

**Minutes of the 68<sup>th</sup> Approval Committee Meeting of Kandla SEZ, held on 1<sup>st</sup> May, 2014 at KASEZ under the Chairmanship of Shri Mahendra Jain, IAS, Development Commissioner, KASEZ**

Following were present:-

1	Shri Krishan Kumar	Jt. Development Commissioner, KASEZ
2	Shri Paras Saankhla	Dy. Commissioner (Cus) – Rep. of Commissioner of Customs.
3	Shri R.G. Khairkar	FTDO, KASEZ - Rep. of Jt. DGFT.

Absentees:

- (1) Director (Banking)
- (2) Asstt. Collector/SDM
- (3) Asst. Commissioner (Income-tax)
- (4) GM, DIC, Bhuj

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

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

**68.1 New Proposals to set up Units in KASEZ:**

**68.1.1 M/s. Bharti Enterprises, Delhi:**

The proposal of the applicant is for setting up a unit for manufacturing activity of Pan Masala ITC (HS) 21069020 and Pan Masala containing Tobacco Gutkha ITC (HS) 24039990, Zarda ITC (HS) 24039910, Khaini ITC (HS) 24039930 and Betel Nut Product ITC (HS) 21069030. The Company's representative who appeared before the Committee mentioned following facts:-

1. They are presently in the field of trading of food grain. This is a new activity for them.
2. They have buyer from UAE.
3. Mostly raw material will be indigenous. Betel nut is proposed to be imported from UAE.
4. No DTA sale is envisaged by them.
5. Investment in project is Rs.40 lakhs which is to be met from capital contribution.
6. Export projected for 5 year period is Rs.10760 lakhs and they are likely to achieve NFE of Rs.10085 lakhs.
7. Employment 20 persons.

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Dy. Commissioner (Cus), Kandla informed that the import duty on Betel Nut is 108%. It is available in India and there is no need for import. Committee informed the applicant that since this is a new line of activity for them and asked them whether they can do their business without import of betel nut. The applicant agreed to this suggestion and stated that they will not import betel nut for the present.

The Committee approved the proposal subject to the condition that no DTA sale shall be permitted and also no import of betel nut is permitted, which can be considered by UAC at a later stage. The unit shall be required to follow all the rules/guidelines, policy of the Govt. of India and Govt. of Gujarat on manufacturing/export of these products. If at any stage, Govt. of Gujarat withdraws permission for operating of export unit for manufacture of Pan Masala & Gutka, the firm shall close its operations at KASEZ. The permission shall also be subject to all standard terms & conditions and availability of space in the Zone/acquiring of space by the unit in the Zone. They will have to make bid for acquiring space in SDF whenever the auction taken place. Formal LoA will be issued only after issue of offer of allotment of space.

**68.1.2 M/s. Om Shiva Products, Bangalore:**

The proposal of the applicant is for setting up a unit for manufacturing activity of Pan Masala ITC (HS) 21069020 and Pan Masala containing Tobacco Gutkha ITC (HS) 24039990, Zarda ITC (HS) 24039910, Khaini ITC (HS) 24039930 and Betel Nut Product ITC (HS) 21069030. The Company's representative who appeared before the Committee mentioned following facts:-

1. They have a khaini manufacturing unit at Bangalore. Their brand name is Thamba and exporting to Nairobi and Uganda markets. Now, they intend to manufacture above products in KASEZ.
2. No DTA sale is envisaged by them.
3. Raw material is indigenous.



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4. Investment in project is Rs.110 lakhs which is to be met from capital contribution.
5. Export projected for 5 year period is Rs.12160 lakhs and they are likely to achieve NFE of Rs.12160 lakhs.
6. Employment 20 persons.

The Committee approved the proposal subject to the condition that no DTA sale shall be permitted and the unit shall be required to follow all the rules/guidelines, policy of the Govt. of India and Govt. of Gujarat on manufacturing/export of these products. If at any stage, Govt. of Gujarat withdraws permission for operating of export unit for manufacture of Pan Masala & Gutka, the firm shall close its operations at KASEZ. The permission shall also be subject to all standard terms & conditions and availability of space in the Zone/acquiring of space by the unit in the Zone. They will have to make bid for acquiring space in SDF whenever the auction taken place. Formal LoA will be issued only after issue of offer of allotment of space.

**68.1.3 M/s. R.S. Trading Co., Gandhidham:**

The proposal of the applicant is for setting up a unit for manufacturing activity of Pan Masala (ITC HS 21069020), Pan Masala Containing Tobacco (ITC HS 24039990), Scented Supari (ITC HS 21069030) and scented Zarda (ITC HS 24039930). The Company's representative appeared before the Committee. It was noted that they are presently trading in mutilated cloths and <sup>have</sup> no experience in the activity for the permission is sought. He was also not able to <sup>satisfactorily</sup> reply to the queries. The Committee did not approve the proposal.

**68.1.4 M/s. Veritas (India) Ltd., Mumbai.**

The proposal of the applicant is for setting up a unit for manufacturing of Information Technology software Development/Information Technology enabled services. The applicant did not turn up for the meeting due to non-availability of air tickets, as intimated by them. The Committee went through the project application and observed as under:-

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1. Investment in the project is Rs.40 lakhs, which will be met from their internal accruals.
2. Export projected for 5 year period is Rs.10500 lakhs and they are likely to achieve NFE of Rs.10475 lakhs.
3. Employment 30 persons.

The Committee approved the proposal subject to all standard terms & conditions and availability of space in the Zone/acquiring of space by the unit in the Zone. They will have to make bid for acquiring space in SDF whenever the auction taken place. Formal LoA will be issued only after issue of offer of allotment of space

**68.2 Broad Banding request in existing LoA:**

**68.2.1 M/s. Mascot Plast-O-Therm, KASEZ:**

M/s. Mascot Plast-O-Therm is an existing unit in KASEZ approved for manufacturing of Stretch Cling Film, Shrink wrap film, Shrink Wrap film, Plastic liners. Representative of the unit came for discussions and informed that presently their plant is not running for quite some time due to lack of orders. They have the machineries for carrying out the activities for which broad-banding permission is sought.

The present proposal is for broad-banding of LOA for manufacturing of following items:

Sr.No.	Item	ITC (HS) Code
1	Garbage bags	39232100/2910
2	Plastic Ropes	5607
3	Monofilament yarn	5509/11
4	Plastic sheets	3920
5	Plastic granules	39011010/39021000/39041090/ 39042210



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In addition to above, they also want to do trading of following items:

Sr.No.	Item	ITC (HS) Code
1	Plastic granules	39011010/39021000/39041090/ 39042210
2	Plastic agglomerates/Pallets/Flacks/Bars/Powder/ Floor sweeps	39011090/9090/39039090/1910/ 39122021/1110/39212120/1290

For manufacturing the unit proposed to install additional capital goods like Agglomerate mixture machine, Extruder, etc. amounting to Rs.47.00 lakhs approximately. The unit projected NFE earning of Rs.5196.00 lakhs in next five year period. After interacting with the unit's representative the Committee approved broad-banding of manufacturing activity only.

**68.2.2 M/s.Mikasa Cosmetics Ltd, KASEZ:**

M/s. Mikasa Cosmetics Ltd. is an existing unit approved for manufacture of Perfumes & Toilet Waters, Beauty & Make up preparpations, hair & body care products, Pre-shave & after shave preparations.

They have requested to broad band their existing LoA for trading of following items:-

Sr.No.	Item	ITC (HS) Code	Category
1	Perfumes & Toilet preparations	3303 0050	Free
2	Beauty & make up preparations	3304 9910	Free
3	Hair, Body & Beauty Care products	3305 9090	Free
4	Pre-shave & after shave preparations	3307 1000	Free
5	Perfumes Fragrances/Perfumery Compounds & industrial perfumery compounds	3303 0040	Free

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Their representative came for discussions and stated that they are already manufacturing the similar products either as their own products or are carrying out job work for Hindustan Unilever Ltd., KASEZ

They have stated to procure these items from Far East and export it to Gulf Countries. FOB value of exports projected for five year period for the trading activity is Rs.28.60 crores with a NFE earnings of Rs.25.10 crores.

The proposal was approved subject to standard terms and conditions.

**68.2.3 M/s. Ashok & Company-Pan Bahar Ltd:**

M/s.Ashok & Company – Pan Bahar Ltd. is an existing unit approved for manufacture of Pan Masala and Pan Masala containing tobacco. Their representative came for discussions and stated that they are operating since last 10 months. They wanted to broad-band their LoA for manufacturing of Khaini ITC (HS) 24039930. The unit has projected FOB value of exports for five years on account of export of Khaini as Rs.6700 lakhs with a NFE of Rs.6700 lakhs.

The request for broad-banding of manufacturing activity of Khaini was approved subject to the condition that no DTA sale of Khaini shall be allowed and also subject to the standard terms and conditions as applicable to Pan Masala/Gutka manufacturing units.

Supplementary agenda:

- 1. Request for change of name from M/s.Guardian Textiles Pvt. Ltd. to M/s.ITM Safety Pvt. Ltd.**



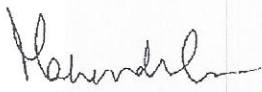
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The case of change of name from M/s. Guardian Textiles Pvt. Ltd. to M/s. ITM Safety Pvt. Ltd. was also discussed. The Committee noted that the change of name would mean merger of M/s. Guardian Textiles Pvt. Ltd. with M/s. ITM Safety Pvt. Ltd. The Committee also noted that the name of Directors of two units as per records with the KASEZ Administration is different. The representative of the unit mentioned that the Directors are same. However, they were not aware of the names available in the KASEZ records. The Committee decided that the unit should first complete its formalities for change of name of Directors in the KASEZ records. Afterwards, the issue of in-principle approval for change of name to M/s. ITM Safety Pvt. Ltd. may be submitted and that final approval shall be considered only after necessary formalities regarding change of name/merger is completed with the concerned Registrar of Companies.

**Not part of Agenda item:**

During discussions, Shri Sankhla, DC(Cus) mentioned that Kandla Customs has a laboratory for checking of plastic virgin material and the laboratory can provide training to staff of KASEZ (POs & AOs) in drawing of sample which are sent to approved lab for testing. The Committee decided that Kandla Customs will be requested to arrange the training, as suggested by Shri Sankhla. The Committee also decided that DC(Customs) may also send sample to any approved laboratories of CIPET (i.e. other than at Ahmedabad also) without intimation to the concerned unit.

The meeting ended with thanks to all.

  
(Mahendra Jain)  
DC, KASEZ.