

Minutes of the 51st Approval Committee Meeting of Kandla SEZ, held on 12th June, 2012 at KASEZ office, Gandhidham, under the Chairmanship of Shri Mahendra Jain, IAS, Development Commissioner, KASEZ

Following were present:-

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| 1 | Shri B. Pattanaik, | Jt. Development Commissioner, KASEZ |
| 2 | Shri Pramod Vasave, | Jt. Commissioner, Kandla Customs |
| 3 | Shri Ashish Porwal | Asstt. Commissioner, Income Tax |
| 4 | Shri B.B. Singh | General Manager, DIC |

Absentees:

- (1) Director (Banking)
- (2) Asstt. Collector/SDM
- (3) JLDGFT

51. Review/confirmation of the minutes of last meeting of the Approval Committee:

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

51.1 New Proposals to set up units in KASEZ:

51.1.1 Application for setting up of a unit in KASEZ namely M/s. Vigyan Chemicals Pvt. Ltd., New Delhi.

Their proposal was for setting up a unit for manufacture of Industrial Grade Potassium Chloride, All Grades. They require an area of 20,000 sq.mtrs. to implement the project. It was noted that initially they are going to make arrangements with SEZ units for warehousing till the allocation of space by the KASEZ Authority.

Representative of the unit appeared for interview and stated that their product is a chemical required for oil well drilling. These are normally not available in India. They will import the chemicals and blend them. The final product is called Drilling Muds. Value addition will be around 30-40%. They have an arrangement with Indian Potassium Ltd. They are already doing trading i.e. packing and export. However, they are planning to set up a manufacturing unit. Usage of potassium chloride is very high, which is used in medicines i.e low sodium salt. This is also used in fertilizer industry. However, they are going for industrial use and not for fertilizer. They have tied up with M/s. World Window for amount for some space. Project cost was stated to be around Rs.3 to 4 crores. They require an area of 40,000 sq.ft. for storage and remaining for

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manufacturing. Chairman informed them that about the non-availability of open land. However, stated that we have SDF. They have stated that SDF is too small and they require at-least one acre land for processing.

FOB value of Exports projected for 5 year period was Rs.81900 lakhs with an NFE achievement of Rs.28517.54 lakhs. Chairman further stated that as an SEZ we have to encourage unit to increase exports. It was noted that the application was seems to be a manufacturing proposal rather than warehousing and we can approve it with certain conditions. The proposal was approved in-principle subject to final allotment of space and also subject to compliance of Customs observations.

51.1.2 Application for setting up of a unit in KASEZ namely M/s. Tokyo Plast International Ltd. (Unit-II), Mumbai.

The proposal is to set up a unit for manufacture of Plastic Thermo ware/Insulated ware, Vacuum Flasks and Plastic Household articles. It was informed that they are already working in the Zone. Chairman asked wither the proposed project also to be implemented in the same premises. It was clarified that they propose to implement the same at different place.

FOB value of Exports projected for 5 year period was Rs.10732 lakhs with a NFE of Rs.6646 lakhs. Jt. Commissioner (Customs) stated that there is no restriction on the product. Proposal was, therefore, approved in-principle, subject to their taking premises in SDF building.

51.1.3 Application for setting up of a unit in KASEZ namely M/s. Kandla Infradevelopers Pvt. Ltd., New Delhi.

The proposal is to set up a unit for warehousing service and trading activity. Shri Mohit Choudhary, representative of the promoter came for discussions. The proposal was deferred, as the person was not able to clarify about their proposal.

51.1.4 Application for setting up of a unit in KASEZ namely M/s. K.P. Woven Pvt. Ltd., KASEZ, Gandhidham.

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The proposal is to set up a unit for manufacturing and trading of PP & HDPE Tarpauling, Woven fabric coated-uncoated, PP sacks, small bags, PP MF yarn, PP webbing filler Cord, FIBC PP Jumbo bags.

Shri Kishore Athankar, representative of the applicant firm came for discussions. He has stated that the Raw Material is PP virgin granules, which will be procured from Reliance, Jamnagar. No plastic scrap/waste will be imported. However, they will clear in DTA the waste arising out of the manufacturing process, on payment of applicable duties. They are operating from the Zone for more than 5 years and their last year's export was Rs.124 crores. They require an area of 15000 sq.mtrs. Chairman informed him about the non-availability of open space and stated that SDF is only an option. Mr. Kishore stated that SDF is not possible as their machinery cannot be installed in the SDF. As to whether any Customs case is there, it was stated that there is no custom case against them. The employment generation was stated to be 278 persons.

FOB value of exports projected for 5 year period was Rs.50,000 lakhs with NFE of Rs. 25,000 lakhs. It was noted that except for the space allotment, there is no other issues with the proposal per say. The proposal approved in-principle subject to availability of space.

51.1.5 Application for setting up of a unit in KASEZ namely M/s. Shiv Vaibhav Pillets, Kidana, Gandhidham.

The proposal is to set up a unit for trading activity of Wooden Pallets. Project cost was stated to be Rs.0.80 lakhs. Promoter came for discussions.

Since the promoter was not able to clarify the proposal, it was deferred.

51.2 Broad banding request in the existing LoA:

51.2.1 M/s. Gelkaps Sports Pvt. Ltd., KASEZ.

The proposal was for taking a decision about the ITS HS Classification, as their LoA was broad banded for trading activity of various items including Paintball Markers and the ITC HS of the item is mentioned as 95063900 in the permission letter. Representatives of the unit came for

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discussions. Chairman asked them to explain the issue. It was clarified that earlier "paintball markers" are cleared by the Customs under ITC HS 9506 39 00, as articles land equipment for general physical exercise, gymnastics, athletics, other sports or outdoor games, not specified or included elsewhere in this chapter; swimming pools and paddling pools. Now, the assessing officers wanted to classify it as "other arms, excluding those of heading 9307. Their representative stated they have received written statement from the Police Deptt. as well as Military that their product is not fall under the category of arms. They were asked to give a copy of the letters received from Police and Military department.

Jt. Commissioner (Cus) stated that this need not come up in the Approval Committee and stated that this should have been referred to them by the DC(Cus), KASEZ. It was, therefore, decided to refer the matter to Customs Kandla with an advice to clarify the matter without any delay.

51.2.2 M/s. Texool Wastesavers, KASEZ:

It was noted that M/s. Texool Wastesavers is an existing unit in KASEZ for manufacturing. Mr. S. Sajdeh came up discussions.

The present proposal is to produce bags and sacks from the old cloths. Chairman informed that as per the policy, while clearing in DTA, has to be in a form which cannot be put to use. Mr. Sajdeh stated they are seeking a broad banding to make sack and bags of various sizes out of the used clothing and the consumers will be pharmaceutical industry, agricultural, kirana merchant. There was an apprehension that the sacks and bags proposed to be manufactured out of old and used clothing does not appear to be fit for human use unless it is properly cleaned as the old and used clothing being received are fumigated and thus not fit for human use.

It was further discussed that they are asking for broad-banding permission on the same line of activity. Chairman decided to refer the matter to Ministry to give clarification in this regard.

51.3 Ratification of Broad banding/Change of name permissions:

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51.3.1 M/s. Rajswad Foods & Consumables Pvt. Ltd.

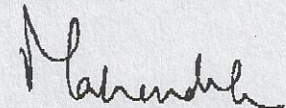
M/s. Rajswad Foods & Consumables Pvt. Ltd. was approved for manufacturing activity of Paper Cups from 100 to 400 ML for hot and Cold drinks, Paper Plates for food serve, Paper and coated paper lids for aluminum foil containers, disposable aluminum foil containers from 250 to 850 ML, etc.

Committee noted the permission granted by the Development Commissioner for change of name of "M/s. Rajswad Foods & Consumables Pvt. Ltd." to M/s. Global Cups & Consumables Private Ltd." and for change in the address of their registered office from "14A, Mahal Industrial Estate, Paper Box House, Mahakali Caves Road, Andheri E, Mumbai - 400 093" to "4th Floor, N.K. Mehta International House, 178, Backbay Reclamation, Mumbai - 400 020".

51.3.2 M/s. Transworld Furtichem Pvt. Ltd.

M/s. Transworld Furtichem Pvt. Ltd. is engaged in the manufacturing and trading activity of Fertilizers.

The Committee noted the broad banding permission given to them by the Development Commissioner for undertaking trading activity of packing materials i.e. HDPE Bags, Plastic Bags, PP Bags with PP Lincr, Packing Material of Plastics and calcium ammonium nitrate.



(Mahendra Jain)
DC, KASEZ