

Minutes of the 115th Unit Approval Committee Meeting of Kandla SEZ held on 13.07.2017 at 11:30 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

Following were present:

1. Shri. Lalit P. Jain : Additional Commissioner of Income Tax, Gandhidham.
2. Shri. Krishan Kumar : Joint Development Commissioner, KASEZ.
3. Shri. S. C. Sahoo : Assistant Commissioner, Customs, Kandla, Gandhidham-Representative of Commissioner of Customs Kandla.
4. Shri. Jaykumar S. Shah : Manager (Khadi), DIC, Bhuj.
5. Shri. R. G. Khairkar : Foreign Trade Development Officer, Rep. of Jt. DGFT, Rajkot.

Absentees:-

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

**Review/Confirmation of the minutes of last meeting (114th UAC)
of the Approval Committee: -**

Minutes of the last meeting of Approval Committee was confirmed.



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115.1 NEW UNIT APPLICATION

AGENDA ITEM NO. 115.1.1

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

Nobody appeared for the personal hearing. Mr. Romesh Chaturani has intimated vide letter dated 13.07.2017 about his unavailability due to hospitalization of his grandfather. Hence, it was decided to defer the proposal.

AGENDA ITEM NO. 115.1.2

Application for setting up a Warehousing service activity unit in KASEZ namely M/s. Scope Logistic Services India Pvt. Limited, 101, B-Wing, 1st Floor, Western Express Highway, Borivali (East), Mumbai, Maharashtra, India - 400066.

Their proposal is for setting up a unit in Kandla SEZ for Warehousing Service activity.

Shri Pavan Naigandhi, Dy. Manager Exim of the unit appeared before the Approval Committee and explained the proposal.

Shri Naigandhi informed that they are already having FTWZ unit at Arshiya FTWZ and are catering to warehousing services, packing, repacking etc. Further they are also doing warehousing business for a China based client for heavy earthmoving equipments and for Dubai based client. He further stated that they will store/warehouse the goods from overseas markets, DTA and re export to various countries and/or clear in DTA as per client requirements.

The Committee noted that the unit has already obtained NOC from M/s. Integrated Warehousing Kandla Project Development Pvt. Ltd., Co-Developer of FTWZ in Kandla SEZ.

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The Approval Committee after due deliberation decided to approve the proposal subject to standard terms and conditions and also subject to additional condition that the unit should seek a prior approval of any items they intent to warehouse and submit KYC details of clients to the Office of the Development Commissioner and similar procedure to be followed when new clients/materials are being warehoused.

AGENDA ITEM NO. 115.1.3

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

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	Pan Masala containing Tobacco RMD Gutkha	24039920
2	Mouth Freshner, etc.	24039910
3	Manufacturing of unmanufactured Tobacco, Flavoured Tobacco, Khaini, Filtered Khaini, etc.	24012090

Shri. Vishal Agarwal, Managing Director, and Shri Hitendra Sharma, CFO of the company appeared before the Approval Committee and explained their proposal.

Shri. Vishal Agarwal informed that they are already having a manufacturing unit at Meerut, UP and manufacturing pan masala in the brand name of Kanakshri at their Meerut Plant.

The Committee noted that as per the Balance Sheet of the Company, it started operation in 2016-17 and had an operation loss of about Rs. 20.00 Lakhs which is shown as negative Reserve & Surplus. Further, Balance

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Sheet shows huge borrowings considering the size of the company. The Approval Committee after due deliberation decided to defer the proposal with the request to the unit to submit detailed financial and marketing plan.

Further, the Approval Committee noted that many tobacco units are already approved in Kandla SEZ and that there is a need to review their functioning as manufacture is prohibited in many States including Gujarat. KASEZ has many units for exports. They have no permission for any DTA Sales and 100% of their production is exported. Accordingly Committee decided that henceforth no proposal for manufacturing of Tobacco such as Gutkha, Khaini, Zarda, Chewing Tobacco, Pan Masala, etc. will be considered till a decision is taken after studying of the functioning of existing tobacco units. The Committee also directed O/O DC to put up a scrolling news on the website of KASEZ to the above effect.

115.2 MISCELLANEOUS ITEMS

AGENDA ITEM NO. 115.2.1

Request for broad banding in their existing Letter of Approval/ Permission No. KASEZ/IA/12/2014-15 dated 12.02.2015 of M/s. Symphony Limited, KASEZ.

M/s Symphony Ltd., KASEZ is an approved unit for manufacturing/ assembling activity of Air Cooler and trading of evaporative Air Cooler, Mist Fan and Water Purifiers vide LoA F.No. KASEZ/IA/12/2014-15 dated 12.02.2015, as amended / extended from time to time. Their LoA is valid up to 21.04.2020.

Now the said unit has requested for broad banding of Services "Other Business Services" - (a) Management and Business Consultant Services (b) Providing use of "Symphony" brand on royalty payments and (c) Non-compete arrangement in countries whereby Symphony product is already

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marketed and sold, in their existing Letter of Approval No. KASEZ/IA/12/2014-15 dated 16.02.2015.

Shri Mittal Shah, Sr. Manager- Accounts, Shri Vivek Milak and Shri Rahul Dutia, authorised representatives of the company appeared before the Approval Committee and explained their proposal.

Shri Shah informed that in 2016-17 their export from Kandla SEZ was Rs. 56 crores and they expect to cross Rs. 100 crores exports during 2017-18. Shri Shah further stated that for marketing support and technical support of their products and the clients are ready to pay for the same.

The Approval Committee after due deliberation decided to broad-band Services viz. "Other Business Services" viz. (a) Management and Business Consultant Services (b) Providing use of "Symphony" brand on royalty payments and (c) Non- compete arrangement in countries whereby Symphony product is already marketed and sold in their existing LoA subject to the condition that separate account for services is to be maintained.

AGENDA ITEM NO. 115.2.2

Request of M/s. Ubix Inc., KASEZ, a Partnership Firm for splitting of their existing LoA into two LoAs as a Proprietorship firm of both the partners separately.

M/s. Ubix Inc., KASEZ is an approved unit in KASEZ for re-manufacturing activity of repairing, reconditioning of Empty Printer Cartridge and Used/damaged Mobile Phones vide LoA No. KASEZ/IA/31/2009-10/17105 dated 10.03.2010. M/s. Ubix Inc., KASEZ is a partnership firm with two partners viz. Shri Peyush Miglani and Shri Gaurav Batra.

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The request of the unit was discussed in the 113th UAC meeting held on 25.05.2017 and the UAC after discussion decided to seek legal opinion regarding splitting of LoA into two. The Legal Officer, KASEZ in his legal opinion intimated that there is no law for splitting of LoA but administratively proper procedure to be followed to issue two LoA to the existing unit.

The Approval Committee noted that there is no Law/Rule regarding Splitting of LoA into two and therefore the Committee after due deliberation decided to reject the proposal of the unit regarding splitting of their existing LoA.

TABLE AGENDA ITEM NO. 115.3.1

Application for setting up a Warehousing service activity unit in KASEZ namely M/s. S. R. Brother Warehousing Services, Plot No.57, Sector-10A, GIDC, Gandhidham - 370201.

Their proposal is for setting up a unit in Kandla SEZ for Warehousing Service activity.

The said proposal was earlier discussed in the 106th Unit Approval Committee Meeting held on 27.12.2006 and the Committee after due deliberations decided to defer the said proposal.

Further, during the verification of the documents submitted along with the said proposal, it was observed that the Proprietor of the unit has two PAN Nos. AHQPB6813M & BDSPB6898M with two different addresses (i) S/o Bara Lalmohamad, Plot No.341-A, NU-3, Apna Nagar, Gandhidham, Kutch, Gujarat - 370201 and (ii) Plot No.5, Ward - 10A, Gurukul, Gandhidham, Gujarat, India - 370201 respectively on the same name of Mr. Mohammed Rafique Lalmohammed Bara, Proprietor.

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Thereafter, the issue was referred to Jurisdictional, Income Tax Office, Gandhidham to look into matter on priority basis and send their comments in the matter to this office. The Additional Commissioner of Income Tax, Gandhidham Range, Gandhidham vide letter dated 12.06.2017, informed that the case of Mr. Mohammed Rafique Lalmohammed Bara has been re-opened for scrutiny assessment of A.Y. 2014-15 and 2015-16 and assessment proceedings for these years are in progress. The Committee further noted that the credentials of the promoter is not above board.

The Approval Committee after due deliberation decided to reject the present proposal of the unit as the proceeding case is pending against the unit by the Income Tax Department.

TABLE AGENDA ITEM NO. 115.3.2

M/s Integrated Warehousing Kandla Project Development Pvt. Ltd. request for approval of list of goods required for development of infrastructure at Free Trade Warehousing Zone.

The Committee noted that they are approved as a Co-Developer for setting up a Free Trade Warehousing Zone in KASEZ. The Co-developer has submitted a list of goods required for their authorised operations. The requirement of items and quantities has been duly certified by the Chartered Engineer. Accordingly, the list of goods in respect of M/s Integrated Warehousing Kandla Project Development Pvt. Ltd. was approved by the Committee.

The meeting ended with vote of thanks of the chair.



(UPENDRA VASISHTH)
Development Commissioner