

Minutes of the 135<sup>th</sup> Unit Approval Committee Meeting of Kandla SEZ held on 25.09.2018 at 11:30 hrs. under the Chairmanship of Dr. Amiya Chandra, Development Commissioner, Kandla Special Economic Zone.

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**Following were present:**

1. Shri. Satyadeep Mahapatra : Joint Development Commissioner, KASEZ.
2. Shri. A. K. Moria : Assistant Commissioner, Customs, Kandla, Gandhidham-Representative of Commissioner of Customs Kandla.
3. Shri. P. C. Ravindran : Assistant DGFT, Rep. of Jt. DGFT, Rajkot.
4. Shri. Jaykumar S. Shah : Representative of DIC, Bhuj.
5. Shri. Kaushik Parmar : Income Tax Officer, Gandhidham.

**Absentees:-**

1. Director (Banking)
2. SDM

**Review/Confirmation of the minutes of last meeting (134<sup>th</sup> UAC) of the Approval Committee: -**

Minutes of the last meeting of Approval Committee was confirmed.





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### **135.1 NEW UNIT APPLICATION**

#### **AGENDA ITEM NO. 135.1.1**

**Application for setting up of a unit in KASEZ namely M/s. H. L. COMMODITIES LLP, 15/215, Doodhwala Bangalow, Civil Lines, Kanpur Uttar Pradesh.**

Their proposal was for setting up a unit in Kandla SEZ for manufacturing activity of – Panmasala, Chewing Tobacco, Zarda, Preparation containing chewing tobacco, Khaini, Gutkha.

Shri. Akash Sahu, Partner of the firm appeared before the Approval Committee and explained their proposal.

Shri Sahu stated that they want to set up unit in Kandla SEZ for gutkha and will export the same to Middle East, USA and Germany. Their family is in this business since 1960.

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

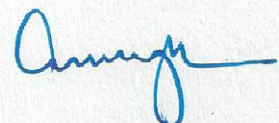
The Approval Committee after due deliberation approved the proposal subject to standard terms and conditions for such units which include no DTA Sale/clearance of any goods and no import of Betel nuts (supari) and also subject to furnishing an affidavit/undertaking for use of plastic packaging as detailed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

#### **AGENDA ITEM NO. 135.1.2**

**Application for setting up of a unit in KASEZ namely M/s. R R Exports, Shop No. 19, Nahari Ka Naka, Jhotwara Road, Jaipur, Rajasthan, India – 342 001.**

Their proposal was for setting up a unit in Kandla SEZ for manufacturing activity of – Panmasala, Zarda, Chewing Tobacco, Khaini, Panmasala containing Tobacco, Zarda (Gutkha).

Shri. Raj Kumar Gadodia, Partner of the firm appeared before the Approval Committee and explained their proposal.





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Shri Raj Kumar stated that he is in the textile business and he has done some export of Supari from Karnataka and has also done business of raw material of supari from Assam and sold in Jaipur. He further stated that he is having overseas contact and furnish copy of export orders within 3-4 days. However, he could not satisfactorily explain his own financial standing as well as that of his partner and of marketing tie-up/strategy and further sought time from the Committee.

The Approval Committee after due deliberation decided to defer the proposal with a direction to the applicant to submit revised application detailing therein working capital, present experience of the promoters, financial standing of both partners, marketing tie-ups, copy of export orders and other documentary evidence in support of the above.

**AGENDA ITEM NO. 135.1.3**

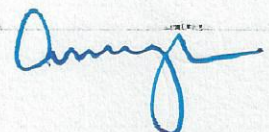
**Application for setting up of a unit in KASEZ namely M/s. Pandokhar Food LLP, Office No. 184 & 184A, Ware 12-A, Opp. Gurudwara, Gandhidham - 370 201.**

Their proposal was for setting up a unit in Kandla SEZ for manufacturing activity of - Gutkha, Khaini, Zarda, Panmasala, Chewing Tobacco, Preparation containing chewing tobacco, etc.

Shri. Prakash Kaknani, Partner of the firm appeared before the Approval Committee and explained their proposal.

Shri Kaknani stated that they are in family business of import, export and trading since 2002 and have made local trading of cigarettes and also having flavour expertise with tie-up with Kanpur based consultant.

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. Further the Approval Committee directed the DC's office to issue LoA only after the unit submits the details of write up about financial status and marketing tie-up and it is found acceptable by DC.





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**AGENDA ITEM NO. 135.1.4**

**Application for setting up of a unit in KASEZ namely M/s. Kukreja Polymers, 2, 14, Purusharth Apartment, Plot No. 24, Sector - 2, Gandhidham, Gujarat.**

Nobody appeared for the personal hearing. However, the Committee decided to defer the proposal because a Committee has been constituted consisting of JDC & DC (Cus) which is yet to submit its report related to all business aspects of plastic lumps and all the plastic related items requested by such units including marketing extortions, prevailing international business. The said proposal will be taken up in the UAC after the Committee submits its report regarding import of plastic lumps, market distortion, pattern of international trade and other issues as deemed fit.

**AGENDA ITEM NO. 135.1.5**

**Application for setting up of a unit in KASEZ namely M/s. Mishika Trade Link, Office No. 57, Manali Tower, Plot No. 110, Sector-8, Gandhidham (Kutch) -370201, Gujarat.**

Their proposal was for setting up a unit in Kandla SEZ for trading activity.

Shri. Naresh Bhatia, Proprietor of the firm appeared before the Approval Committee and explained their proposal.

Shri Bhatia stated that he will do the trading activity of plastics on behalf of other clients and he is having 15 years experience in Zone in logistics field only as an employee.

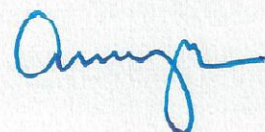
The Approval Committee after due deliberation decided to reject the proposal as the applicant is not having any experience in the plastic business and also due to inadequate financial strength of the applicant.

**AGENDA ITEM NO. 135.1.6**

**Application for setting up of a unit in KASEZ namely M/s. Viraj Polymers, F-2, FF, Plot No. 96, Ward 9/B-D, Gandhidham, Gujarat.**

Their proposal was for setting up a unit in Kandla SEZ for trading activity.

Shri. Mayur Vyas, Proprietor of the firm appeared before the Approval Committee and explained their proposal.





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Shri Vyas stated that he wants to start trading and warehousing business in KASEZ and is having 20 years experience in various plastic units of KASEZ only as an employee.

The Approval Committee after due deliberation rejected the proposal as the applicant is not having adequate financial strength.

**AGENDA ITEM NO. 135.1.7**

**Application for setting up of a warehousing unit in KASEZ namely M/s Khurshid & Sons, Plot No. 57, Sector-10/A, GIDC, Gandhidham, Gujarat-370201.**

Their proposal was for setting up a unit in Kandla SEZ for warehousing service activity.

Shri. Khurshid Bara, Proprietor of the firm appeared before the Approval Committee and explained their proposal.

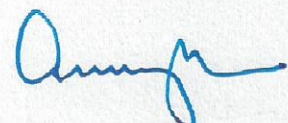
Shri Bara stated that he wants to start warehousing unit in KASEZ and will do warehousing of corrugated boxes and steel strips.

The Approval Committee after due deliberation decided to defer the proposal with the request to the applicant to furnish the list of items along with their ITC (HS) Code proposed to be warehoused.

**AGENDA ITEM NO. 135.1.8**

**Application for setting up of a unit in KASEZ namely M/s. Polymer Hub, Plot No. 2, Sector - 10B, Post Office Road, Gandhidham - 370 201, Gujarat.**

Nobody appeared for the personal hearing. However, the Committee decided to defer the proposal because a Committee has been constituted consisting of JDC & DC (Cus) which is yet to submit its report related to all business aspects of plastic lumps and all the plastic related items requested by such units including marketing extortions, prevailing international business. The said proposal will be taken up in the UAC after the Committee submits its report regarding import of plastic lumps, market distortion, pattern of international trade and other issues as deemed fit.





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**AGENDA ITEM NO. 135.1.9**

**Application for setting up of a unit in KASEZ namely M/s Man Enterprises, 464, Near Vikas School, Model Town, Panipat, Haryana - 132103 for Manufacturing Activity.**

Their proposal was for setting up a unit in Kandla SEZ for manufacturing activity of plastic roto moulded powder, granules, etc.

Shri. Mohinder Bajaj, authorised signatory of the firm appeared before the Approval Committee and explained their proposal.


Shri. Bajaj stated that they are in business of blanket and yarn in Panipat and also in import and trading of plastics. However, the Committee noted that IT returns of the proprietor does not reflect the sound financial standing of the proprietor. Shri Bajaj claimed that total turnover of the entire family business is around Rs. 50 crores from 5 units in Panipat in the last financial year.

The Approval Committee after due deliberation decided to defer the proposal and asked the applicant to furnish the details of their financial standing in support of their claim of total turnover of Rs. 50 crores including balance sheet of their firms. The Approval Committee also noted that a Committee has been constituted consisting of JDC & DC (Cus) which is yet to submit its report related to all business aspects of plastic lumps and all the plastic related items requested by such units including marketing extortions, prevailing international business. The said proposal will be taken up in the UAC after the Committee submits its report regarding import of plastic lumps, market distortion, pattern of international trade and other issues as deemed fit.

**AGENDA ITEM NO. 135.1.10**

**Application for setting up of a unit in KASEZ namely M/s. Al Farhan General Trading & Warehousing (SEZ), 341 - A, NU-3, Apna Nagar, Gandhidham - 370201**

Nobody appeared for the personal hearing. However, the Committee decided to defer the proposal because a Committee has been constituted consisting of JDC & DC (Cus) which is yet to submit its report related to all business aspects of plastic lumps and all the plastic related items requested by such units including marketing extortions, prevailing international business. The said proposal will be taken up in the UAC after the Committee





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submits its report regarding import of plastic lumps, market distortion, pattern of international trade and other issues as deemed fit.

**AGENDA ITEM NO. 135.1.11**

**Application for setting up of a unit in KASEZ namely M/s. Elite Industries (Unit-II), 707, Hubtown Solaris, N. S. Phadke Road, Opp. Teli Galli, East West Flyover, Andheri (E), Mumbai – 400 069, Maharashtra.**

Nobody appeared for the personal hearing. However, the Committee decided to defer the proposal because a Committee has been constituted consisting of JDC & DC (Cus) which is yet to submit its report related to all business aspects of plastic lumps and all the plastic related items requested by such units including marketing extortions, prevailing international business. The said proposal will be taken up in the UAC after the Committee submits its report regarding import of plastic lumps, market distortion, pattern of international trade and other issues as deemed fit.

**135.2 REQUEST FOR BROADBANDING**

**AGENDA ITEM NO. 135.2.1**

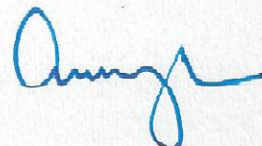
**Request of M/s. R. B. Industries, Shed No. 325, Sector – I, KASEZ for Broad-banding of one new item into their Manufacturing activity.**

M/s R. B. Industries, KASEZ is an approved unit for manufacturing of Pan Masala and Pan Masala Containing Tobacco – Gutkha in Kandla Special Economic Zone vide LoA No. KASEZ/IA/05/2014-15 dated 14.07.2014.

The said unit has now requested for broad-banding of Perfumery Compound (ITC HS 33021090) in their existing Letter of Approval for Manufacturing Activity.

Shri Anil Gangadharan, General Manager of the firm appeared before the Approval Committee and explained their proposal.

The Approval Committee after due deliberation decided to approve the broad-banding of manufacturing activity of above item in their existing LoA.





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**AGENDA ITEM NO. 135.2.2**

**Request of M/s. Oswal Agrimpex, KASEZ for Broad-banding of trading and warehousing service activity in their existing LoA for manufacturing activity.**

M/s Oswal Agrimpex, KASEZ is an approved unit for manufacturing of BSS Grade or Special Grade Castor Oil, Commercial Grade Castor Oil, Pale Pressed Grade and various other grades of Castor Oil and its Derivatives and Castor Oil Cake/De-oiled Castor Cake in Kandla Special Economic Zone, Gandhidham vide LoA No. KASEZ/IA/005/2013-14 dated 23.01.2015.

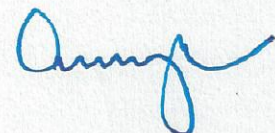
The said unit has now requested for broad-banding in their existing LoA for trading activity of BSS Grade Castor Oil (FSG grade Castor Oil), Commercial Grade Castor Oil, Pale Pressed Grade and various other grades of Castor Oil (ITC HS 15153090) and also for providing warehousing service activity.

Shri Mukesh Parekh, Partner of the firm appeared before the Approval Committee and explained their proposal.

Shri Parekh stated that they are in the business of manufacturing castor oil and purchase castor seeds locally, process them and export the same. Last year they have made exports of Rs. 150 crores. Now, they want to do trading and warehousing of the above said items as sometimes they have urgent orders for export of castor oil which they can purchase locally and export the same.

The Committee informed the applicant that UAC is not granting approval of trading & warehousing activity along with manufacturing activity as decided in earlier UAC meeting and the unit has to apply for separate LoA with separate accounting and export for trading & warehousing activity.

The Approval Committee after due deliberation decided to defer the proposal with the request to the applicant to submit map of the area demarcated for manufacturing and trading & warehousing, apply for separate LoA in respect of their Trading & Warehousing activities submit detailed report on marketing, activities of warehousing & trading.





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**AGENDA ITEM NO. 135.2.3**

**Broad-banding request of M/s. Bajaj Warehousing Services, KASEZ for addition of TRADING ACTIVITY into existing LoA.**

M/s. Bajaj Warehousing Services, KASEZ is an approved unit for 'Warehousing Service Activity' vide LOA no. KASEZ/IA/26/2010-11 dated 25-10-2010 as amended from time to time. The LoA is valid upto 23.10.2021.

Now the said unit has requested for addition of 'Trading Activity' for plastic items in their existing LoA.

Shri. Mohinder Bajaj, authorised signatory and father of the proprietor of the firm appeared before the Approval Committee and explained their proposal.

The Committee decided to defer the proposal because a Committee has been constituted consisting of JDC & DC (Cus) which is yet to submit its report related to business of import and trading of plastic lumps. The said proposal will be taken up in the UAC after the Committee submits its report regarding import of plastic lumps, market distortion, pattern of international trade and other issues as deemed fit.

**135.3 MISCELLANEOUS ITEMS**

**AGENDA ITEM NO. 135.3.1**

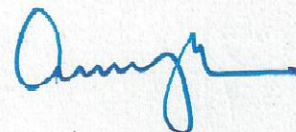
**Intimation for change in share holding pattern of M/s Siddhartha Logistics FTWZ Pvt. Ltd.**

M/s Siddhartha Logistics FTWZ Pvt. Ltd. (previously known as M/s. Siddhartha Logistics Co. Pvt. Ltd.), KASEZ is an approved unit for authorized activity of Service Activity vide LoA No. KASEZ/IA/13/2016-17 dated 12.09.2016, as amended from time to time.

The said unit has now intimated change of share holding pattern of the company from: -

1. M/s. Siddhartha Logistics Company Pvt. Ltd. - 98%.
2. Mr. Siddhartha Sen - 1%.
3. Mr. Nishchal Padhya - 1%.

To: -





1. M/s. Siddhartha Logistics Company Pvt. Ltd. - 50%.
2. Mr. Chimanlal Shah & Shashiben B. Gupta (Investors) - 50%.

The Committee noted that Department of Commerce vide Instruction No. 89 dated 17.05.2018 had issued guidelines regarding change in shareholding pattern, name change pertaining to SEZ units wherein change of name, change of shareholding pattern, etc. may be undertaken with the prior approval of Approval Committee in respect of units.

The Committee noted that the changes in shareholding pattern of the company is to the extent of 50%. Therefore, the Approval Committee after due deliberation decided to approve and take on record the proposal of change in shareholding pattern of the company subject to following conditions: -

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.



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7. The unit shall furnish details of PAN and jurisdictional assessing officer of the unit to CBDT.

**AGENDA ITEM NO. 135.3.2**

**Request of M/s. Jassco Enterprises, 671, Shivaji Road, Azad Market, Delhi-110006 for approval of the items for their approved activities of Trading Activities and warehousing service.**

M/s. Jassco Enterprises, KASEZ is an in principally approved unit for Warehousing and Trading activity in the 79<sup>th</sup> UAC Meeting of Kandla SEZ, held on 01.04.2015 and in principal approval letter has been issued to the unit vide this office letter F. No. KASEZ/IA/JE/044/2014-15/1538 dated 13.05.2015.

Now, the said unit has submitted list of items proposed for trading and warehousing activity separately which includes plastics and nutritional supplements.

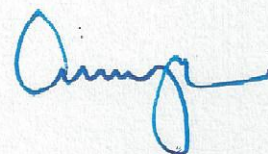
The Committee decided to defer the proposal because a Committee has been constituted consisting of JDC & DC (Cus) which is yet to submit its report related to business of import and trading of plastic lumps. The said proposal will be taken up in the UAC after the Committee submits its report regarding import of plastic lumps, market distortion, pattern of international trade and other issues as deemed fit.

**AGENDA ITEM NO. 135.3.3**

**Permission to warehouse goods on behalf of foreign clients as well as DTA clients - Request of M/s Mysore Scents Company - Unit II, a Warehousing Service Units of KASEZ.**

M/s Mysore Scents Company - Unit II, KASEZ has requested for permission to warehouse goods on behalf of their Foreign clients/DTA clients for nutritional supplements.

The Approval Committee after due deliberation decided to defer the proposal with the request to the unit to furnish details of nutritional supplements proposed to be warehoused.





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**AGENDA ITEM NO. 135.3.4**

**Ratification of issues already approved in file**

The Approval Committee ratified the permission granted by the O/o. DC, KASEZ as per decision taken in 131<sup>st</sup> UAC meeting held on 10.07.2018 for one time permission to the following units for warehousing of goods on behalf of their clients which were already arrived at Port:

1. Exim Warehousing on 31.08.2018
2. Flamingo Logistics on 05.09.2018
3. Vimal Trading on 07.09.2018
4. Flamingo Logistics on 12.09.2018
5. Flamingo Logistics on 14.09.2018

**TABLE AGENDA ITEM No.135.4.1**

**Permission to warehouse goods on behalf of foreign clients as well as DTA clients - Request of Warehousing Service Units of KASEZ.**

In the 116<sup>th</sup> UAC meeting held on 19.07.2017, it was decided that the warehousing units in KASEZ will have to seek permission for any new items which they intend to warehouse on behalf of foreign clients as well as DTA clients and submit KYC of the client before warehousing the items.

The Committee noted that M/s. Flamingo Logistics requested for permission to warehouse goods on behalf of DTA clients and submitted list of items to be warehoused in KASEZ alongwith KYC of clients.

The Committee after due deliberation decided to take on records the items to be warehoused by the above unit for respective DTA clients as submitted by the unit.

The meeting ended with vote of thanks of the chair.



**(Dr. AMIYA CHANDRA)**

Development Commissioner