

Minutes of the 112th Unit Approval Committee Meeting of Kandla SEZ held on 11.04.2017 at 12:00 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

Following were present:

1. Shri. Krishan Kumar : Joint Development Commissioner, KASEZ.
2. Shri. Uday B. Rakhe : Additional Commissioner, Customs, Kandla.
3. Shri. Pradeep Sharma : Assistant Commissioner, Customs, Kandla, Gandhidham-Representative of Commissioner of Customs Kandla.
4. Shri. Dilip Kumar : Income Tax Officer, Gandhidham.
5. Shri. K. B. Chaudhari : Regional Officer, GPCB, Kutch (East).
6. Shri. Jaykumar S. Shah : Manager (Khadi), DIC, Bhuj.
7. Shri. R. G. Khairkar : Foreign Trade Development Officer, Rep. of Jt. DGFT, Rajkot.

Absentees:-

1. Director (Banking)
2. SDM

**Review/Confirmation of the minutes of last meeting (111th UAC)
of the Approval Committee: -**

Minutes of the last meeting of Approval Committee was confirmed.

Minutes of the 112th Unit Approval Committee Meeting of Kandla SEZ held on 11.04.2017 at 12:00 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

112.1 MISCELLANEOUS ITEMS

AGENDA ITEM NO. 112.1.1

Request of M/s. Siddhartha Logistics Co. Pvt. Ltd., for permission for exporting the crates of durable nature imported by various importers without payment of duty under the condition of re-export in terms of Customs Notification No. 104/94.

M/s. Siddhartha Logistics Co. Pvt. Ltd., KASEZ is an approved unit for Service Activity including Warehousing Services vide Letter of Approval No. KASEZ/IA/13/2016-17 dated 12.09.2016. Now the unit have requested to grant permission for facility of exporting the crates of durable nature imported by various importers without payment of duty under the condition of re-export in terms of Customs Notification No.104/94 into SEZ within their Warehousing service activity. The unit then want to clear the crates into DTA without duty payment under bond to exporters of tyres who will ultimately export the crates and then bond issued be cancelled.

Shri Mitesh Rathod, Manager-Sea Operations attended the UAC and explained the proposal. He informed the Committee that after issuance of LoA they have warehoused imported tiles printing machine and then cleared goods into DTA on the instruction of the Principal. Similarly they have stored copper also and later on the same was cleared in DTA. Regarding the present proposal, he informed that their client is in the business of supplying crates of durable nature to various importers and exporters in the Tyre Industry and presently this pallets along with the tyres are imported by various importers across India. While the tyres are cleared on payment of duty, the pallets are cleared without payment of duty under condition of re-export in terms of Customs Notification No. 104/94. Now their client wants re-export these reusable crates to their unit in KASEZ in order to comply with condition of re-export and after warehousing in their unit these pallets will be supplied to various tyre exporters in DTA in terms of Section 30 of the SEZ Act, 2005, but without payment of Customs duty again under bond.

Minutes of the 112th Unit Approval Committee Meeting of Kandla SEZ held on 11.04.2017 at 12:00 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

The Approval Committee after due deliberation decided to defer the proposal and directed KASEZ Customs to examine the details of documents / procedure to be followed and obtaining of Customs Bond and then submit a report to the next UAC.

AGENDA ITEM NO. 112.1.2

Intimation of M/s Doshion Water Solution Private Limited, informing change of name of their unit “M/s Doshion Veolia Water Solutions & Technologies” to “M/s Doshion Water Solution Private Limited”.

M/s Doshion Water Solution Private Limited, have intimated about change of name of their unit “**M/s Doshion Veolia Water Solutions & Technologies**” to “**M/s Doshion Water Solution Private Limited**”.

The unit was initially a Public Limited Company and now the constitution of the unit changed to a private limited company and name was changed to “M/s Doshion Veolia Water Solution Pvt. Ltd.”

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

112.2 RATIFICATIONS

M/s Strands Textile Mills Private Limited, KASEZ had intimated regarding appointment of Director Smt. Kamla Jain w.e.f 08.03.2016 and resignation of two Directors i.e (i) Shri Sukhraj Singhvi and (ii) Shri Sandeep Singhvi both w.e.f 20.03.2016.

The above said issue was discussed in 100th UAC Meeting held on 23.08.2016 and it was decided to look into decisions taken in various BoA meeting on the issue of application of Rule 74(A) & Rule 19(2).

Minutes of the 112th Unit Approval Committee Meeting of Kandla SEZ held on 11.04.2017 at 12:00 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

The Approval Committee noted that BOA in its 69th meeting held on 23.02.2016 clarified that such type of request involving changes in shareholding pattern less than 50% can be decided by Approval Committee in terms of Rule 19(2) of SEZ Rules.

Accordingly, Approval Committee after due deliberation took the intimation on records as the change in shareholding pattern is less than 50%.

TABLE AGENDA ITEM NO. 112.3.1

Monitoring of Annual Performance Report (APRs) for the Financial Year 2015-2016, as per the provisions of Rule 54 of SEZ Rules, 2006.

The Committee perused the status, in respect of 240 units placed before them. The Committee noted out of 240 working units, 215 units have submitted APRs and 25 units have not submitted APRs for the year 2015-16. Further, out of 215 units who have submitted APRs, 26 units have failed to achieve positive Net Foreign Exchange Earnings and out of 26 units who have failed to achieve positive NFE, 7 units have failed to achieve positive NFE in their 1st& 2nd year of their 5 year block period and thus the said unit will be placed under the watch list as per monitoring guidelines; 04 units have failed to achieve positive NFE in 3rd and 4th year of their 5 year block period and 15 units have failed to achieve positive NFE in the 5th year of its 5 year block period.

After due deliberation, the Approval Committee approved the following actions to be taken by KASEZ Administration: -

1. To issue cautionary letters to 4 units who have failed to achieve positive NFE in 3rd& 4th year of their 5 year block period and to initiate SCN for penal action against 11 units out of 15 units that failed to achieve positive NFE in the 5th year of its 5 year block period. The

- Committee also authorised DC, KASEZ to take necessary action to impose penalty wherever required under the FT (D&R) Act, 1992, as amended. With regard to 4 remaining units of worn & used clothing and plastic recycling, it was decided not to initiate penal action against them as their current five year block period was from 01.12.2013 to 30.11.2018 and separate APRs for the remaining period of last five year block period from 01.04.2011 to 30.11.2013 may be collected from all the worn & used clothing and plastic recycling units.
2. The Committee also directed to take appropriate action (issuance of SCNs) against 25 units who have not filed APRs. The Committee also authorised the Development Commissioner to take suitable action against such units and if considered appropriate action for cancellation of LoA be taken.
 3. The Committee also decided to issue letters to 36 units who have made mistakes in preparation of APRs and on receipt of written comments from these units, their APRs should be re-worked on the aspect of NFE achievement and their consolidated reports may be put up in the next Approval Committee meeting for discussion.

TABLE AGENDA ITEM NO. 112.3.2

Application for setting up a reconditioning unit in KASEZ by M/s UBIX INC., New Delhi

As the proposal involves setting up of reconditioning unit in KASEZ, the Approval Committee decided to defer the proposal as the same needs further examination.

The meeting ended with vote of thanks of the chair.


(UPENDRA VASISHTH)
Development Commissioner