

Minutes of the 63rd Approval Committee Meeting of Kandla SEZ held on 17th December 2013 at 1130 hrs. at KASEZ under the Chairmanship of Shri Mahendra Jain, IAS, Development Commissioner, KASEZ.

Following were present:-

1. Shri Krishan Kumar : Joint Development Commissioner, KASEZ
2. Shri Neeraj Choubey : Deputy Commissioner (Cus) –
Rep. of Commissioner of Customs, Kandla.
3. Shri R.G. Khairkar : FTDO, KASEZ – Rep. of Jt. DGFT
4. Shri Ashish Porwah : Asstt. Commissioner of Income Tax, Gandhidham.

Absentees:

- 1) Director (Banking)
- 2) Asstt. Collector/SDM
- 3) GM, DIC, Bhuj.

62. Review/confirmation of the minutes of last meeting of the Approval Committee.

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

- 63.1 Consideration of cancellation of LOP of M/s. Safari Fine Clothing Pvt.Ltd. KASEZ.

The Committee was informed that the firm, through its letter dated 16.12.2013, has requested for more time to reply to the SCN that was issued to them on 12.12.2013. Two Directors of the company viz. S/Shri Manmohan Singh & Manjeetsingh Makkad appeared before the UAC and again submitted a written submission wherein they requested for allowing their operations and to renew their LOP. After deliberations, the Committee decided as follows:-

1. The unit may be asked to reply to the SCN by 26.12.2013 which may be considered by UAC in its next meeting proposed to be held on 30-12-2013.
2. The renewal of LOP will be considered only after a decision in the instant SCN case is taken.
3. In the meantime, till a final decision is taken in the matter, the unit shall not be eligible for any DTA sale of any kind. The unit shall not be allowed to make intra-zone transactions of goods also. Before allowing import and export to the unit, the unit as per convention, shall furnish the undertaking on stamp paper to refund the benefits availed by it, incase its LOP is cancelled/not extended further.

4. The concerned Excise & Customs Commissionerates and Income Tax Commissionerates shall furnish details regarding cases that have been booked in the past or are presently under process against the unit.

63.2 Approval of Model LOPs issued for Plastic reprocessing and Worn & Used clothing units.

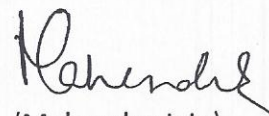
The members were informed that after the last UAC meeting, a clarification has come from the Ministry (Ministry's letter No.D.6/35/2012-SE dated 11.12.2013) as per which, under Rule 18(4)(c) of SEZ Rules 2006 there is no quantity restrictions applicable. Rule 18(4)(c) of the said Rules deals with Worn & Used clothing processing units. It clarified that quantity restrictions are applicable only to plastic recycling units as per Rule 18(4)(b) of the said Rules. The Committee decided that in the LOP for Worn & Used Clothe processing units, we may mention the quantity as per existing LOP. Since it is the original LOP with all its other conditions, which is being renewed with additional conditions as per the new Policy. The clarifications received from Ministry on quantity may be circulated to all concerned officers such as, Excise & Customs Commissionerates, Income Tax Commissionerates etc. for their information and necessary action.

With these observations, the Committee approved the Model LOPs as placed before. In para 9 of LOP for worn & used clothing units, the language was made to read as under:-

"The sales to DTA of un-mutilated clothing on account of export surplus or export rejects will not exceed 15% of the physical export turnover of the unit. This permission shall come into effect only after the DGFT's amendment to notification No.43 dated 19.5.2010 for allowing DTA clearance".

The Committee also approved addition of para No.19 in LOP for Worn & Used clothing processing units which reads as under:-

"The unit's operations shall be restricted to the premises authorized to it and reasonably required for the quantity exported by the unit. The unit shall not be permitted to avail any additional space from the date of issue of this LOP through allotment/warehousing/any other mode".



(Mahendra Jain)

Development Commissioner
Kandla Special Economic Zone