

Minutes of the 128th Unit Approval Committee Meeting of Kandla SEZ held on 24.04.2018 at 11:30 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

Following were present:

1. Shri. Satyadeep Mahapatra : Joint Development Commissioner, KASEZ.
2. Shri. Lalit P. Jain : Additional Commissioner of Income Tax, Gandhidham.
3. Shri. S. C. Sahoo : Assistant Commissioner, Customs, Kandla, Gandhidham-Representative of Commissioner of Customs Kandla.
4. Shri. P. C. Ravindran : Assistant DGFT, Rep. of Jt. DGFT, Rajkot.
5. Shri. R. J. Acharya : Representative of GPCB, Gandhidham.

Absentees:-

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

Review/Confirmation of the minutes of last meeting (127th UAC) of the Approval Committee: -

Minutes of the last meeting of Approval Committee was confirmed. However, the Committee reviewed the request of broad-banding of Trading Activity granted to M/s. Vimal Trading, KASEZ vide Agenda Item No. 127.2.1 and decided not to grant broad-banding of trading activity in respect of Mix Plastic Floor Sweeping (ITC HS 3901 9090) and Plastic Lumps (ITC HS 3901 9090). The Committee directed the O/o. DC, KASEZ to amend the broad-banding permission granted to the unit amended accordingly.

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128.1 NEW UNIT APPLICATION

AGENDA ITEM NO. 128.1.1

Application for setting up of a unit in KASEZ namely M/s. Om Aromatic Solvents, Office No.112, First Floor, Mani Complex, Plot No.84, Sector-8, Gandhidham, Gujarat.

Their proposal is for setting up a trading unit in Kandla Special Economic Zone, Gandhidham.

Shri. Rajesh Maheshwari, Partner of the unit appeared before the Approval Committee and explained their proposal.

The Committee noted the said proposal was placed before 126th UAC meeting for discussion and consideration and the Committee after due deliberation decided to defer the proposal with request to the unit to submit detailed means of finance supported with documentary evidences of its feasibility.

Now the unit vide letter dated 19.04.2018 has stated that the project cost for proposed trading activity is of Rs.15.00 lakh which consists of storage tanks, pumps, drum filling machine etc.. Inadvertently, they had shown the projected import of trading items of Rs.10.99 crores under the head of raw material, components etc. for the five years period. Further, they also furnished details of Bank statement of the newly formed Partnership firm in support of their financial standing.

Shri Maheshwari stated that majority of the orders will be bearing condition of 50% advance and others will be through letter of credit. He further informed that they will do only exports and no DTA sale will be done.

The Approval Committee after due deliberation decided to approve the proposal for trading activity of 13 items proposed by the unit subject to standard terms and conditions. Further, there shall be condition in the LoA that no DTA sale will be permitted.



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128.2 REQUEST FOR BROADBANDING

AGENDA ITEM NO. 128.2.1

Request of M/s KKP Petchem Pvt. Ltd., KASEZ regarding addition of additional items for Trading Activity in their existing LoA


M/s KKP Petchem Pvt. Ltd., KASEZ has been granted LoA for Trading Activity vide LoA No. KASEZ / IA / 28 / 2009 -10 for 63 items, listed in Annexure 'A' attached with renewal letter dated 16-01-2018. The validity of their LoA is upto 21-01-2023.

The unit has now requested for addition of following additional six items in their existing Trading Activity:

Sl. No.	Description	ITC (HS) Code
1	Amplasol C12	29156010
2	Acid Oil	38231900
3	Sodium Lauryl Sulphate	34021190
4	Castor Oil / Hydrogenated Castor Oil	15153090
		15162039
5	Cetyl Stearyl alcohol	38237090
6	Tetrahydrofuran	29321100

It was confirmed by O/o. DC, KASEZ that all the items listed above are 'Free' as per import/export policies.

The Approval Committee after due deliberation decided to approve the broad-banding of Trading Activity of above items in their existing LoA.



128.3 MISCELLANEOUS ITEMS

AGENDA ITEM NO. 128.3.1

Intimation by M/s Babu International, KASEZ regarding change in Partners of the company.

The said unit has been granted approval for manufacturing activity of Shoddy synthetic yarn, shoddy woolen yarn, blankets, synthetic pulled fibre, blazer cloth and furnishing fabrics includes an intermediate product vide LoA F.No. KASEZ/1922/2003-04/2332 dated 16-06-2003 and the said LoA has been renewed vide this office letter F.No. KASEZ/IA/1922/2003-04/Part-I dated 02-05-2014 for the period 01-12-2013 to 30-11-2018.

The said unit has now intimated that one of their partner Shri Mohamedhusen Mohamedhanif Talu has retired from the firm and Shri Yashu Garg has entered as new partner of the firm.

The Committee noted that the changes in partnership firm before and after entering the new partner is as given below :

Sl. No.	Name of the Partner	Shareholding % before changes	Shareholding % after changes	Changes taken place
1	Mohinder Bajaj (Existing partner)	12.50%	12.50%	--
2	Ashish Bajaj (Existing Partner)	12.50%	12.50%	--
3	Anis Gaffar Sharif (Existing Partner)	18.75%	18.75%	--
4	Akhtar Yunus Kachhi (Existing Partner)	18.75%	18.75%	--
5	Mohd. Faizan Coatwala (Existing Partner)	18.75%	18.75%	--
6	Mohamedhusen Mohamedhanif Talu (Retiring Partner)	18.75%	--	(-) 18.75%
7	Yashu Garg (New Partner)	--	18.75%	(+) 18.75%
	Total	100%	100%	18.75%

The Committee noted that BOA's in its 69th 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.

The Committee noted that the changes in partnership firm is to the extent of 18.75%. Therefore, the Approval Committee after due deliberation

decided to approve the proposal of change in Partnership of the firm subject to following conditions. However, the Committee asked the O/o. DC, KASEZ to get an Affidavit of no financial offence case against him from the new Partner on the similar lines as is taken while new units applies for setting up unit in KASEZ: -

1. Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered unit entity.
2. Fulfillment of all eligibility criteria applicable to unit, including security clearances etc. by the altered unit entity and its constituents.
3. Applicability of and compliance with all Revenue/Company Affairs/SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.
4. Full financial details relating to change in equity/merger, demerger, amalgamation or transfer in ownership etc. shall be furnished immediately to Member(IT), CBDT, Department of Revenue and to the Jurisdictional Authority.
5. The Assessing Officer shall have the right to assess the taxability of the gain/loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and ownerships etc as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.
6. The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.
7. The unit shall furnish details of PAN and jurisdictional assessing officer of the unit to CBDT.

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AGENDA ITEM NO. 128.3.2

Intimation for change in Directorship and change in share holding pattern of M/s Vertex Hardware (Kandla) Pvt. Ltd.

M/s Vertex Hardware (Kandla) Pvt. Ltd., KASEZ is issued with LoA No. 2/62/76-FIZ dated 03.11.1976 for manufacturing of varieties of Builders hardware namely doors and windows fittings such as varieties of kicking plates, latches fasteners etc. Their LoA is valid upto 30.10.2020.

The unit has now intimated change in directorship and change in shareholding pattern of the company. The unit has informed that due to demise of their two Directors viz. Mr. A. K. Bhimani and Mrs. Kokila Bhimani there was change in Directors in their Board and Mr. Sandip Tarkas was made an additional Director.

The Committee noted that the list of present Directors in the Board are as under:-

1. Mrs. Ranjan Tarkas, Managing Director
2. Mr. Sandip G. Tarkas, Director
3. Mr. Navin G. Bhatia, Director

The Committee also noted that M/s. Vertex Hardware (Kandla) Pvt. Ltd. is wholly owned 100% subsidiary of M/s. Vertex Manufacturing Company Pvt. Ltd. and the share holding pattern prior to death of Mr. Ajit Bhimani was 99% Equity shares owned by M/s. Vertex Mfg. Co. Pvt. Ltd. (VMC) and 1% Equity shares owned by Mr. Ajit Bhimani, Director of VMC

After Mr. Ajit Bhimani's demise, the share holding pattern is 99% Equity shares owned by M/s. Vertex Mfg. Co. Pvt. Ltd. (VMC) and 1% Equity shares owned by Mrs. Ranjan Tarkas, Director of VMC.

The Committee noted that BOA's in its 69th 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.

The Committee noted that the change in shareholding pattern is only 1%. Therefore, the Approval Committee after due deliberation decided to approve the proposal of change in Directors and change in shareholding pattern of the company subject to following conditions. However, the Committee asked the O/o. DC, KASEZ to get an Affidavit of no financial

offence case against him from the new Director on the similar lines as is taken while new units applies for setting up unit in KASEZ: -

1. Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered unit entity.
2. Fulfillment of all eligibility criteria applicable to unit, including security clearances etc. by the altered unit entity and its constituents.
3. Applicability of and compliance with all Revenue/Company Affairs/SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.
4. Full financial details relating to change in equity/merger, demerger, amalgamation or transfer in ownership etc. shall be furnished immediately to Member(IT), CBDT, Department of Revenue and to the Jurisdictional Authority.
5. The Assessing Officer shall have the right to assess the taxability of the gain/loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and ownerships etc as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.
6. The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.
7. The unit shall furnish details of PAN and jurisdictional assessing officer of the unit to CBDT.

AGENDA ITEM NO. 128.3.3

Request for permission to set up an additional packing plant for manufacturing of metal containers of M/s Royal Petrochem, KASEZ in their existing LoA.

M/s Royal Petrochem, KASEZ is an approved unit for manufacturing activity of Automotive and Industrial lubricants, Brake Fluid, Petroleum Jeelly, Open Gear Compound/Creosote Oil, Pour Point Depresants, Coolants etc. in Kandla Special Economic Zone vide Letter of Approval No. KASEZ/IA/026/2006-07 dated 12.12.2006 amended from time to time.

The unit has now requested for setting up a captive plant for manufacturing of metal containers required for packing their approved items of manufacturing viz. lubricants, greese and brake fluids meant for export.

Shri. Pramesh Ved, Partner of the unit appeared before the Approval Committee and explained their proposal.

Shri Ved informed that they are presently procuring empty metal containers from local market which are not good in quality and price wise also not competitive and hence they have decided to manufacture metal containers which will be primarily used for captive consumption in their unit and they have tied up with American Company to supply their finished products in the said metal containers. Further, he also stated that above captive plant will be installed in their allotted space.

The Committee after due deliberation decided to approve the proposal for setting up a captive plant for manufacturing of metal containers required for packing their finished products in their existing LoA.

The meeting ended with vote of thanks of the chair.



(UPENDRA VASISHTH)
Development Commissioner