

Minutes of the 103rd Unit Approval Committee Meeting of Kandla SEZ held on 18.10.2016 at 12:00 hrs. under the Chairmanship of ShriUpendraVasishth, Development Commissioner, Kandla Special Economic Zone.

Following were present:

1. Shri. Krishan Kumar : Joint Development Commissioner, KASEZ.
2. Shri. Pradeep Sharma : Assistant Commissioner, Customs, Kandla, Gandhidham-Representative of Commissioner of Customs Kandla.
3. Shri. M. U. Sumra : Manager (RM), DIC, Bhuj
4. Shri. Kanubhai Chaudhari: Regional Officer, GPCB, Kutch (East).
5. Shri. R. G. Khairkar : Foreign Trade Development Officer, Rep. of Jt. DGFT, Rajkot.

Absentees:-

1. Director (Banking)
2. SDM
3. Income Tax

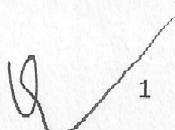
Review/Confirmation of the minutes of last meeting (102nd UAC) of the Approval Committee:-

Minutes of the last meeting of Approval Committee was confirmed.

103.1 NEW UNIT APPLICATION
AGENDA - Item No. 103.1.1

M/s Integrated Warehousing Kandla Project Development Pvt. Ltd., 10, Community Centre, 2nd Floor, East of Kailash, New Delhi - 110065

Nobody appeared for the personal hearing. The unit has intimated vide email letter dated 18.10.2016 about their unavailability as currently


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they are participating in the India Warehousing & Logistics Show, 2016 at Mumbai and requested to grant them another date for personal hearing. Hence, it was decided to defer the proposal.

AGENDA- Item No.103.1.2

M/s. Sugandha Exports

Their proposal is for setting up a unit in Kandla SEZ for manufacturing activity of the following items:

Sl. No.	Items	ITC (HS) Code
1	Gutkha	24039990, 24039920
2	Khaini	24039930
3	Zarda	24039910
4	Pan Masala	21069020
5	Chewing tobacco	24039910
6	Preparation containing chewing tobacco	24039920

Shri. Babulal Bhati, Proprietor of the unit appeared before the Approval Committee and explained their proposal.

Shri Bhati stated that he is in the line of electrical business and now they want to set up pan masala and tobacco products unit in Kandla SEZ and already have network abroad for sale of these products. Apart from pan masala and tobacco products, he has exposure in fragrance line which is prime requirement for success of the pan masala and tobacco products. He has already got the brand registered in the name of "Leoza" for export market since 2009. He confirmed that he will not import supari and source it locally from DTA.

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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).

103.2 BROAD BANDING REQUEST IN EXISTING LETTER OF APPROVAL

AGENDA ITEM NO. 103.2.1

M/s Syndicate Printers Limited, KASEZ for Broad banding of some items in their existing manufacturing and trading activity LoA.

M/s Syndicate Printers Ltd., KASEZ is an approved unit for both Manufacturing as well as Trading activities for following items vide their LoA No.KASEZ/IA/13/2009-10 dated 13.07.2009 as amended from time to time.

Now the said unit vide letter dated 23-09-2016 has requested for inclusion of following additional items in their existing LoA for trading activity:-

Sl. No.	Items	ITC (HS) Code
1	Non Woven Products	Chapter 56
2	Woven Fabrics	Chapter 5807
3	Photographic Products	Chapter 37 & 4802
4	Plastic & Articles thereof	Chapter 3812/3814 & Chapter 39 / Chapter 4811
5	Rubber & Articles Thereof	Chapter 40
6	RIFD Cards / Labels / Tags / Wrist Bands	Chapter 85

Shri. Vivek Milak, authorised representative of the unit appeared before the Approval Committee. He stated that at present their exports is to the tune of Rs. 60-70 crores and for expansion of their proposed undertaking they want to add above items for trading as they have good

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orders in hand. Shri. Milak stated that they will not import any restricted and prohibited items. Shri. Milak also stated that while exporting their manufactured products they want to include the RIFB cards, etc. as an export promotion items for overseas buyers. Shri. Milak also gave a written submission dated 18.10.2016 at the time of UAC meeting wherein it has been stated that the proposed trading of various items required for printing & allied industries and does not include restricted/prohibited items or items requiring approval-licensing under any other act in prevalence currently.

The Approval Committee noted that the above trading items which the unit want to include in their LoA are all items related to printing industry and basically to make a basket of related products for export. The Approval Committee after due deliberation decided to approve the proposal.

103.3 MISCELLANEOUS APPLICATION

AGENDA- Item No. 103.3.1

M/s Tex-Poly India Limited, KASEZ – regarding transfer of used clothing division and change in constitution

M/s Tex-Poly India Limited (earlier M/s C. J. Plastics Pvt. Ltd.), is an approved unit for manufacturing activity of Clothing and wipers made out of Worn/Used garments vide letter dated 28-12-2010 and recycling of plastic scrap.

The present request is to transfer the used clothing division from M/s Tex-Poly India Limited (Used Clothing Division) to M/s. Texpoly Impex, as a partnership firm.

Shri. Gulab Gidwani, Director of the unit appeared before the Approval Committee.



Shri Gidwani explained that the new company M/s. Texpoly Impex, a partnership firm has purchased the used clothing business of M/s. Tex-Poly India Ltd., a limited company as a slump sale and the partnership firm has undertaken to take over all the liabilities of the business as an ongoing concern.

The Approval Committee noted that the proposal of transfer of one division of a company to partnership concern was not change of constitution but involving sale of one division of business to a partnership concern on lump sum basis as an ongoing concern. This fact is reflected in the Company's Board resolution and from sale deed. It was noted that new firm is also in the common control of Shri Gulab Gidwani and Smt Radhika Gidwani who have 97.85% shareholding in M/s. Tex-Poly India Ltd.

The Approval Committee further noted that such transfer/sale of unit can be considered under Rule 19(2) of SEZ Rules, 2006 as clarified by the BOA in its 69th meeting held on 23.02.2016 that in cases where the operational SEZ units continue to operate as such i.e. on a going concern basis as a result of change of name, court approved mergers/demergers, slump sale, etc. may be approved by the UAC concerned under Rule 19(2) of the SEZ Rules, 2006.

The Approval Committee approved the proposal of transfer of M/s. Tex-Poly India Ltd. (Used Clothing Division) to M/s. Texpoly Impex, a partnership firm and subject to condition that they will furnish legal undertaking (by partnership firm taking over the division) incorporating therein the following conditions: -

- (i) Transfer of Assets and Liabilities with list of assets separately annexed with its value with duty liability under Rule 19(2).

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- (ii) The transferee unit will be liable to discharge all the pending export obligation and also any other liability existing or arising out of any previous act of omission or commission.
- (iii) The transferee will also be responsible for all the dues or any proceedings under any other Central/State laws/local bodies rules/regulations etc. or to any other parties.
- (iv) The transferee unit will furnish PAN No. and they will intimate the IT Authority regarding such transfer of unit.
- (v) The transferee unit shall continue to operate with same terms and conditions.

AGENDA- Item No.103.3.2 :-

Intimation of change in constitution of M/s Vishwas Enterprises

The unit has requested for change in proprietorship firm to partnership firm.

Earlier the unit was a Proprietorship firm with Shri Devidas Asharam Vachhani as Proprietor of the firm, now the unit have informed that their proprietorship firm has been changed to partnership firm with two partners Shri Devidas Asharam Vachhani and Shri. Vishal Umesh Pahlajani having shares in Profit and Loss as mentioned below :-

Sl. No	Name of the working partners	Share in Profit	Share in Loss
01	Shri Devidas Asharam Vachhani	60%	60%
02	Shri. Vishal Umesh Pahlajani	40%	40%

The Approval Committee after due deliberation took the intimation on records.

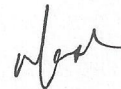
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103.4 RATIFICATION

AGENDA- Item No.103.4.1 :-

The Approval Committee ratified the Show Cause Notice dated 14-10-2016 issued to M/s Lotus Recyclers, KASEZ (earlier known as M/s Texool Wastesavers - A Division of Texool Ltd) with the direction to the Development Commissioner to carry out adjudication against the said unit.

The meeting ended with vote of thanks of the chair.



(UPENDRA VASISHTH)

Development Commissioner