

Minutes of the 114th Unit Approval Committee Meeting of Kandla SEZ held on 27.06.2017 at 11:30 hrs. under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone.

Following were present:

1. Shri. Rajesh Kumar : Jt. Development Commissioner(i/c), KASEZ.
2. Shri. Pradeep Sharma : Assistant Commissioner, Customs, Kandla, Gandhidham-Representative of Commissioner of Customs Kandla.
3. Shri. Prakash Buldak : Income Tax Officer, Gandhidham.
4. Shri. R. H. Jivani : GPCB, Kutch (East).
5. Shri. Rikesh Virda : GPCB, Kutch (East).
6. Shri. Jaykumar S. Shah: Manager (Khadi), DIC, Bhuj.
7. Shri. R. G. Khairkar : Foreign Trade Development Officer, Rep. of Jt. DGFT, Rajkot.

Absentees:-

1. Director (Banking)
2. SDM

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

Minutes of the last meeting of Approval Committee was confirmed.

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114.1 MISCELLANEOUS ITEMS

AGENDA ITEM NO. 114.1.1

Request of M/s. Vijay Tanks and Vessels Pvt. Ltd., KASEZ for inclusion of Business Auxiliary Services in the default list of services for service tax exemption.

M/s. Vijay Tanks & Vessels Pvt. Ltd., KASEZ is an approved unit for manufacturing activity of Fabricated Tank materials, Assembling of Storage Tanks, Bins, Hoppers, Special Equipments like Heaters, Columns, Heat exchanger-tube bundles vide LoA No. KASEZ/IA/1973/2003-04/642 dated 28.05.2003, as amended from time to time.

Shri. S. Balaji, G.M. (Projects) of the unit appeared before the Approval Committee.

Their request is for addition of Business Auxiliary Services which is not included in the default list of services for service tax exemption.

Shri Balaji, representative of the firm explained that Business Auxiliary Services such as Post Weld Heat Treatment Services, Shot blasting & Painting services and other auxiliary services like Commission Agent services which are not included in their default list of services.

The Approval Committee noted that these types of services are to be only done occasionally by the unit after completion of their manufacturing process and these are specialised jobs and it is very small portion of their total manufacturing process. After due deliberations, the Approval Committee approved the request of the unit for inclusion of Business Auxiliary Services (Post Weld Heat Treatment Services, Shot blasting & Painting services and other auxiliary services like Commission Agent

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services (payments made to Commission Agent for procuring orders for their products)) in their default list of services for service tax exemption.

AGENDA ITEM NO. 114.1.2

Letter of Approval issued to M/s. Jyoti Industries, KASEZ – action for non-performance.

M/s. Jyoti Industries, KASEZ, is an approved unit for manufacturing activity of aluminium caps for bottles & aluminium containers, plastic inserts for aluminium caps, plastic caps for bottles and plastic formed items vide LoA No. KASEZ/IA/032/2005-06/6204 dated 27.12.2005.

The unit started its commercial production on 31.10.2008 and their LoA was valid upto 30.10.2013. For failure to submit Annual Performance Report (APR) for the financial year 2010-11 in Form-I within the stipulated period as required under Rule 22 of the SEZ Rules, 2006, a Show Cause Notice dated 24.05.2012 was issued to the unit and the said show cause notice was adjudicated vide Order-in-Original No. 05/2012-13 dated 25.07.2012 and a penalty of Rs. 16,000/- was imposed on them. However, the unit has till now not paid the penalty nor produced any evidence of filing appeal in the matter before Appellate Authority.

Further, the unit was evicted from their premises on 29.09.2016 for non payment of rental dues and user charges amounting to Rs.2,25,489/- as per provision of PP(EUO) Act 1971.

The Approval Committee noticed that the unit has neither paid penalty amount nor have they filed appeal against the O-I-O. The Committee after due deliberation directed to suspend the IEC of the unit till the unit pay the dues/penalty and to initiate proceedings for recovery of Govt. dues through land revenue and cancel the Letter of Approval of the unit.

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AGENDA ITEM NO. 114.1.3

RATIFICATION OF REQUEST ALREADY APPROVED ON FILE

The Committee ratified the change in Entrepreneur from M/s. Texool Wastesavers to M/s. Lotus Recyclers which was already approved on file by the Development Commissioner before clarifications on this issue were given by BoA in its meetings on 26.02.2016 and 08.03.2017. However, as per BoA instruction, BoA may be requested for ratification if required.

The meeting ended with vote of thanks of the chair.



(UPENDRA VASISHTH)
Development Commissioner