

Minutes of the 117<sup>th</sup> Unit Approval Committee Meeting of Kandla SEZ held on 02.08.2017 at 11:30 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

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**Following were present:**

1. Shri. Krishan Kumar : Joint Development Commissioner, KASEZ.
2. Shri. S. C. Sahoo : Assistant Commissioner, Customs, Kandla, Gandhidham-Representative of Commissioner of Customs Kandla.
3. Shri. Prakash Buldak : Income Tax Officer, Gandhidham.

**Absentees:-**

1. Director (Banking)
2. SDM
3. GPCB
4. DIC

**Review/Confirmation of the minutes of last meeting (116<sup>th</sup> UAC)  
of the Approval Committee: -**

Minutes of the last meeting of Approval Committee was confirmed.

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## **117.1 NEW UNIT APPLICATION**

### **AGENDA ITEM NO. 117.1.1**

**Application for setting up of a unit in KASEZ namely M/s. Romesh Chaturani, Plot No.02, Sector-10B, Post Office Road, Gandhidham - 370201.**

Their proposal is for setting up a unit in Kandla SEZ for manufacturing activity of - 1. Pan Masala / Mouth freshner (scented Supari without tobacco) (ITC HSN - 21069020) and 2. Gutkha (Zarda/Pan masala with tobacco) ITC (HS) Code-24039990. Their proposal was taken up in the 115<sup>th</sup> UAC held on 13.07.2017 and due to unavailability of the Proprietor the proposal was deferred.

Shri. Romesh Chaturani, Proprietor of the unit appeared before the Approval Committee and explained their proposal.

Shri Chaturani stated that he is in the business of salt & agro commodity, warehousing & logistic support services, machinery hiring services and cargo handling services. He intends to set up a unit in KASEZ for manufacturing of pan masala and gutkha. He further stated that he will procure supari from South India and will export their finished goods to Middle East.

The Approval Committee informed that import of Betal nuts (supari) will not be allowed and no DTA sale of any goods or waste will be permitted.

The Approval Committee after due deliberation approved the proposal subject to standard terms and conditions for such units which include no DTA Sale/clearance of any goods and no import of Betel nuts (supari) and also subject to furnishing an affidavit/undertaking for use of plastic packaging as detailed under Item No. 117.1.2 in terms of the Apex Court's judgement.

Minutes of the 117<sup>th</sup> Unit Approval Committee Meeting of Kandla SEZ held on 02.08.2017 at 11:30 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

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**AGENDA ITEM NO. 117.1.2**

**Application for setting up of a manufacturing unit in KASEZ namely M/s Kanakdhara Pan Products P. Ltd., B-33, Basement, Kailash Colony, New Delhi - 110048**

The said proposal of the unit has been placed before the 115<sup>th</sup> UAC meeting held on 13.07.2017. The Committee after due deliberation decided to defer the proposal with the request to the unit to submit detailed financial and marketing plan.

Now, they have submitted the details of financial borrowings and marketing plan for their proposed project in KASEZ.

Shri Hitendra Sharma, authorised representative of the company appeared before the Approval Committee. He informed that they are manufacturing pan masala in the brand name of Kanakshri at their Meerut Plant.

The Approval Committee informed that import of Betal nuts (supari) will not be allowed and no DTA sale of any goods or waste will be permitted.

The Approval Committee after due deliberation approved the proposal subject to standard terms and conditions for such units which include no DTA Sale/clearance of any goods and no import of Betel nuts (supari) and also subject to furnishing an affidavit/undertaking for use of plastic packaging as detailed herein below in terms of the Apex Court's judgement.

**Further, the Approval Committee noted that many tobacco units were allowed import of supari in the past and decided to have a re-look on such units importing supari and submit its report for further consideration by the Approval Committee.**

Minutes of the 117<sup>th</sup> Unit Approval Committee Meeting of Kandla SEZ held on 02.08.2017 at 11:30 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

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The Committee also noted that Hon'ble Supreme Court of India vide Order dated 03.09.2013 in Writ Petition No. 466 of 2011 in the case of M/s. Baba Global Ltd. & Anr. V/s Union of India has laid down certain criteria for allowing use of plastic packaging material for packing of pan masala, gutkha and tobacco products manufacturing units. The Committee decided to take an affidavit/undertaking from all the existing tobacco units as well as from the new similar units being approved about fulfilling all the criteria laid down by the Hon'ble Supreme Court of India that -

- (i) The unit does not have or will not establish another unit outside the SEZ for manufacture of pan masala, gutkha, tobacco products in plastic packages for domestic sale.
- (ii) It will be exempted for export of pan masala, gutkha and tobacco products in plastic packaging against an order, the said exemption shall not be applied to the waste and rejects.
- (iii) The unit shall not bring back the exported pan masala, gutkha and tobacco products in plastic packaging to India for distribution or sale.

## **117.2 MISCELLANEOUS ITEMS**

### **AGENDA ITEM NO. 117.2.1**

**Request of M/s Mission Pharma Logistics India P. Ltd., Kandla SEZ for Broad-banding of their LoA for Packing Materials & Boxes.**

M/s Missionpharma Logistics India P. Ltd., KASEZ was earlier an approved unit for manufacturing of Pharmaceutical Product namely - Medicines & Disposables vide letter F.No. KASEZ/IA/1857/2001/1784 dated 24.10.2001. Later vide letter F.No. KASEZ/IA/1857/2001/11431 dated 17.01.2007, this office has approved their request for change of

Minutes of the 117<sup>th</sup> Unit Approval Committee Meeting of Kandla SEZ held on 02.08.2017 at 11:30 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

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business activity and issued no objection for their undertaking services under 'Warehousing & Distribution Services' under their existing LoA and it was also clarified that the said service will be treated as trading.

Now, they have requested for Broad Banding of their LOA for -1. Empty Mono Cartons & Corrugated Card Board Boxes, 2. Empty Safety Boxes duly printed for putting used needles/syringes, etc. and 3. Labels and Stickers for affixing on boxes and cartons.

Shri. K. Raveendranathan Pillai, Operations Manager and Shri CH Raju, Logistics Officer of the unit appeared before the Approval Committee and explained their proposal.

Shri Pillai informed that they are having export orders for Sudan and Cambodia and now they want to broad-band for the above items.

The Committee noted that for above items they need not have to be broad-band in their LoA as the above items are packing materials for their export clients and unit is eligible to procure them. The Committee further after due deliberation decided to amend their LoA to read as "Trading and Warehousing".

**AGENDA ITEM NO. 117.2.2**

**Request of M/s Maruti Exports, Kandla SEZ for permission for procurement of items required for manufacturing of "RECONDITIONED USED CLOTHING".**

M/s Maruti Exports, Kandla SEZ is an approved unit for manufacturing activity of (1) Segregation of Textiles Waste / Waste Yarn, Reconditioned Clothing & Rags from used waste clothes (2) Made-ups sets, Comforter shells, Pillow Shells, Quilt covers made from raw material produced from (1) above. (3) Readymade (woven) garments made from raw

Minutes of the 117<sup>th</sup> Unit Approval Committee Meeting of Kandla SEZ held on 02.08.2017 at 11:30 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

material produced from (1) above vide LoA No. KASEZ/IA/1677(A)/97/3945 dated 30.07.1997 as amended from time to time.

The unit has stated that to manufacture the reconditioned used clothing, as per the requirement of the buyer, they intend to procure the following items by reconditioning of worn used clothing i.e. value addition to the imported goods and exporting it: -

1. Fabrics for lining, Rejected and Off Cuts material	2. Cut pieces of Fabrics / Canvas from Lots
3. Buttons all type and Threads	4. Zippers, embroidered / printed trims and patches
5. Metallic / Plastic accessories such as Adjusters, Dog Hooks, Eyelets, Bells, Poppers, Mannequins, Buttons etc.	6. Sewing Threads, Fusing & Ribbing materials, Woven labels, Hand Tags & Batches
7. Elastics, Velcro, Webbing Tapes, laces & Fringes	8. Foam, Background paper, Polythene bags & packing materials
9. Direct thermal labels	10. Barcode and washing labels

The said matter was discussed in the 100<sup>th</sup> UAC held on 23.08.2016 and the Committee after deliberation decided to recommend the proposal to Department of Commerce for consideration of BoA. Accordingly, the proposal was sent to BoA on 03.10.2016.

However, aforesaid proposal was not included in agenda in any BoA meeting despite several follow up by the office of DC, KASEZ. It was discussed with officers in MoC and Office of DC when it came out that matter does not pertain to BoA and should be decided in UAC. Therefore, it was decided to withdraw the above recommended proposal pending before BOA vide letter F.No. KASEZ/P&C/15/77th BOA/2017-18 dated 13.06.2017. It was decided to consider the proposal again in UAC.

Shri. Rakesh Jain, Partner of the unit appeared before the Approval Committee and explained their proposal.

Shri Jain informed that during last year they have made exports to the tune of Rs. 110 crores and stated that they are exporting reconditioned used clothing by reconditioning of worn used clothing i.e. value addition to the imported goods and are unable to get the specific required materials/accessories from the used clothing for manufacturing Reconditioned Used Clothing and requested for permission to procure the above raw materials. He further informed that they will export reconditioned used clothing to UK, Sweden and Germany as there is more demands of these products there. He further explained the utilization of each item for their reconditioning activity of used garments. The Committee noted that this is not a case of import substitution but a value addition activity within their existing LoA.

The Committee further discussed the issue and concurred to grant in-principle permission of procurement of some material required for their authorised operation and further decided that only DTA procurement will be allowed and import of fabrics, cut pieces of fabrics and similar items akin to clothing will not be permitted.

The Approval Committee after due deliberation decided to have a sample test of the above request of the unit and asked the unit to give a specific items required for a specific order and Approval Committee delegated the power to the Development Commission to give one time permission on file. After the unit's satisfactory performance/compliance on the one time permission, further permission be considered by the Approval Committee as to whether to allow them to procure these materials/accessories and to decide on further course of action in the matter.



Minutes of the 117<sup>th</sup> Unit Approval Committee Meeting of Kandla SEZ held on 02.08.2017 at 11:30 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

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**AGENDA ITEM NO. 117.2.3**

**Request of M/s. Ansa Polymers Ltd., KASEZ for change in Directors and change in shareholding pattern of the company.**

M/s. Ansa Polymers Ltd., KASEZ is engaged in the manufacturing activity of Recycled LDPE, HDPE, PP and Polycarbonate Flakes in terms of LoA No. KASEZ/IA/1572/95/5547 dated 20.07.1995 as amended/extended from time to time.

The unit have intimated regarding resignation of two Directors namely Shri Sunil Kumar Jain and Shri Gaurav Bhatia w.e.f 09.06.2017 and appointment of two new additional Directors namely Smt. Sangeeta Tuteja and Shri Gautam Jain w.e.f. 09.06.2017 and also change in shareholding pattern of the company.

The Committee noted that BOA's in its 69<sup>th</sup> meeting held on 23.02.2016 decided that such cases upto 50% changes in shareholding pattern can be considered by UAC under Rule 19(2) of SEZ Rules.

Accordingly, the Approval Committee after due deliberation noted that the change in shareholding pattern is upto 50% and decided to took the intimation on records regarding change in Directors and change in shareholding pattern of the company.

The meeting ended with vote of thanks of the chair.



**(UPENDRA VASISHTH)**  
Development Commissioner