFERRED CASES (Deferred in the 48<sup>th</sup> UAC meeting held on 13.9.2011).**

All the following proposals, except that of M/s Sunrise International, were deferred in the 48<sup>th</sup> UAC meeting, as the Addl. Commissioner, Customs, Kandla had asked for some time to examine the matter, as some of the items/products to be handled by these prospective units attracted Anti-dumping duty and there were strong apprehensions of diversion of these items/products in DTA, in the absence of sufficient safeguards and testing facilities in KASEZ:

- 50.1.1 M/s. Ketul Chem Pvt. Ltd.
- 50.1.2 M/s. Somaiya Agencies Pvt. Ltd. Mumbai.
- 50.1.3 M/s. Sunrise International, KASEZ.
- 50.1.4 M/s. Monarch Infraprojects Pvt. Ltd. Indore
- 50.1.5 M/s. Trigon Antioxidants Pvt. Ltd. Mumbai

The proposal of M/s Sunrise International was deferred because the promoter had not turned up.

The proposals were considered afresh in the current meeting. During detailed discussion, it was apprehended that there were ample chances of mis-declaration and diversion of items/products that were prohibited, restricted or goods that attracted anti-dumping duties, as the SEZ Act & Rules provided for clearance of import and export of consignments on the basis of self-certification by the units. Further, KASEZ has no technical expertise or facility like chemical laboratory etc. for testing of chemical goods to test and determine the precise identity





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of such goods and confirm whether those items/products fell under the above mentioned categories.

Moreover, KASEZ is a land locked SEZ and the imported goods have to traverse over land/road before they enter KASEZ at the time of import and at the time of export from some Port or when being exported to some other neighboring country (SAARC countries) through land route. In some cases in the past, some warehousing units have asked for warehousing of restricted goods for its eventual export to SAARC nations. It was apprehended that these activities have strong likelihood and scope for revenue leakage and loss due to mis-declaration and diversion of goods into DTA, during its transport over the land route to countries like Nepal and Bhutan, and hence must be discouraged.

**Accordingly, after extensive discussions and after taking into account all the above mentioned factors into consideration, it was decided by the Committee that warehousing/trading in prohibited/restricted items and in goods attracting anti-dumping duties, should not be allowed.** The representatives of the above units were specifically told about these restrictions and they agreed to the decision of the Committee. With this condition/restriction, it was decided to approve all the above mentioned proposals.

**It was further decided by the Committee that the same conditions/restrictions (on warehousing and trading of prohibited/restricted and anti-dumping duty items/products) should be imposed on all the existing Warehousing/Trading units as well.**

**50.2 New Proposals:**

**50.2.1 M/s. Karmyogi Engineers.**

Their proposal was for setting up a unit for manufacture of Transport Tank (ITC HS Code 87049090), Storage Tank (ITC HS Code 73110090), S.S. Scrap (ITC HS Code 72042190) and M.S. Scrap (ITC HS Code 72041000) for polymer filled Compound and Master Batch. Representative of the unit appeared for interview and put forth the following:-

- They are already in the field of manufacturing of engineering products viz. pressure vessel, heat exchangers, chemical vessel, structural fabrication and also doing job work for KASEZ units.
- Project cost of Rs.185 lakh will be met from promoter's capital and unsecured loans from close friends and relatives.
- Area requirement 4500 sq. mtrs.
- Employment generation 35 men and 5 women.

Observation/clarification of the Committee:

- FOB value of exports projected for 5 year period was 4885.22 USD with NFE of 4772.86 USD.





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- They have deposited EMD of Rs.50,000/- for allotment of the premises in KASEZ. Allotment of premises will be considered separately, as per availability
- After due deliberations, the proposal was approved, subject to standard terms and conditions.

**50.2.2 M/s. Amrin Impex Pvt.Ltd.**

Their proposal was for setting up a unit for Service activity of Warehousing and Trading. Representative of the unit appeared for interview and put forth the following:-

- They are already operating a unit in KASEZ in the name and style of M/s. Anita Exports.
- They will provide warehousing services under Rule 18(5) and Rule 76 of SEZ Rules.
- Project cost of Rs.12 lakh will be met from promoter's contribution.
- No additional allotment is required and they will use their exiting premises of M/s. Anita Exports.
- Employment generation 20.
- Water requirement 1 KL/day.
- Power requirement 20 KVA.

Observation/clarification of the Committee:

- FOB value of exports projected for 5 year period was Rs.173 lakh with NFE of Rs.128 lakh.
- No premise is required for the project, as confirmed by the applicant as they will utilize the premises of their sister concern, i.e., M/s Anita Exports.
- The proposal was approved subject to standard terms and conditions and also subject to the conditions stipulated for cases at agenda item No.50.1 above.

**50.2.3 M/s. PPE Safety Pvt.Ltd.**

Their proposal was for setting up a unit for Trading of all types of Protective clothing, Apparels, Made ups, Work wears, Knitted Garments and Safety Apparels. Promoter of the unit appeared for interview and put forth the following:-

- They are already operating a unit in KASEZ in the name and style of M/s. ITM Safety Pvt. Ltd.
- Project cost of Rs.5 lakhs will be met from promoter's contribution.
- Requirement of 1050 sq.mtrs. of area for the project.
- Employment generation 13.
- Water requirement 1 KL/day.
- Power requirement 10 KVA.

Observation/clarification of the Committee:





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- FOB value of exports projected for 5 year period was Rs.5450 lakh with NFE of Rs.3815 lakh.
- They have deposited EMD of Rs.25,000/- for allotment of the premises in KASEZ. Allotment of premises will be considered separately, as per availability.
- After due deliberations, the proposal was approved subject to standard terms and conditions.

**50.3 Approval of list of goods in KASEZ in r/o M/s. Worlds Window Infrastructure & Logistics Pvt. Ltd. [Co-Developer]**

The Committee noted that they are approved as a Co-Developer for setting up a Free Trade Warehousing Zone in KASEZ over an area of approx. 25 acres. The Co-developer has submitted a list of goods required for their default authorized operations. The requirement of items and quantities has been duly certified by the chartered engineer. Accordingly, the list of goods in respect of M/s. Worlds Window Infrastructure & Logistics Pvt. Ltd. was approved by the Committee.

**50.4 Broad banding request in the existing LOA.**

**50.4.1 M/s. International Warehousing & Trading.**

M/s. International Warehousing and & Trading was approved for Warehousing, Service Activity and Trading activity. They have requested broad banding under warehousing activity for storing chemical and solvent falling under Ch. 27, 29 & 38 of ITC HS Classification. Vide their letter dated 19.01.2012, they have undertaken to carry out only warehousing activity on behalf of their overseas clients and hence no DTA sale is involved.

**After extensive discussions and after taking all the factors into consideration, it was decided by the Committee to re iterate their decision taken in respect of cases at agenda item no. 50.1 that warehousing/trading in prohibited/restricted items and in goods attracting anti-dumping duties, should not be allowed.** Accordingly, it was decided to approve the broad banding proposal of the unit for storing chemical and solvent falling under Ch. 27, 29 & 38 of ITC HS Classification, subject to the same conditions as per agenda item no. 50.1 above, wherever applicable.

**50.4.2 M/s. K.R. Steelunion Ltd.**

M/s. K.R. Steelunion Ltd. was accorded with LOA for Steel Processing and Machinery Processing and assembly. Now they have requested for permission for broad banding of items namely "Mild Steel Billets, Mild Steel Bars & Rods and Mild Steel Wire Rod coils under Chapter 7207, 7208, 7210 and 7212 of ITC HS Classification, which are listed as 'Free'. After due deliberation, the Committee approved the above broad-banding proposal subject to standard terms and conditions.





**50.4.3 M/s. Lizer Cylinders Ltd.**

M/s.Lizer Cylinders Ltd. was approved for manufacturing activity of High Pressure Seamless Gas Cylinders vide LOA dated 10/4/2006, as amended from time to time. Their LOA was broad-banded for trading activity of Cylinders, Automobile locks, CNG Regulator assembly and CNG kits and spares. Now they have requested for addition of items namely Batteries (including automotive/inverter) (ITC HS 85072000), parts and accessories of Motor Vehicles (all items of 8708 [except 87081010]). They have further submitted that all the items to be procured and exported are totally new and virgin and falling under "Free" category of the ITC HS classification.

After extensive discussions and after taking all the factors into consideration, it was decided by the Committee to re iterate their decision taken in respect of cases at agenda item no. 50.1 that warehousing/trading in prohibited/restricted items and in goods attracting anti-dumping duties, should not be allowed. Accordingly, it was decided to approve the broad banding proposals of the unit for Batteries (including automotive/inverter), parts and Accessories of Motor Vehicle subject to the same conditions as per item no. 50.1 above, wherever applicable.

**50.5 Ratification of broad banding/change of name permissions.**

**50.5.1 M/s. Hindustan Unilever Ltd.**

The Committee noted the permission granted by the Development Commissioner for change of name of "M/s. Hindustan Unilever Ltd." to "M/s. Unilever India Exports Ltd." and ratified the same.

**50.5.2 M/s. Swaaa Corporation**

The Committee noted the permission granted by the Development Commissioner for change in constitution of Partnership Deed as under:-

The names of the partners of the company hence forth will remain as M/s. Sangani Industries Pvt. Ltd., Shri Hanubhai Ramjibhai Sangani and Shri Kaushik Arvindbhai Sangani.

The permission was ratified by the Committee.

**50.5.3 Zug Bearings Pvt.Ltd.**

The Committee noted the broad banding permission given to M/s. Zug Bearings Pvt. Ltd. by the Development Commissioner for undertaking trading activity of items as mentioned in their LOA for specific period up to 31.03.2012 and ratified the same.





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**50.6 Monitoring and Review of Annual Performance Reports.**

- i) The committee noted that out of a total 185 units, 17 units had not submitted APRs. It was decided that SCN may be issued to these defaulting units.
- ii) The Committee decided that action may be initiated against those units who do not reply to the SCN.
- iii) It was noted that 24 units have failed to achieve positive NFE for the FY 2010-11. It was decided that SCN may be issued to these units as well.

Meeting ended with a vote of thanks to all present.



**(Pravir Kumar)  
DC, KASEZ**