

Minutes of the 52nd Approval Committee Meeting of Kandla SEZ, held on 14th August, 2012 at 11.00 hrs. at KASEZ office, Gandhidham, under the Chairmanship of Shri Mahendra Jain, IAS, Development Commissioner, KASEZ

Following were present:-

1	Shri S.N. Patil	Jt. Development Commissioner, KASEZ
2	Shri Ashish Porwal	Asstt. Commissioner, Income Tax
3	Shri B.B. Singh	General Manager, DIC

Absentees:

- (1) Director (Banking)
- (2) Jt. Commissioner (Customs)
- (3) Asstt. Collector/SDM
- (4) Jt. DGFT

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

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

52.1 Deferred cases:

52.1.1 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. This was deferred in the last meeting as the person attended the meeting was not able to clarify about their proposal. Mr. Dharendra Kishore, Vice President attended the meeting. It was stated that M/s. Worlds Window Infrastructure and Logistics Pvt. Ltd. is the co-developer for setting up of FTWZ in KASEZ. M/s. Kandla Infradevelopers Pvt. Ltd. is a group company of the co-developer. As to what action has been taken to implement the FTWZ project, it was reported that they have taken all implemental action such as completed the boundary wall, land filling, electric poles, etc. They have also allotted land to M/s. Flamingo, to whom LoA has been issued by the DC. The FTWZ project was delayed because the construction of ODC gate is not yet completed. For the current proposal, the co-developer has been given NOC to provide 12138 sq.mtrs. space. It was stated that the entire project cost of Rs.20 lakhs will be met from share capital and internal accruals.

FOB value of exports projected for 5 year period was Rs.895 lakhs with NFE of Rs. 881.50 lakhs. The proposal was approved "in-principle" subject to availability/allotment of space.

52.1.2 Application for setting up of a unit in KASEZ namely M/s. Shiv Vaibhav Pilet, Gandhidham.

The proposal was deferred in the last meeting. 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 Mr. Ratan Singh Kharwad came for discussions. The proposal is for intra-zone supply of pallets and also for exports. However, the promoter could not explain how they are going to export their products. The promoter stated that he will utilize the area behind the canteen, which he is operating presently. It was felt that the area behind the canteen is not sufficient as they have to

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undertake the manufacturing of pallets, store the finished products, waste materials, etc., which will ultimately end up in utilization of setbacks into a covered area restricting free movement, which cannot be permitted. It was decided to reject the proposal.

52.2 New proposals:

52.2.1 Application for setting up of a unit in KASEZ namely M/s. Venus Petrochemicals (Bombay) Pvt. Ltd., Mumbai.

The proposal is to set up a unit for trading and refilling activity of chemicals and solvents. Mr. Anand Thakkar, Managing Director came for discussions. He stated that they are into the business since 1962 and agents of BPCL, HPCL, Cochin Refinery, etc. Presently they are into trading and also importing goods for trading. Investment is stated to be Rs. 50 lakhs and require an area of 6000 sq.mtrs. In the SEZ they propose import chemicals in bulk and store it and do drumming or refilling into small packages as per the requirement of their customers.

Chairman informed him that there is no availability of land at present and whether they will be able to do operation in the SDF. Mr. Thakkar stated that they have to make about 7 to 10 tanks of the capacity of 30 to 50T and hence operation from the SDF is not possible. They have agreed to wait in queue.

The Asstt. Commissioner (Income Tax) stated that in an earlier meeting the Customs have raised some objection in such proposals as some chemicals attract anti-dumping duty. It was therefore, decided to seek more clarification from the applicant as to what items they are going to trade to ascertain whether such chemicals attracts anti-dumping duty or not. The proposal was deferred.

52.2.2 Application for setting up of a unit in KASEZ namely M/s. Computerised Numerical Control India Pvt.Ltd.(Unit-II), Mumbai.

The proposal is to set up a unit for warehousing service activity. Mr. Rajesh Gangar, Managing Director came for discussions. They are an existing unit in the Zone manufacturing engineering components. Due to global recession, at present they are working as a supporting industry to the units like Praj, etc. in the Zone. They are NFE positive. He has stated that as per foreign clients requirement they will procure material, consolidate and export. It was stated that no additional allotment of premises is required and they will carry out the warehousing unit in area of about 3162 sq.mtrs. Project cost of Rs.25 lakhs was stated to be met from share capital and own contribution.

FOB value of exports for 5 year period is mentioned as Rs.160.80 lakhs with a NFE of Rs.160.80 lakhs. The project was approved subject to standard terms and conditions for the Warehousing Service Activity.

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52.2.3 Application for setting up of a unit in KASEZ namely M/s. Mysore Scents Company.(Unit-II), Mumbai.

The proposal is to set up a unit for warehousing service activity. Mr. Sanjay A.Ahuja came for discussions. They are an existing unit in the Zone manufacturing Agarbatties, Batti, Dhoop perfumery compound, aromatic chemicals, etc. and exporting to US, Europe, etc., mostly in their brand. On an average their export is about Rs.2 to 2.5 crores yearly. They are NFE positive. He has stated that as per foreign clients' requirement they will procure material, consolidate and export. It was stated that no additional allotment of premises is required and they will carry out the warehousing activity in Shed No.153 to 156. Project cost of Rs. 14 lakhs was stated to be met from share capital and own contribution.

FOB value of exports for 5 year period is mentioned as Rs.222.35 lakhs with a NFE of Rs.222.35 lakhs. The project was approved subject to standard terms and conditions for the Warehousing Service Activity.

52.3.1 M/s. N.P. Holdings, KASEZ.

M/s.N.P. Holdings is an existing unit in KASEZ for manufacturing and trading activity. Present request is for addition of items for trading activity of Chemicals. The applicant did not come for discussions. Committee noted that in the 50th Approval Committee, a decision was taken not to allow entry of the goods in the zone, which are restricted/prohibited or which attracts anti-dumping duty for warehousing and trading activity. It was decided to defer the proposal.

52.3.2 M/s. Gimpex Ltd., KASEZ:

M/s. Gimpex Ltd. is an existing unit in the Zone for manufacturing of processing of mill scale. Present proposal is for addition of items i.e. Iron Ores and Concentrate having concentration less than 64%. Iron Ore purity more than 64% is restricted. Mr. S.K. Saklani, General Manager appeared for discussion. It was stated that the raw material, in lump form, will be brought from Rajasthan and M.P. in truck loads. Capacity was stated to 1000 T/day. Process involved is cleaning by water and magnetic separation. The present activity of mill scale is underutilized and to utilize the plant fully they intend to undertake activity in iron ore within the existing facility. Chairman stated that this is a bulk commodity and will have a lot of environment implications and increase the load on the infrastructure and is not an ideal project inside the SEZ. He has, therefore, directed the applicant to re-consider and examine other options of taking up the project outside the SEZ. Deferred.

52.3.3 M/s.Milak Warehouse, KASEZ:

M/s.Milak Warehouse is an existing unit in KASEZ for "Trading Activity" and "Warehousing Activity" as amended from time to time. Mr.Virendra Milak and Mr. Vivek Milak came for discussions. They have stated that they had set up various facilities in the Zone and are old operators in KASEZ. They are undertaking various works on behalf of Unilever, Sandoz,

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Huntsman and many of the MNCs are in pipeline. For providing various services at one point, they want certain new services to be approved/broad banded and hence the present request. The present request is for broad banding for service activity such as

- (a) Clearing & Forwarding Agent (including services of Custom House Agent and Consultancy)
- (b) Back office support operations
- (c) Data processing
- (d) Photocopier
- (e) Call Centre services
- (f) Human resource services.
- (g) Transport services,
- (h) Services auxiliary to all modes of transport.

It was noted that services at (a) and (d) are not covered under service category under Rule 76. Therefore, it was decided to approve the proposal as per Rule 76 of SEZ Rules, except services at (a) and (d) above.

52.3.4 M/s.PPE Safety Ltd., Adipur:

It was noted that they are an existing LoA holder for Trading Activity. The present proposal is for permission for manufacturing activity of readymade garments, knitted garments, workwear and made-ups in addition to their existing LoA. Shri Shailendra Limbani, Director appeared for discussion. He has stated that they have tied up with some foreign company for FDI and have received 40,000 USD. Whether the trading activity has been started or not, he has stated that allotment of premises is not yet taken place and hence the activity has not been started.

The Committee approved the proposal in-principle, subject to standard terms and conditions and the space may be provided in the new SDF.

52.3.5 M/s.Euroline Shipping (I) Pvt. Ltd, KASEZ:

M/s. Euroline Shipping is an approved unit for trading activity. Promoter came for discussions. He has stated that they have just started the trading activity. As to why they have not started the activity earlier since the LOA was issued in 2009, it was stated that the allotment of premises was received late. The present proposal is for addition of warehousing activity to the existing LoA. It was stated that they do not require any additional allotment and they will carry out the warehousing activity in the existing premises. It was also informed that they are already operating in KASEZ and is in the used clothing sector and always maintaining positive NFE. The proposal was approved in-principle.

Chairman also stated that in future while processing the application of the existing units in the Zone, it should be ensured that whether there is any violation of set-backs, dumping of debris, cleanliness (up-keep), etc. may be ascertained and the same should be set right before putting the matter before the Approval Committee.

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52.4 Ratification of Broad banding/Change of name permissions:

52.4.1 M/s. Rama Cylinders Pvt. Ltd.

M/s. Rama Cylinders Pvt. Ltd. was approved for manufacturing activity of High Pressure Cylinders.

Committee noted the broad banding permission given to them by the Development Commissioner for undertaking trading activity of "High Pressure Cylinders and Accumulator Shells – Range OD 108MM to OD 406MM".

52.4.2 M/s. Harish Chaturani.

M/s. Harish Chaturani, is engaged in the Warehousing Service Activity.

The Committee noted the change of name granted by the Development Commissioner for change of name from "M/s.Harish Chaturani" to "M/s.Harish Processors Pvt. Ltd.(Warehousing Unit)".

52.4.3 M/s.Agni Motors, KASEZ:

M/s.Agni Motors is engaged in the manufacturing activity of Electric DC Motors.

The Committee noted the broad banding permission given to them by the Development Commissioner for manufacturing activity of "Parts and accessories of Electric DC Motors".

52.4.4 M/s.Consolidated Cobalt Chemicals Pvt.Ltd.,KASEZ:

M/s.Consolidated Cobalt Chemicals Pvt. Ltd. is engaged in the manufacturing activity of Cobalt Salt.

Committee noted the broad banding permission given to them by the Development Commissioner for trading activity of "Calcined Magnesite".

52.4.5 M/s.Zug Bearings Pvt.Ltd., KASEZ:

They are engaged in manufacturing activity of Industrial and Automobile use bearing. Committee noted the broad banding permission given to them by the Development Commissioner for trading activity of "Industrial & Automobile use bearings".

52.4.6 M/s.Venus Upcountry Tradings Pvt.Ltd., KASEZ:

They are engaged in the trading activity of Bicycle and its parts, plastic insulated items such as Kitchen ware, table ware and house hold ware and Indian mouth freshner.

Committee noted the broad banding permission given to them by the Development Commissioner for trading activity of "Stainless Steel hot pot, ruled/unruled/printed with

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soft/hand cover with or without PVC/BOPP Jacket/Laminated Stationary items like exercise books/dairy/note books/refister/writing pad/drawing book and polyester fabric including knitted fabric”.

52.4.7 M/s. Sanghvi Polyfil Pvt. Ltd., KASEZ:

They are engaged in the manufacturing activity of PE Ropes (plastic ropes). Committee noted the broad banding permission given to them by the Development Commissioner for trading activity for “Sanitary wares, Furniture, Vitrified Tiles, Empty Cylinders”.

52.4.8 M/s.Inox India Ltd.,KASEZ:

They are engaged in the manufacture of Cryogenic Tanks for liquefied gases and Cryogenic Tanks for Liquefied with chasis and cold convertor systems/parts for air separation plants. Committee noted the broad banding permission given to them for manufacturing activity of “vacuum insulated cryogenic tanks, liquid cylinders, transport tanks, trailers, IMO/ISO Containers, Horizontal/vertical tanks, frame tanks and Portacryo/Microcyl”.

Chairman stated that henceforth, the proposals for broad banding may be brought up before the Approval Committee for a decision. However, in case of urgent nature, the same can be put up on file, as per the present practice.

52.5 M/s.Palmon Exports, KASEZ:

M/s.Palmon Exports were issued with LOA in 1981 for manufacture/export of readymade garments, as amended from time to time. They were also accorded broad banding permission for additional items i.e. manufacturing and reconditioning of electrical/mechanical equipments, manufacturing of ingots/recycling of metals, trading activities, etc. Mr.Sunil Lahori, Partner appeared for discussions. He pleaded for renewal of the LoA. He also pleaded for permission to remove the old computers, etc. lying in stock as these items were not allowed to be taken out due to non-renewal of their LoA for (i) reconditioning of electrical/electronic/mechanical equipment and (ii) manufacturing of ingots/recycling of metals

It was reported that their LoA for (i) manufacture of readymade garments and made ups and (ii) trading activities were extended upto 31/10/2010.The party is a chronic defaulter in making payment of lease rent and therefore, LoA was not further extended. Their LoA for (i) reconditioning of electrical/electronic/mechanical equipment and (ii) manufacturing of ingots/recycling of metals was not extended by the BoA and they have filed an appeal, which is pending.

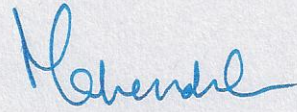
Chairman informed them that Approval Committee cannot take a decision on the extension of LOA ,which was rejected by the BoA. However, the Committee may consider to renew the LoA for (i) manufacture of readymade garments and made ups and (ii) trading activities, subject to commitment of payment of lease rent arrears. Mr. Lahori stated that out the arrears of about Rs.14 lakhs, 30% he has already paid and remaining will be paid in three months for which he agreed to give postdated cheques. This was accepted by the Committee and also informed him that if they again become a defaulter, they will be declared as habitual defaulter. Committee

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decided to extend the LoA for (i) manufacture of readymade garments and made ups and (ii) trading activities, subject to the following conditions as they are holding goods in stock of such items, LoA of which has not been considered for extension even by BoA.

- (i) They should declare the stock of such goods, permission for which has not been granted. The declared stock should be verified by Dy.Commissioner (Cus),KASEZ. This will not be permitted for renewal.
- (ii) 100% examination of the consignment proposed for DTA clearance for strict verification.

For taking a decision on their request for removal of old computers, etc. he was asked to submit item wise list along-with documentary evidence for making a reference to the Ministry.


(Mahendra Jain)
DC, KASEZ