

Following were present (via Video Conferencing):

1. Shri. Dipak Zala : Deputy Development Commissioner, KASEZ.
2. Shri. A. K. Moria : Assistant Commissioner, Customs, Kandla, Gandhidham-Representative of Commissioner of Customs Kandla.
3. Shri. Kanak P. Der : General Manager, DIC, Bhuj.

Absentees:-

1. Director (Banking)
2. SDM
3. DGFT
4. I.T.

Review/Confirmation of the minutes of last meeting (156th UAC) of the Approval Committee: -

Minutes of the last meeting of Approval Committee was confirmed.

157.1 NEW UNIT APPLICATION

AGENDA ITEM NO. 157.1.1

Application for setting up of a unit in KASEZ namely M/s. Kandla Polyplast (India) Private Limited-Unit II.

A proposal was submitted by M/s Kandla Polyplast (India) Private Limited (Unit-II), Mumbai for setting up a unit in Kandla SEZ for manufacturing activity.

Shri Ajay Gupta, Director of the company explained their proposal. Shri Gupta explained that they are in KASEZ since last two decades for recycling of plastic scrap and now they have decided to set up a new unit (Unit-II) for manufacturing of surgical face masks and hand sanitizers in Kandla SEZ.

The Committee noted that the applicant has requested for manufacturing of following items: -

Sl. No.	Manufacturing products	ITC-HS Code	Description of goods as per import/export policy
01.	Blank 3 Ply Mask	62179090	Other Made Up Clothing Accessories; Parts Of Garments Or Of Clothing Accessories, Other Than Those Of Heading 6212: Parts: Other
02.	Surgical Mask	63079090	Other: Dress Materials hand printed: Other
03.	Hand Sanitizer in retail packing	30049087	Antibacterial formulations, not elsewhere specified or included
04.	Hand sanitizers in bulk	34013090	Organic surface-active products and preparations for washing the skin, in the form of liquid or cream and put up for retail sale, whether or not containing soap: Other

The Committee noted that items proposed are prohibited for exports and the unit has undertaken that the manufactured items will be cleared into DTA only until the export is permitted by the Government.

The Committee further noted that one of the raw material viz. Ethyl Alcohol is restricted for import and the State Government vide letter dated 23.03.2020, in the light of Covid-19 pandemic, has exempted Ethyl Alcohol from the purview of Drugs & Cosmetics Act for manufacture of Sanitizers. However, the unit has to follow subsequent instructions issued by the State Government in this regard.

The Approval Committee after due deliberation decided to approve the proposal of manufacturing activity of above items subject to standard terms



and conditions. The above permission is also subject to condition that any restrictions on import/export of above items and its raw materials will apply. Further the unit will comply with all the Central/State laws for storage/handling/usage of these items and subsequent circulars/orders, if any, in this regard. In case of any discrepancy/mismatch between the above 'Description of Goods' as provided by the Unit & 'Description of goods as per DGFT Import Policy', the latter will prevail.

AGENDA ITEM NO. 157.1.2

Application for setting up of a unit in KASEZ namely M/s. Godavari Chemicals having its registered office at 4-9-49/1/001, Jaya Residency, Street No. 3, HMT Nagar, Nacharam, Hyderabad.

A proposal was submitted by M/s Godavari Chemicals, Hyderabad for setting up a unit in Kandla SEZ for manufacturing activity and trading activity.

Shri Venkata Venu Gopala Thota, Partner of the firm explained their proposal. Shri Thota explained that he is a Chemical Engineer and is having 15 years experience in trading of chemicals and having a unit in the name of M/s. Delta Chem and exporting to various countries like Middle East, etc. In 2019, he started M/s. Godavari Chemicals and now they want to set up a unit in Kandla SEZ for manufacturing of Thinner Blend drumming and trading of various chemicals.

The Committee noted that the applicant has requested for manufacturing and trading of following items: -

Manufacturing Activity

Sr. No.	Product Name	ITC-HS Code	Description as per Import/export policy
1	Thinner Blend	38140010	Organic composite solvents and thinners, not elsewhere specified or included

Trading Activity

Sr. No	Product Name	HS Code	Description as per Import/export policy
1	2-Ethyl Hexyl Acrylate (2-EHA)	29161290	Esters Of Acrylic Acid: Other
2	Acetic Acid	29152100	Acetic Acid
3	Acetone	29141100	Acetone
4	Aromatic Solvent	27101990	Other
5	Butyl Acrylate Monomer (BAM)	29161210	Butyl Acrylate
6	Butyl Glycol (BG) &	29094300	Monobutyl Ethers Of Ethylene



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	Butyl Di Glycol (BDG)		Glycol Or Of Diethylene Glycol
7	Butyl Glycol Acetate (BGA) & Butyl Di Glycol Acetate (BDGA)	29094900	Other
8	Cyclohexanone	29142200	Cyclohexanone
9	Di Methyl Formamide (DMF)	29211110	Di Methyl Formide
10	Ethyl Glycol (EG) & Ethyl Glycol Acetate (EGA)	29053100	Ethylene Glycol
		29153990	Saturated Acyclic Monocarboxylic Acids And Their Anhydrides, Halides, Peroxides And Peroxyacids; Their Halogenated, Sulphonated, Nitrated Or Nitrosated Derivatives Other Other
11	Iso Butanol	29051490	Other
12	Iso Propyl Alcohol (IPA)	29051220	Isopropyl Alcohol
13	Methyl Methacrylate (MMA)	29161320	Salts Of Methacrylic Acid
		29161400	Esters Of Methacrylic Acid
14	Methylene Chloride (MC)	29031200	Dichloromethane (Methylene Chloride)
15	N- Butanol	29051300	N Butylalcohol
16	Nonyl Phenol (NP)	29071300	Octylphenol, Nonylphenol And Their Isomers; Salts Thereof
17	Para Tertiary Butyl Phenol (PTBP)	29071940	Para Tertiary Butyl Phenol
18	Para Tertiary Octyl Phenol (PTOP)	29071300	Octylphenol, Nonylphenol And Their Isomers; Salts Thereof
19	Perchloroethylene (Tetrachloroethylene)	29032300	Tetrachloroethylene (Perchloroethylene)
20	Phenol	29071110	Phenol, As Pure Carboic Acid
21	Thinner EE And Thinner Blends	38140010	Organic Composite Solvents And Thinners, Not Elsewhere Specified Or Included
22	Toluene	29023000	Toluene
23	Vinyl Acetate Monomer (VAM)	29153200	Vinyl Acetate
24	Veova 10	29153990	Saturated Acyclic Monocarboxylic Acids And Their Anhydrides, Halides, Peroxides And Peroxyacids; Their Halogenated, Sulphonated, Nitrated Or Nitrosated Derivatives Other Other
25	Xylene	27073000	Xylol (Xylenes)



The Approval Committee after due deliberation decided to approve the proposal of manufacturing activity of above items subject to standard terms and conditions. The above permission is also subject to condition that any restrictions on import/export of above items and its raw materials will apply. Further the unit will comply with all the Central/State laws for storage/handling/usage of these items and subsequent circulars/orders, if any. In case of any discrepancy/mismatch between the above 'Description of Goods' as provided by the Unit & 'Description of goods as per DGFT Import Policy', the latter will prevail. Further, the unit will also comply with the environmental rules/clearance before starting of import/production/export.

157.2 REQUEST FOR BROADBANDING

AGENDA ITEM NO. 157.2.1

Broad banding of Manufacturing Activity (Addition of 02 new product in unit's LoA) – Request of M/s Hwatsi Chemical Pvt. Ltd., KASEZ.

M/s Hwatsi Chemical Pvt. Ltd, KASEZ is an approved unit vide LOA No. KASEZ/IA/004/2011-12 dated 13.05.2011 for manufacturing activity of Thinners and Trading activity of Chemical and Solvents, as amended.

Now the unit has requested for broad-banding of their LoA for manufacturing activity of following items: -

Sl. No.	Item	ITC (HS) Code	Description of goods as per DGFT website
1	Hand Sanitizer in retail packing	30049087	Antibacterial formulations, not elsewhere specified or included
2	Hand sanitizers in bulk	34013090	Organic surface-active products and preparations for washing the skin, in the form of liquid or cream and put up for retail sale, whether or not containing soap: Other

Shri Bharat B. Sheth, Director of the company explained their proposal.

The Committee noted that the Department of Commerce, Ministry of Commerce and Industry, has introduced several relaxations and extensions in deadlines etc. with regard to compliances mandated under its schemes and activities in order to give relief to businesses and affected individuals amidst the stress caused by the novel corona virus pandemic and that the Development Commissioners has been delegated powers for broadbanding in case of manufacturing of essential items like masks, sanitizer, gowns and other protective preventive products/instruments subject to post-facto ratification by UAC (vide letter dated 31.03.2020 issued from F. no. K-



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43022/7/2020-SEZ (Part-I) issued by Under Secretary to the Govt. of India, SEZ Section, Dept. of Commerce).

The Committee also noted that items proposed are prohibited for exports and the unit has undertaken that the manufactured items will be cleared into DTA only until the export is permitted by the Government.

The Committee further noted that one of the raw material viz. Ethyl Alcohol is restricted for import and the State Government vide letter dated 23.03.2020, in the light of Covid-19 pandemic, has exempted Ethyl Alcohol from the purview of Drugs & Cosmetics Act for manufacture of Sanitizers. However, the unit has to follow subsequent instructions issued by the State Government in this regard.

The Approval Committee after due deliberation decided to approve the proposal for manufacturing activity of above items subject to standard terms and conditions. In case of any discrepancy/mismatch between the above 'Description of Goods' as provided by the Unit & 'Description of goods as per DGFT Import Policy', the latter will prevail. The above permission is also subject to condition that any restrictions on import/export of above items and its raw materials will apply. Further the unit will comply with all the Central/State laws for storage/handling/usage of these items and subsequent circulars/orders, if any, in this regard.

157.3 MISCELLANEOUS ITEMS

AGENDA ITEM NO. 157.3.1

Intimation for change in Limited Liability Partnership of M/s Pandokhar Food LLP, KASEZ

M/s. Pandokhar Food LLP, KASEZ is an approved unit for manufacturing activity of Guthka, Khaini, Zarda, Pan Masala, Chewing Tobacco, etc. vide Letter of Approval F.No. KASEZ/IA/20/2018-19/10601 dated 26.12.2018, as amended.

Now the unit has intimated regarding retirement of one partner from the firm and submitted copy of Supplementary Agreement dated 24.02.2020 to the LLP Agreement.

The Committee noted that before change in the Limited Liability Partnership, the share of profit & loss of the firm was as below:

Sl. No.	Name of the Partners	Share in Profit/Loss
1.	Shri Prakash Premchand Kaknani	15%
2.	Shri Sanjeev Kumar Batra	80%
3.	Shri Vikram Narain Kaul	05%
	TOTAL	100%



After retirement of one partner as per Supplementary Agreement dated 24.02.2020 to Limited Liability Partnership, the details of partners along with their profit and loss ratio are as under:

Sl.No.	Name of Partners	Previous, profit and loss ratio	At present, profit and loss ratio	Change in %
01.	Shri Prakash Premchand Kaknani	15%	--	(-)15%
02.	Shri Sanjeev Kumar Batra	80%	95%	(+)15%
03.	Shri Vikram Narain Kaul	05%	05%	--
Total		100%	100%	(+/-)15%

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 further noted that the change in share in profit/loss of the firm is below 15%. Therefore, the Approval Committee after due deliberation decided to approve and take on record the proposal of change in profit/loss sharing ratio of the firm as above subject to following conditions:

1. Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered unit entity.
2. Fulfilment 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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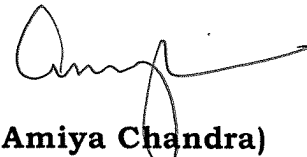
7. The unit shall furnish details of PAN and jurisdictional assessing officer of the unit to CBDT.

TABLE AGENDA ITEM NO. 157.4.1

Ratification of Show Cause Notice issued to M/s. Star Shine Clothing Pvt. Ltd., KASEZ for violation of terms and conditions of Letter of Approval and Bond-cum-Legal Undertaking.

The Approval Committee ratified the Show Cause Notice dated 15.04.2020 issued by Development Commissioner, KASEZ to M/s. Star Shine Clothing Pvt. Ltd., KASEZ for violation of terms and conditions of LoA and BLUT and authorised the Development Commissioner, KASEZ to adjudicate the show cause notice issued to M/s. Star Shine Clothing Pvt. Ltd., KASEZ.

The meeting ended with vote of thanks of the chair.



(Dr. Amiya Chandra)
Development Commissioner