

Minutes of the 113th Unit Approval Committee Meeting of Kandla SEZ held on 25.05.2017 at 11:30 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. Lalit P. Jain : Additional Commissioner of Income Tax, Gandhidham.
3. Shri. M. S. Meena : Deputy Commissioner, Customs, Kandla, Gandhidham-Representative of Commissioner of Customs Kandla.
4. Shri. K. B. Chaudhari : Regional Officer, GPCB, Kutch (East).
5. Shri. Jaykumar S. Shah: Manager, DIC, Bhuj.

Absentees:-

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

**Review/Confirmation of the minutes of last meeting (112th UAC)
of the Approval Committee: -**

Minutes of the last meeting of Approval Committee was confirmed.



Minutes of the 113th Unit Approval Committee Meeting of Kandla SEZ held on 25.05.2017 at 11:30 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

113.1 MISCELLANEOUS ITEMS

AGENDA ITEM NO. 113.1.1

Intimation submitted by M/s International Warehousing, KASEZ regarding change in constitution.

M/s India International is an approved unit for (1) Warehousing & Trading Activity; (2) Trading Activity of all types of Self Adhesive Tapes made of paper, Plastic, PVC and cloth and Adhesive / immersions. All types of packing materials including Flexi Tank Containers vide this office letter F.No. KASEZ/IA/037/037/2010-11 dated 29-11-2010 as amended from time to time.

The unit is a Partnership firm with two partners, with sharing ratio of Profit and Loss as mentioned below:-

Sl No.	Name	Share in Profit/Loss
01	Shri. Kiran Singh Kochhar	75%
02	Shri. Kuljeet Singh Kochhar	25%

The unit has now informed Retirement of Shri. Kuljeet Singh Kochhar and addition of new partner Shri. Amanjeet Singh Kochar. The new sharing ratio is as mentioned below :-

Sl No.	Name	Share in Profit/Loss
01	Shri. Kiran Singh Kochhar	95%
02	Shri. Amanjeet Singh Kochar	05%

The Approval Committee after due deliberation decided to take the intimation on records.

h

Minutes of the 113th Unit Approval Committee Meeting of Kandla SEZ held on 25.05.2017 at 11:30 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

AGENDA ITEM NO. 113.1.2

Request of M/s High Seas Trading Corporation, Kandla SEZ for change in name to M/s Blossom Trading Corporation.

M/s Highseas Trading Corporation, KASEZ, is an approved unit for trading activity of all items of Engineering goods, Heavy Equipments & Plants, Bulk Chemicals & Other Chemicals and General Merchandise Trading in Kandla Special Economic Zone vide Letter of Approval No. F.No. KASEZ/IA/05/2005-06 dated 28.04.2006 amended from time to time. The validity of their LoA is up to 20.07.2021.

The unit has now requested for change of name of their unit from M/s High Seas Trading Corporation to M/s Blossom Trading Corporation.

The Approval Committee after due deliberation decided to approve the request of the change of name on records subject to compliance of all the legal formalities in connection with change of name and intimation to general public by way of advertisement in local newspapers. It was also decided that O/o. DC, KASEZ will intimate about the change of name to regulating agencies including CBI, IT, ED, etc.

AGENDA ITEM NO. 113.1.3

Intimation regarding commencement of authorized activity of M/s Pant Engineering Services, KASEZ

M/s Pant Engineering Services; KASEZ is an approved unit for Service activity and Trading activity in Kandla Special Economic Zone, Gandhidham vide LoA No. KASEZ/IA/06/2016-17 dated 28.04.2016.

The unit claimed to have commenced production. It was stated that they have provided the services within zone and received the payment in Indian Rupees for the said services rendered within the Zone.

Shri M. C. Pant, Proprietor of the unit appeared before the Approval Committee. Shri Pant further explained that they are not availing any duty exemption benefits on its procurement of inputs etc.

The Approval Committee discussed the issue of services rendered by this unit to SEZ units within the Zone and getting payment in Indian Rupees. After due deliberation the Committee noted that in terms of Section

Minutes of the 113th Unit Approval Committee Meeting of Kandla SEZ held on 25.05.2017 at 11:30 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

2(z) read with Rule 76 for services rendered the unit is required to collect service charges for all the transactions in foreign exchange only and therefore the present transaction being in Indian Rupees cannot be recognised for the purpose of commencement of production.

AGENDA ITEM NO. 113.1.4

Application for setting up a reconditioning unit in KASEZ by M/s UBIX INC., New Delhi (Proprietorship - Shri Peyush Miglani) and manufacturing/service Activity of Part and accessories of Laser Printer and Inkjet printer by M/s. Rebae, Jaipur (Proprietorship - Shri Gaurav Batra).

M/s. Ubox 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. Ubox Inc., KASEZ is a partnership firm with two partners viz. Shri Peyush Miglani and Shri Gaurav Batra.

Both the partners of M/s. Ubox Inc., KASEZ has earlier submitted new application separately for setting up of unit in KASEZ as a proprietorship firm for reconditioning/refilling of empty printer cartridge.

The Approval Committee noted that their individual cases were discussed in earlier Approval Committee meetings and the Approval Committee was not inclined to encourage this type of business. Now both the partners were called together for PH. They requested to split their LoA in two. They mentioned that they are finding it difficult to pull on together and that this business is now source of their livelihood and hence the request.

As directed in the earlier Approval Committee meeting, the AO(IA-I) and one PO had submitted its report on the working of existing unit of M/s. Ubox Inc., KASEZ. In the report, it was mentioned that no DTA sale has been made by the firm during 2014-15, 2015-16 and 2016-17 and entire process is done in such a manner that waste/scrap generation is almost 'nil' except for used packing material. It was also mentioned that no waste clearance/dumping/destruction of goods etc. is done by the unit.

Shri Meena, Deputy Commissioner, Kandla Customs raised the point as to whether such request of splitting the LoA is covered under the SEZ

Minutes of the 113th Unit Approval Committee Meeting of Kandla SEZ held on 25.05.2017 at 11:30 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

Rules or whether there is any such precedent. JDC, KASEZ pointed out that their project report showed annual capacity of 2,50,000 cartridges and that the precedent in Kandla SEZ is not of the nature in this case but a firm named Texpoly had two units for different activities and later on these business were transferred to two entities formed though under same management. The Approval Committee after due deliberation decided to seek legal opinion in the matter. Matter with legal opinion may be put up in next UAC. It was also decided that after split both the new units shall jointly and severally remain responsible for any liability arising for existing partnership unit which shall cease to have its separate entity. On this issue both the new units shall give legal undertaking. Split LoAs shall be for the remaining period of existing. LoA with same conditions and will be for repairing/reconditioning and refilling of empty printer cartridges.

113.2 SUPPLEMENTARY AGENDA

NEW UNIT APPLICATION

AGENDA ITEM NO. 113.2.1

Application for setting up of a unit in KASEZ namely M/s. Sanjay Exports, Plot No. 323, Building No. C, Flat No. 10, 2nd Floor, Liberty II, Koregaon Park, North Main Road, Pune - 411001.

Their proposal is for setting up a unit for manufacturing activity of Synthetic Perfumery Compounds, Attars of all kinds in Fixed Oil Base and other Mxtr. Of Aromatic Chemicals and Essen. Oil in Kandla SEZ, Gandhidham. Shri. Manoj Sharma, Partner and Shri Chobey, Chartered Accountant of the unit appeared before the Approval Committee and explained their proposal.

Shri Chobey stated that they want to set up manufacturing unit for exports only and no DTA Sale will be done and also they will source their entire raw material indigenously. Further, he stated that they already have a similar unit in Una, HP. They will export their finished products to Dubai.

The Approval Committee after due deliberation decided to approve the proposal subject to standard terms and conditions.



Minutes of the 113th Unit Approval Committee Meeting of Kandla SEZ held on 25.05.2017 at 11:30 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

AGENDA ITEM NO. 113.2.2

Application for setting up of a unit in KASEZ namely M/s. Plastic Corporation of India, Paras Vijay House, Office No. 1, 139 Andheri Ind. Est., Off Veera Desai Road, Andheri West, Mumbai, Maharashtra, India - 400058.

Their proposal is for setting up a unit for manufacturing activity of Plastic Ropes, Garbage Bags and Plastic Film/Sheet and Trading of Plastic Ropes, Garbage Bags and Stock lot of Plastic Granules and Plastic Film/Sheet in Kandla SEZ, Gandhidham. Shri. Darpan Mehta, Proprietor of the unit appeared before the Approval Committee and explained their proposal.

Shri Darpan Mehta stated that his father and uncle are having a unit in KASEZ in the name of M/s. Amrit Plast-o-Chem Pvt. Ltd., a family business company and he was an ex-Director in the company. Now, he wants to set up a separate unit as his proprietorship concern in KASEZ for manufacturing and trading and will import only virgin material and they shall have no DTA Sale whatsoever.

The Approval Committee after due deliberation decided to approve the proposal subject to standard terms and conditions and also subject to the conditions that separate LoA will be issued for manufacturing and trading activities separately terming the units as Unit-I and Unit-II. Separate areas will be earmarked for the two units.

113.3 MISCELLANEOUS AGENDA

AGENDA ITEM NO. 113.3.1

Request received from M/s R. B. Industries informing change in Partners.

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, Gandhidham vide LoA No. KASEZ/IA/05/2014-15 dated 14.07.2014. Now, the unit has requested for change in partners of the firm.

The Board of Approval in its 69th meeting for SEZ held on 23.02.2016 clarified that the UACs concerned, may consider change in shareholding up to 50 per cent, change of constitution from Public Limited Company to

Minutes of the 113th Unit Approval Committee Meeting of Kandla SEZ held on 25.05.2017 at 11:30 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

private limited liability company & vice versa, company to partnership & vice versa etc. under Rule 19(2) of SEZ Rules.

The Approval Committee noted that in September, 2016 this unit has made changes in their partners and further noted that if the present changes are accepted the share of original partners will be reduced to 20% and this change in profit sharing ratio of original partners is more than 50% (actually 80%) within a period of one year.

Therefore, the Approval Committee after due deliberation decided to refer the matter to BoA.

AGENDA ITEM NO. 113.3.2

Request of M/s. Prasar Enterprises, KASEZ for change in partnership of the Firm.

M/s. Prasar Enterprises, KASEZ is engaged in the manufacturing activity of Plastic Articles, Acrylic in Primary Forms, Ropes of Plastics etc. in terms of LoA No. KASEZ/IA/1610/95/5348 dated 22.03.1996 as amended/extended from time to time. Prior to 20.06.2014, profit-loss sharing ratio of three partners were as under: -

Sl. No.	Name of the Partners	Share Profit/Loss
1.	Shri Pravinchandra C. Parekh	60%
2.	Shri Atul Pravinchandra Parekh	25%
3.	Smt. Chetna Atul Parekh	15%

Earlier, the unit vide letter dated 31.03.2015 has requested for change in partners as per Partnership Deed dated 20.06.2014. As per the said Partnership Deed, one of the partners Shri Pravinchandra C. Parekh owing to his age of 85 years was not able to given time to business. As per the required Partnership Deed dated 20.06.2014, following two partners are continuing along with share of Profit/Loss mentioned against their name:

Sl. No.	Name of the Partners	Share Profit/Loss
1.	Shri Atul Pravinchandra Parekh	85%
2.	Smt. Chetna Atul Parekh	15%

Note: - The Committee noted that late Shri Pravinchandra C. Parekh is father of Shri Atul P. Parekh.



Minutes of the 113th Unit Approval Committee Meeting of Kandla SEZ held on 25.05.2017 at 11:30 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

The above request of the unit was taken up in the 80th UAC meeting held on 15.04.2015 and the same was deferred as nobody appeared on behalf of the firm before the UAC.

The unit vide letter dated 22.04.2017 again requested for taking on record change in partnership of the firm. However, in the meantime, Shri Pravinchandra C. Parekh has expired on 16.11.2015.

The Board of Approval in its 69th meeting for SEZ held on 23.02.2016 clarified that the UACs concerned, may consider change in shareholding up to 50 per cent, change of constitution from Public Limited Company to private limited liability company & vice versa, company to partnership & vice versa etc. under Rule 19(2) of SEZ Rules.

The Approval Committee noted that though the changes in Partnership Deed dated 20.06.2014 took place prior to BoAs decision dated 23.02.2016 but as the same was not taken on record earlier, it was decided to refer this case to Board of Approval for consideration.

AGENDA ITEM NO. 113.3.3

Intimation of change in Partnership agreement of M/s Radiant Recyclers LLP, KASEZ.

M/s Radiant Recyclers LLP, KASEZ is an approved unit for manufacturing of recycling of used lubricating oil and gas oil in Kandla Special Economic Zone, Gandhidham vide LoA No. KASEZ/IA/17/2015-16 dated 29.01.2016.

Now the said unit vide their letter dated 30.03.2017 has intimated regarding resignation of one partner i.e Shri Vishal Kalamkar w.e.f. 08.01.2015 from Limited Liability Partnership deed.

The profit-loss sharing ratio of the partnership deed prior to resignation of Shri Vishal Kalamkar was as under: -

Sl.No.	Name of Partners	profit and loss ratio
01.	Shri Deepak Bhardwaj	50%
02.	Shri Hemant Shah	45%
03.	Shri Vishal Kalamkar	05%

V

Minutes of the 113th Unit Approval Committee Meeting of Kandla SEZ held on 25.05.2017 at 11:30 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

The details of present two partners along with their profit and loss ratio are as under:-

Sl.No.	Name of Partners	profit and loss ratio
01.	Shri Deepak Bhardwaj	50%
02.	Shri Hemant Shah	50%

The Approval Committee after due deliberation decided to take the intimation on records.

The meeting ended with vote of thanks of the chair.



(UPENDRA VASISHTH)
Development Commissioner