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Minutes of the 88<sup>th</sup> Approval Committee meeting held on 14-12-2015 at 15:00 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, KASEZ.

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**Following were present:**

1. Shri. Krishan Kumar : Joint Development Commissioner, KASEZ.
2. Shri. Dilip Kumar : Income Tax Officer, Representative of Additional Commissioner of Income – Tax, Gandhidham.
3. Shri. R. G. Khairkar : Foreign Trade Development Officer, Rep. of DGFT.
4. Shri. G.M.Sadhu : Regional Officer, Gujarat Pollution Control Board, Bhuj, as a Special Invitee.

**Absentees:-**

1. Director (Banking)
2. SDM
3. GM, DIG, BHUJ
4. Representative from Kandla Customs

**Review/Confirmation of the minutes of last meeting (87<sup>th</sup> UAC) of the Approval Committee:-**


Minutes of the last meeting of Approval Committee was confirmed.

**88.1 New proposals :**

**88.1.1 M/s. Neutec International, New Delhi:**

The proposal is for setting up a trading unit in Kandla Special Economic Zone for trading activity of 20 (twenty) Pharma products & Organic Chemicals (HS Code under Chapter 29 & 30) and one product of Supari / Betel Nut (2106030). Shri. Gaurav Arora, Promoter of the firm appeared before the Committee and explained their proposal. He explained that he already has manufacturing unit in New Delhi and has well experience in trading activities in pharmaceutical products. The committee raised the query regarding trading of Betal nuts/Supari along with pharmaceutical products. The promoter explained that Betal nuts/Supari will be used for food products only. Shri Gaurav Arora assured that Betal nuts/Supari will be imported and all the goods will be exported.

The Committee after due deliberation approved the proposal of the firm subject to standard terms & conditions and also on the condition that no DTA



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sale of Supari / Betal Nut will be allowed. Further the promoter was also asked to participate in the open bidding for getting suitable space for their project.

**88.1.2. M/s. Siddhartha Logistics Co. Pvt. Ltd.:**

M/s. Siddhartha Logistics Co. Pvt. Ltd. is a Private Limited Company and their proposal was for setting up FTWZ unit in KASEZ. Shri Nishchal Padhya, Joint Managing Director, of the unit appeared before the Committee and explained their proposal. He explained that they already have a unit at Arshiya Free Trade Zone and Shree Siddhi free trade Zone. They are mainly into Warehousing and Logistics and is having huge response. The representative informed that they would require 14000 Sq Ft. of area for their operation. The Committee informed that such large area is not available with KASEZ, however they can start the operation with the space available with KASEZ.

Committee did not approve such services by name which are otherwise included in the ambit of warehousing services and also the Customs clearance activities and value added services which are not specific services and appear to be vaged subject to standard terms and conditions following services were approved :

1. Storage and Warehousing
2. Freight forwarding both Air and Sea
3. Insurance and Survey Services relating to goods stored at FTWZ
4. Business Support Services
5. Trading and Distribution
6. Re-export cargo storage and packing
7. Material Handling Equipment leasing / hire
8. Specialized export packaging
9. Project cargo export consolidation
10. SEZ supplies Depot
11. Import and storage of specialized material handling equipment or specialized machines for contract execution in DTA or other SEZs

Further the promoter is also asked to participate in the open bidding for getting suitable space for their project.

**88.1.3. M/s Palmon Exports**

M/s Palmon Exports, KASEZ is an approved unit for manufacturing activity of readymade garments and other electronic goods for export and for

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trading activity as amended from time to time and their proposal is for setting up a warehousing unit of M/s Palmon Exports, KASEZ.

Shri Sunil Lahori, proprietor of the said unit appeared before the Committee and explained their proposal. He also presented a photocopy of E-mail dated 16-04-2015 submitted by their foreign client expressing interest of stocking and storing items, in warehousing. The committee noticed that most of the items are plastic related scrap and falling under the category of the restricted items and therefore committee had not considered the said items. Further the committee also noticed that the rental dues and user charges amounting to Rs.11,90,414/- are pending against the their existing unit. Shri Sunil Lahori, proprietor of the said unit promised that they will pay the pending dues as soon as possible. Further he also informed that he has facilities in his existing shed to start the warehousing facility.

The committee after due deliberation and discussion approved the request of the firm for setting up a warehousing unit in Kandla Special Economic Zone except plastic waste /scrap and worn & used clothing and also subject to clearance of rental dues by the unit to the satisfaction of KASEZ authorities, the committee also decided that LOA will be issued thereafter.

## **88.2. BROAD BANDING REQUEST IN EXISTING LOA.**

### **88.2.1: M/s Raghvani Textiles Pvt. Limited:**

M/s. Raghvani Textiles Pvt. Limited, is an approved unit for manufacturing of reprocessed Garments, used clothing/secondary textile materials/ clipping/ rags/ industrial wipers/ shoddy wool/ yarn/ blankets/ shawl and other recyclable textile materials. Their request was to include Business Auxillary Services in the list of items approved for Service Tax exemption

The unit vide letter dated 12-12-2015, informed that they would not be unavailable to attend the UAC meeting as their Chartered Accountant is out of town.

The Approval Committee after due discussion decided that the unit may be asked to quote specific services for which they intend to include in the Service Tax exemption list, as a Business Auxiliary Services. The proposal was deferred accordingly.



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**Item No.88.2.2:- M/s Texool Spinners, KASEZ**

M/s Texool Spinners, KASEZ is an approved unit for manufacturing of woolen & Synthetic yarn. Their request was to include the units name in the list of DTA clearance of worn & used clothing. The committee considered following facts that the unit's original LOA dated 22.06.2004, contained the following condition at Sr. No. 2(i) :-

***“The Unit shall export its entire items, excluding rejects and sales in the Domestic Tariff Area as per the Provisions of SEZ Scheme .....*”**

However at the time of renewal of said LOA vide this office letter dated 14-11-2014 the above mentioned condition was amended and one more condition was also mentioned at Sr. no. 3 in the said letter. Both the said conditions are reproduced here below:

***“1. The unit shall export the entire item, excluding manufacture waste not being worn / used clothing, worn / used textile articles and rags.*”**

***3. No DTA clearance of worn / used clothing, worn / used textile articles and rags shall be allowed.”***

Shri. Surinder Singh Thakur, General Manager, of M/s Texool Spinners, appeared before the Approval Committee. He informed that they had made many representations in respect of the modifications/amendment done in the condition mentioned. However, he could not explain his proposal properly. Therefore Committee could not find any reason for changing the conditions imposed in 2014, while renewing LoP.

**Item No.88.2.3:- M/s Om Siddhi Vinayak Impex Pvt. Ltd :-**

M/s Om Siddhi Vinayak Impex Pvt. Ltd, KASEZ is an approved unit in KASEZ and is engaged in the business of processing of Worn & Used Clothing . The unit had requested for Broad Banding of their existing LoA by adding following value added activities in addition to their current operations-

1. Rag pulling and garneting of used clothing to make fibre
2. Extract fibre and cotton from used clothing.
3. Make insulation and padding using used clothing.
4. Make non-woven and woven fabric using used clothing.
5. Extracting oil, carbon and gases from used clothing.
6. Dying & bleaching of used clothing.

No representative of the unit appeared before the Approval Committee.

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Representative of G.P.C.B. also pointed that services proposed to be Broadbanded at Sl. No. 5 and 6 above needs to be studied by them on the aspect of pollution control norms.

The Committee after due deliberation decided to call for detailed process for activities at Sr. No. 5 & 6 and after obtaining comments of GPCB on such explanation send the proposal to Board Of Approval for its consideration, as the activity falls under Rule 18(4)(c) of SEZ Rules 2006, being such activities is value added activities. However, Committee also decided that Development Commissioner, KASEZ may examine all the activities on file after discussion with the unit and then after recommend only those activities to the BOA, which are feasible.

**Item No.88.2.4:- M/s KKP Petchem Private Limited. KASEZ :-**

M/s KKP Petchem Pvt. Ltd., KASEZ, is an approved Unit for manufacturing and trading activity of various chemicals and solvents. The unit have applied for Broad Banding of their LOA for manufacturing activity of MS Steel Barrels for their own utilisation.

Shri. Vishal Shah, Managing Director, of the unit appeared before the approval Committee. He explained that the Broad Banding request would help them to decrease their cost of operation by 20% of export value. They are at present purchasing Barrels from the DTA. He requested to allow sub-contracting for preparation of Barrels, till the manufacturing procedure is started in KASEZ as for manufacturing activity of barrels they required explosive license which is time consuming. He also informed that proposal, they require 3000 to 4000 sq. ft. area, which is already available with them. Therefore they do not require additional space in KASEZ.

The Committee after due deliberation approved the request of the unit for Broad banding for manufacturing of MS Steel Barrels. However, on the request the unit for subcontracting of manufacturing of MS Steel Barrels, the Committee inform the representative of the unit that they should carry out processes involved in manufacturing of Barrels inside KASEZ; 100% subcontracting is not permissible. The unit after creating facility for certain processes may seek permission for subcontracting as per SEZ Rules.

**88.3 RATIFICATION OF REQUESTS ALREADY APPROVED ON FILE :-**

As per decision taken during the 83<sup>rd</sup> Unit Approval Committee meeting of KASEZ, held on 30-06-2015 that broad banding request and change of constitution, change of name etc. should be decided on file by the D.C, KASEZ, and may thereafter be put up before the next meeting of the Approval

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Committee for ratification, Accordingly following four cases were put up before the UAC for ratification, as the same were approved on file, by the D.C, KASEZ.

Sl. No.	Name of the unit	Request dated	Request made for	Request approved on file
1.	Ajanta Plastic Industries Export(Division)	25-06-2015 and 04-11-2015	Change in name and change in address	10-11-2015
2.	Capital Foods Exports Pvt. Limited	27-06-2014	Change of Constitution of the company, appointment of new Directors and increase in FDI investment.	05-10-2015
3.	M/s Rishirop Limited (Formerly Puneet Resins Ltd.)	14.08.2015 and 01.09.2015	Intimation of merger of Rishirop Rubber (international) Ltd. to Puneet Resins Ltd. and change of name from Puneet Resins Ltd. to Rishirop Limited.	07.09.2015
<b>As per supplementary Agenda</b>				
4	M/s ITM Safety Private Limited	09.09.2015	Broad Banding of Trading activity of Fabric & Safety Glasses	04.12.2015

After due deliberation, the Approval Committee ratified/approved above mentioned four cases for respective decisions.

**SUPPLEMENTARY AGENDA- Item No.88.4:**

**Item No.88.4.1:- M/s Gelkaps Sports Pvt. Limited:-**

M/s Gelkaps Sports Pvt. Limited, KASEZ, is an approved unit for manufacturing and trading of "PAINT BALLS" (SPORTS & AMUSEMENT ARTICLES) and paintballs, Paintball Markers, Protective Gears, Face masks, Neck protectors. The unit requested for inclusion of 22 items mentioned in their letter for trading activity. The items requested by the unit are in different categories of goods.

Shri. Kuruvilla Thomas, Executive Director, of M/s Gelkaps Sports Pvt. Limited, appeared before the committee and explained his proposal. He also informed that they have some orders in hand for the said items.

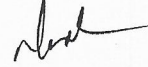
The Committee noticed that proposal of the unit for Broad banding of trading activity is not correlated with manufacturing activity approved in LOA. Further, the Committee also noticed that all the 22 items mentioned in Unit's proposal for trading activity fall in different category. The Committee after due deliberation decided to approve items listed at Sr. No. 11 to 22 being a pharmaceutical products as a trading activity for which they have order in

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hand; for the remaining items the unit can approach KASEZ administration as and when they have confirmed order for said products.

The meeting ended with vote of thanks of the chair.



**(UPENDRA VASISHTH)**  
Development Commissioner,  
Kandla Special Economic Zone

Enclosure : List of 22 items of  
M/s Gelkaps Sports Pvt. Ltd., KASEZ.

**LIST OF 22 ITEMS FOR BROAD BANDING IN RESPECT OF  
M/S GELKAPS SPORTS PVT. LTD., KASEZ**

Sl. No.	Item	ITC HS CODE	Import Policy	Export Policy
1	Ground Nut HPS	12023010	<b>Restricted , subject to conditions</b>	<b>Free</b>
2	Cashew Nuts	08013100	Free	Free
3	Salt	25010010	Free	Free
4	Rice	10061090,10061010,10063020	<b>Restricted</b>	<b>Restrictede</b>
5	Palm Oil	15119010,15111000	Free	Free
6	Soyabean Oil	15071000,15079010	Free	Free
7	Pepper	09041110 to 09041170	Free	Free
8	Wooden Furniture	94033010 to 94036000	Free	Free
9	Plastic Furniture	9403700	Free	Free
10	Plastic Granules	39011010,39011090,39012000,39019090,39021000,39023000,39029000	Free	Free
11	Metformin HCL	30049099,29339900	Free	Free
12	Amlodipine Besylate	29333990	Free	Free
13	Cloxacillin Sodium Compac	29413010	Free	Free
14	Itraconazole Pallets 22%	29349900	Free	Free
15	Ketoconazole	29339900	Free	Free
16	Tramadol HCL	29225011	Free	Free
17	Clopidogrel Hydrogen Sulphate	29420090	Free	Free
18	Hoftrex USP+WFI injectables	30049099	Free	Free
19	Celexin- 500 Cap 10X10's	30059090	Free	Free
20	Celexin- 250 Tab 10X10's	30059090	Free	Free
21	Diabetmin Tablets	30059090	Free	Free
22	Prednisolone/Perilon tablets	29309099,30049099	Free	Free

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