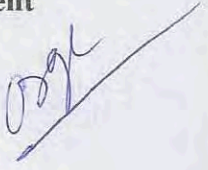


Minutes of the 70th Approval Committee Meeting of Kandla SEZ, held on 26th June, 2014 at KASEZ under the Chairmanship of Shri Vijay N. Shewale, ITS, Development Commissioner, KASEZ



Following were present:-

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

Absentees:

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

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

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

70.1 New Proposals to set up Units in KASEZ:

70.1.1 M/s. Redwlk Chemie, Mumbai:

The proposal of the applicant is for setting up a trading unit in KASEZ. Mr. Shirish R. Shah, Proprietor appeared before the Committee. He was asked about the Capital Goods to be installed. He was not able to explain and he was not understanding what the capital goods are. He has stated the project cost of Rs.1.00 crore. However, on the application only Rs.8.50 lakhs mentioned and he was not able to explain. Committee was of the opinion that he does not have proper experience in the field and he could not explain the basic requirement of SEZ application. The Committee therefore, decided to reject the application.

70.1.2 M/s. Global Multi Chem, Chandigarh:

The proposal of the applicant is for setting up a unit for manufacturing & trading activity. Mr. Vikas Abrol, Sr. Manager of the firm appeared before the Committee. But, he could not explain manufacturing process properly. He stated that they are exporting Mica, Nut Plugs and Potassium Chloride as Merchant Exporter from DTA. The Proprietor of the firm could not appear before the Committee. The Committee therefore, decided to defer the case and call the Proprietor

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of the firm to appear before the Committee to explain manufacturing process properly to the Committee and also produce copies of shipping bills and bank realization certificates of exports made by them as Merchant Exporter from DTA before the date of the next UAC meeting.

70.1.3 M/s. Arham Precious Metal Refinery Ltd., Mumbai:

The proposal is to set up a unit for manufacturing activity. Shri Shantilal S. Jain, Director of the firm appeared before the Committee and explained the proposal for manufacturing Gold bars and Gold coins by setting up a Refinery unit in the SEZ out of the imported Dore Gold (impure gold). When the case was being discussed in the Committee, Dy. Commissioner of Customs, Mr. Neeraj Choubey brought to the notice of the Committee that the Group Company of the firm namely, M/s. Varsha Polyplast, has been found to be diverting imported duty free material under advance licence in local market. Dy. Commissioner of Customs was of the opinion that the Group is prone to misuse of the schemes and diversion of the duty free materials and as the item of import and export here in this case is gold, there is every likelihood that the imported gold may be diverted in the local market. Dy. Commissioner of Customs was requested to give the details of the case booked for diversion against group companies by the Customs authorities. The Committee also observed that in the case of units engaged in manufacturing of gold and other precious metals, the purity testing machine is required to be installed in the SEZ, as has been directed by the Department of Commerce in case of other Gems & Jewellery exporting SEZs. Since this facility is not available in this Zone, the diversion cannot be detected in time. The Committee, therefore, decided to reject the case. On receipt of the letter from Dy. Commissioner of Customs regarding diversion of the imported materials by the group companies of the applicant, the same may be placed on records on the file with the approval of Development Commissioner.

70.1.4 M/s. AVB International, New Delhi:

The proposal is to set up a unit for manufacturing activity of Ghutka, Khaini, Zarda & Pan Masala. Mr. Shivam Bihani, Proprietor of the firm appeared before the Committee to explain his proposal for setting up a manufacturing activity for Ghutka, Khaini, Zarda & Pan Masala. He stated that he does not have any manufacturing facility outside SEZ and he does not have direct experience of manufacturing of these items. However, he was associated with M/s. Sai Exports and M/s. Sonpan Exports, New Delhi as their consultant. As the items are sensitive and prone to diversion, the Committee was of the opinion that Proprietor of the firm does not have experience in the field of manufacturing these items and the Committee also decided to get the antecedents of the firm verified by DRI, Central Excise and Income Tax authorities. On receipt of the reply, the case may be placed before the Committee again. Committee was also appraised by SEZ Administration that there is no space available in the SEZ except for smaller units and the premises may be available only after 2-3 months' time.

70.1.5 M/s. Hira Enterprises, Maharashtra:

The proposal is to set up a manufacturing activity of Pan Masala, Pan Masala containing Tobacco (Gutkha), Zarda & Khaini. Shri Aslam Tamboli, Partner of the firm appeared before the Committee and explained his project for manufacturing activity of Pan Masala, Pan Masala containing Tobacco (Gutkha), Zarda & Khaini. The Partner of the firm appeared to have sufficient funds as per their income tax return. They do not appear to have any funding problems. However, as the items are of sensitive nature and diversion prone, it was decided to have antecedent of the applicant and their Partners verified by DRI, Central Excise and Income Tax authorities. On receipt of their reply, the case may be placed before the next meeting of the UAC.

70.1.6 M/s. Navin Saxena Research & Technology Pvt. Ltd., Mumbai:

Shri R.A. Patel, Director of M/s.Rusan Pharma Ltd. and representative of M/s.Navin Saxena Research & Technology Pvt. Ltd., appeared before the Committee and explained about setting up of the Research & Development Laboratory. The Committee considered the request and Committee decided to approve the setting up of R&D facility. However, it was observed that the land on which R&D facilities proposed to be constructed belongs to M/s.Rusan Pharma Ltd. Therefore, the Committee advised M/s.Navin Saxena Research & Technology Pvt. Ltd. to get the land transferred in their name after payment of transfer charges and other dues. The Committee approved the case for issue of LOA subject to the condition that land on which R&D facility is to be erected is transferred from M/s.Rusan Pharma Ltd to M/s.Navin Saxena Research & Technology Pvt. Ltd. after payment of transfer fee and other dues. Committee also noted that M/s.Navin Saxena Research & Technology is a group company or sister concern of M/s.Rusan Pharma Ltd. as both the Directors of applicant company the are also Directors of M/s. Rusan Pharma Ltd and they are holding 100% stake in M/s.Navin Saxena Research & Technology Pvt. Ltd.

70.1.7 M/s. Lucky Industries, Delhi:

Mr. Abhinav Abhishek, Proprietor of the firm appeared before the Committee and explained his proposal to set up a manufacturing activity for Pan Masala and Pan Masala containing Tobacco. He stated that he was working as Sales Manager in K.P. Group Pvt. Ltd., which are in the business of manufacturing of Pan Masala in the brand of Kamla Pasand. He did not have direct experience of manufacturing of these items as he does not have any unit owned by him in the DTA. Since he does not have direct experience of manufacturing of Pan Masala and Pan Masala Containing Tobacco, Committee decided to reject the proposal.

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70.2 Broad banding request in the existing LOA:

70.2.1 M/s. Hwatsi Chemicals Pvt. Ltd., KASEZ:

Mr. Bharat Seth, Director of the firm appeared before the Committee and explained that he is already having LOA for manufacturing of thinners and trading activity of chemicals and solvents. On further questioning by the Committee he stated that he has not yet started the manufacturing activity of Thinners and engaged in trading activity of chemicals and solvents. He also informed the Committee that he is already having a plot acquired for establishing warehousing unit. The Committee decided to approve establishment of warehousing unit as broad banding of the existing LOA subject to the condition that they will start manufacturing facility of thinners within three months from the date of broad banding. The condition may be incorporated in the LOP while issuing broad banding for warehousing activity.

70.2.2 M/s. Amrin Impex Pvt. Ltd., KASEZ:

The Director of the firm Mr. Juned Yakub Nathani had sent a letter dated 26/6/2014 informing that due to poor health condition he is not able to attend the meeting of the Committee. The Committee, therefore, decided to defer the case.

70.3 Miscellaneous cases:

70.3.1 M/s. C.J. Plastics Pvt. Ltd., KASEZ:

Shri Shantilal Jain, Director of the firm appeared before the Committee and explained that they have requested for change of name of the company from M/s.C.J. Plastics Pvt. Ltd. to M/s. Tex-Poly India Ltd. and also change of constitution from Pvt. Ltd. to Limited. He also explained that he has formally acquired 35% of the stake of the company and 65% of the stake is acquired by his friends and relatives. Thus he acquired total control of the company. The Committee approved the change of constitution and name of the company as requested subject to the

condition that on receipt of a decision in the case of M/s. Satguru Polyfab Ltd. from the BOA, the same shall be applicable to this firm also.

70.3.2 M/s. Jindal International, KASEZ:

Shri Harin Vyas, representative of the firm appeared before the Committee. He claimed to be a Director of the Company whose name is not appearing on the records available on the file. He stated that he has also joined company as Director alongwith Mr. Satyan Vyas and Sanjay Limbasia. The Committee decided to c all for following documents:

- (i) Copy of Form-32 filed by Mr. Harin Vyas before Registrar of Companies online.
- (ii) The extent of shareholding by Mr. Harin Vyas in the company and proof of the same.
- (iii) It was brought to the notice of the Committee that on 19/11/2013 an order was passed by the then DC for extension of LOA. The then DC had also recorded that there ware rental arrears of Rs.24,47,698/- inclusive of interest, which the unit was to clear within 30 days and as against this the unit has paid only Rs.8.50 lakhs. They should pay the balance rental arrears along with interest before change of name and constitution of the company is taken on records.

70.3.3 M/s. Link International, KASEZ:

Mr. Anil Kadiya, Partner appeared before the Committee. In the last meeting of the Committee detailed explanation was sought for the applicant for abandoning the manufacturing activity of Plastic Injection Moulding. The firm has replied that one of their active Partners have met with a premature death and therefore they have concentrated on trading activity. As regards to warehousing activity, they will conduct the same on available vacant area within their existing premises. In view of the explanation given by the firm, the Committec decided to approve broad banding of LOA for allowing warehousing service activity in the existing LOA subject to the condition that all transaction by the unit only be in convertible foreign currency and warehousing

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unit is segregated from trading activity & separate accounts of warehousing activities are maintained.

70.3.4 M/s. Baccarose Perfumes & Beauty Products Pvt. Ltd., KASEZ:

Shri L.N. Malkani, representative of the unit appeared before the Committee. He explained their proposal for trading activity of other products, which are not related to their existing activities. He stated that this will be carried out in their existing premises. The Committee decided to check their FSI and accordingly deferred the proposal.

70.3.5 M/s. Commodities Trading, KASEZ:

Shri Ratnaswamy, Manager of the firm appeared before the Committee. Committee was of the view that since the firm is already holding LOA for warehousing service activity and since they do not have any experience in manufacturing of Pan Masala containing Tobacco (Gutkha), Khaini, Zarda, Pan Masala and Chewing Tobacco, the Committee was of the view that such activities of un-experienced people in sensitive items should not be encouraged. Committee, therefore, decided to reject the request of the firm for broad banding.

70.3.6 M/s.Shreeji Polymers, M/s. Mokshstar International, M/s.Lucky Star International and M/s. Kutch Polymers, all existing units KASEZ:

Representatives of the units appeared before the Committee. They had claimed following services and business support services and Business Auxiliary Services.

(A)Business Auxiliary Services:

1. Survey Fees
2. Container Cleaning & Washing Charges
3. Facilitation/processing Fees

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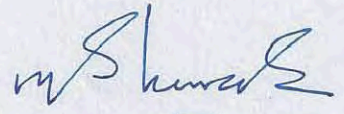
4. Delivery Order Fees
5. Repair Facilitation Charges
6. Storage Carrier, Import Charges.

(B) Business Support Services:

1. Terminal Handling Charges.

Committee was of the view that these services are apparently appeared to be covered under Port Handling services. However, it was not very clear as to which service comes under which specific category of default list of services determined by DoC. Therefore, the Committee recommended to make a reference to the Service Tax Authority on this matter.

The meeting ended with thanks to all.



(Vjay N. Shewale)
Development Commissioner,
Kandla Special Economic Zone.