

Minutes of the 53rd Unit Approval Committee Meeting of Kandla SEZ, held on 19th October, 2012 at 12.00 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 Pramod Vasave	Addl. Commissioner (Cus)
3	Shri B.B. Singh	General Manager, DIC
4	Shri R.G. Khairkar, FTDO	Representing Jt.DGFT, Rajkot.

Absentees:

- (1) Director (Banking)
- (2) Addl. Commissioner (Income-Tax)
- (3) Asstt. Collector/SDM

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

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

53.1 Deferred cases:

53.1.1 M/s. Venus Petrochemicals (Bombay) Pvt. Ltd., New Delhi.

The proposal is to set up a unit for trading and refilling activity of Chemicals and solvents. Mr. Anand Mehta, authorized representative appeared for discussions. He explained following :

- a. Project cost of Rs.54 lakhs would be met from promoter's capital.
- b. FOB value of exports projected for 5 year period was Rs.4885 lakhs with NFE of Rs. 978 lakhs.
- c. None of the item attracts anti-dumping duty

Approval Committee observed that items which attract anti-dumping duty shall not be permitted. It was informed to representative that there was no plot available in the KASEZ and only SDF could be offered to the unit. Representative of the unit agreed with the proposal.

The proposal was approved, subject to their accepting a unit in the SDF building.

53.2 New proposals to set up units in KASEZ:

53.2.1 M/s. Fivebro International Pvt. Ltd., Ahmedabad.

The proposal was to set up a unit for trading activity of Packaging & Repackaging of items, which are mentioned in Annexure-II of the Agenda. Mr. Sanat Desai, representative of the applicant unit appeared for discussions. He stated following:

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- a. Fivebro is a group company of their parent company M/s.Doshion Ltd. Further,a unit in KASEZ in the name of Doshion Veolia Water Solutions Pvt. Ltd.
- b. Project cost was Rs.207 lakh which would be met from share capital and internal accruals.
- c. Existing unit in KASEZ, M/s. Doshion Veolia Water Solutions Pvt. Ltd. have agreed to part Plot No.5-D, out of their existing premises, for undertaking the operations of Fivebro and also agreed to pay necessary transfer fee/rent and other charges.

It was noted by the Approval Committee that their existing unit in KASEZ, M/s.Doshion Veolia is doing well. FOB value export for 5 year period was 12500 lakhs with an NFE of Rs.2500 lakhs. Proposal was approved subject to standard terms and conditions and also subject to the condition that transfer of plot would be considered on payment of transfer fee and new lease rent, as per the decision of the Kandla SEZ Authority.

53.2.2 M/s. MGA & Associates (Unit-II), KASEZ.

The proposal was to set up a unit for warehousing service activity. Mr. Prakash Mandavia, Proprietor appeared for discussions and explained following .

- a. M/s. MGA & Associates is an existing unit in KASEZ undertaking manufacturing activity of repairs, reconditioning, etc. of computers, etc. They are NFE positive.
- b. Due to slow down in export activities, they intend to start warehousing activity.
- c. no additional area is required and they would carry out their activity in the premises of their existing unit, clearly demarcating the areas of both the activities.
- d. FOB value of exports for 5 year period is mentioned as Rs.264 lakhs with a NFE of Rs.264 lakhs.

After deliberations, Approval Committee approved the proposal ,subject to standard terms and conditions. No additional area allotment would be made and unit would utilize the area from their existing unit in KASEZ.

53.3 Broad banding request in the existing LoA:

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. Representative of the applicant unit appeared for discussions and explained following:

- a. Due to slow down in the export market unit has excess raw materials, which they intend to take out of SEZ on payment of applicable duty .
- b. This is required only for one time for removal of excess raw material
- c. The raw material has commercial use in the DTA market.

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Approval Committee noted that their request cannot be considered as broad banding. Therefore, it was decided that one time permission may be granted to them for clearance of the excess raw material in DTA on payment of applicable duties.

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. Mr. Pradeep Kothari, Vice President and Mr. S.K. Saklani, General Manager appeared for discussion and stated following :

- a. 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.
- b. They have checked up the feasibility of setting up unit outside SEZ, however, it was not found viable and therefore they have requested to consider their proposal.
- c. Regarding load on infrastructure, they stated that there would be handling of 25 trucks per day.

Approval Committee, after detailed discussions, concluded that in the SEZ handling of bulk materials should not be permitted which would create environmental/air pollution. This would ultimately affect the existing units and therefore, decided to reject the proposal.

53.3.3 M/s.Consolidated Cobalt ChemicalsLtd., KASEZ:

M/s. Consolidated Cobalt Chemicals Ltd is an existing unit in KASEZ for "manufacture of cobalt salt. Shri Kishore Shah, Director, appeared for discussions and explained following:

- a. Present proposal is to broad band their LoA for trading activity of Urea.
- b. They will import the urea and supply to EOUs and Advance Licence holders.

Approval Committee noted that the Urea is a canalized item. There is subsidized urea available in the market. Committee was of the view that since there is subsidized urea available and imported urea can be diverted in the open market, it was decided to reject the proposal.

53.3.4 M/s.Esteem Exports, KASEZ:

Approval Committee noted that unit is an existing LoA holder in KASEZ engaged in the manufacturing activity of Plastic Injection Molding, and trading activity. They are NFE positive. Present proposal of Unit is for change in the partnership (inclusion of new partner) and also undertaking trading activity of lubricants, ship stores, methanol, toluene, hexane, mixed xylene, base oil, benzene, IPA, C-9, Phenol, Furnace Oil, High Speed Diesel.

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Approval Committee approved the change in partnership as under:

Sr.No.	Name	Present status
1	Sameer Mahendra Shah	Continuing Partner
2	Neha Sameer Shah	Continuing Partner
3	HarendraMohanbhaiKaria	New Partner

Regarding Broad banding of additional items, the proposal was approved except Phenol, Furnace Oil and High Speed Diesel as these items attract anti dumping duty and are sensitive in nature.

53.3.5 M/s. Sujan Oil & Gas Infra Logistics, KASEZ:

M/s. Sujan Oil & Gas Infra Logistics is an approved unit for warehousing of Oil Exploration Activity related equipments and also broad banded for Petroleum Products and Chemicals. Mr. D.B. Agariya, General Manager appeared for discussion. It was informed by Mr. Agariya that unit was not functional in the KASEZ and it would take another two months' time to commence the activity, as they have ordered critical equipment required for the project.

Approval Committee noted that since the approved authorized activity as per LoA issued in 22.10.2009 has not yet been commenced, it was decided to defer the present proposal and can be considered after unit starts its commercial activity .

53.3.6 M/s.Imperial Overseas Pvt. Ltd., KASEZ:

Approval Committee noted that this an existing unit in KASEZ engaged in recycling of plastic scrap. Mr. Ronak Shah, Director, appeared for discussions and explained following :

- a. The present proposal is to broad band the LoA for manufacture of value added products from reprocessed plastic raw materials and virgin granules.
- b. Unit intend to manufacture mono filament yarn from HDPE, PP and LDPE granules for export to UAE.
- c. Additional investment would be Rs.2.55 crores.
- d. FOB value of export for 5 year period would be Rs.6200 lakhs with a NFE of Rs.2855 lakhs.
- e. No additional space is required.
- f. Unit is in similar line of the business for past 12 years and there would be no marketing problem

SINCE THE PROPOSAL IS IN CONFORMANCE WITH THE CONDITIONS AS MENTIONED IN INSTRUMENT NO.1077 dated 4/11/2010 of MOC&I, which stipulated to establish infrastructure to produce

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downstream products, the proposal was approved. No additional allotment of premises would be considered.

53.3.7 M/s. Haresh Petrochem Pvt. Ltd., KASEZ:

M/s. Haresh Petrochem Pvt. Ltd. is an existing unit for manufacturing and service activity of different type of chemicals. The present proposal is to change the name of implementing agency from M/s. Haresh Petrochem Pvt. Ltd. to M/s. KKP Petrochem Pvt. Ltd. for better implementation of their unit, owned by same family. The proposal was approved.

53.3.8 M/s. MESO Pvt. Ltd., KASEZ:

M/s. MESO Pvt. Ltd. is an existing unit in KASEZ for manufacturing of perfumery/cosmetic/toiletry preparations. Unit representative appeared for discussion and explained following:

- a. To meet the requirements of foreign buyers permission was requested for Trading activities (out sourcing) of items in their existing LoP namely 'Perfume Deodrant & Body Spray' ITC (HS) Code No. 3307.20.00 and 'Air fresheners' ITC (HS) Code no. 3307.30.90 as presently unit has no manufacturing facilities for above said items.
- b. They will procure said items from DTA/Import.
- c. They have also requested to send "Export Promotion Items" (Gift articles) such as carry bags, table mats, table calendars, clock etc. along with their consignments.
- d. These items would be marketed under their brand-name, which is well established.
- e. Once the trading activity for these items is established, unit would go in for manufacture of the same.

After deliberation Approval Committee approved the proposal subject to standard terms and conditions.

53.4 Ratification of Broadbanding/Change of name permissions:

53.4.1 M/s. AfcanImpex Pvt. Ltd.

M/s. Afcan Impex Pvt. Ltd. is a unit in KASEZ .LoA was approved for manufacturing activity of shoddy yarn, synthetic yarn, shoddy woolen yarn, blankets yarn.

- The Approval Committee noted the change in Directorship of the company as (1) Shri Himat Bachuram Kapdi (2) Shri Kishor Bechuram Kapdi (3) Shri Momaya Bau Bayad (4) Shri Umesh Kapdi and (5) Shri Nildeep Bipinbhai Bhatti vide this Administration's letter dated 08.08.2012.

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53.4.2 M/s. Lohadia Warehousing Company, KASEZ.

M/s.Lohadia Warehousing Company is engaged in the warehousing service activity.

The Committee noted the change in constitution of partnership of the firm granted by the Development Commissioner. Present partners are Shri Denu Ashok Kapania and Smt. Renu Piyush Shah.

53.4.3 M/s. AshwinEnterprise, KASEZ:

M/s.Ashwin Enterprise is engaged in the Warehousing Service activity.

The Committee noted the change in constitution of partnership of the firm granted by the Development Commissioner. Present partners are Shri AnirudhLalshab Mishra, ShriLali Kumar and Shri Abhinav Gupta.

53.4.4 Certificate to be issued to KASEZ units to avail exemption/refund of Service Tax:

Committee noted the approval granted by Development Commissioner ,the list of Specified Services as approved under the earlier Notification No. 17/2011 – ST dated 01.03.2011 is required to be approved / continued under the current Notification No. 40/2012 – ST dated 20.06.2012 .

53.4.5 M/s.Milak Warehouse, KASEZ:

Unit is engaged in trading activity, repacking & relabeling and warehousing services. Committee noted the approval granted by the Development Commissioner for Professional Services (excluding legal services and accounting) and other Business Services under Rule 76 of SEZ Rules, 2006.

53.5 Issue related to Used Clothing Units of KASEZ:

Kandla SEZ Industries Association's request is for the following issues:

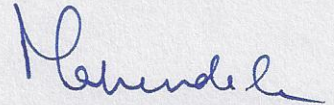
- Import consignment should be allowed to be retained in the baled form. However, in case of specific information 100% examination may be done.
- Imports are allowed only in the non-processing unit which is causing waste of capital and resources, therefore, this condition may be removed and unloading may be allowed in the processing unit.
- 100% examination of DTA consignment should be done at factory premises instead of SEZ gate.
- Goods meant for DTA clearance may be allowed to be retained in the bale form.

DC(Cus), KASEZ was also called during the discussions. DC (Cus) informed that, at present, the NFE monitoring is done on a six monthly basis and the instructions issued regarding imported material/goods handling in the area which is distinctly and physically away from the

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working/processing area of the unit, was issued by this office only. After detailed discussions following was decided :

- Import consignment should be allowed to be retained in the baled form. However, in case of specific information 100% examination may be done.
- Imports are allowed only in the non-processing unit which is causing waste of capital and resources, therefore, this condition may be removed and unloading may be allowed in the processing unit.
- Material which is meant for DTA clearance will not be baled inside the working/processing area of the unit and will be presented to the Customs Officials for 100% examination, in the designated area, in loose condition only. Consequently, at any point of time the working/processing area of the unit shall not have any material in baled condition except goods which are imported and also meant for export.
- It was directed to issue corrigendum to LoA accordingly
- Only physical export will be taken into account for monitoring six monthly performance of the unit .



(Mahendra Jain)
DC, KASEZ