



भारत सरकार/ Government of India
 वाणिज्य एवं उद्योग मंत्रालय/ Ministry of Commerce and Industry
 विकास आयुक्त का कार्यालय/ Office of the Development Commissioner
 दहेज विशेष आर्थिक क्षेत्र/ DAHEJ Special Economic Zone
 ४वीं मंजिल, फडीया चेम्बर्स, आश्रम रोड, / 4th Floor, Fadia Chamber, Ashram Road,
 अहमदाबाद / Ahmedabad - 380009
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No. KASEZ/DCO/AC/123/2008-09/ 2626

Dated: 21st May 2019

To: All Approval Committee members:-

| | | |
|----|--|-----------------------------------|
| 1. | Director, MOC&I, New Delhi; | |
| 2. | Commissioner of Central Excise, Bharuch | hq_bharuch@rediffmail.com, |
| 3. | Commissioner of Income Tax, Vadodara -III; | commr-cexvdr2@nic.in |
| 4. | Jt. DGFT, Vadodara | amblinking@yahoo.com |
| 5. | Director (Banking), Banking Dvn., MOF, | vadodara-dgft@nic.in |
| 6. | District Collector, Bharuch, Gujarat. | addl-collector-bha@gujarat.gov.in |
| 7. | General Manager, DIC, Bharuch. | gm-dic-bha@gujarat.gov.in |
| 8. | Developer (Dahej - SEZ), Gandhinagar | ceo@dahejsez.com |
| 9. | Member Secretary, GPCB. | gpcb-bha@gujarat.gov.in |

Madam/Sir,

Subject:- Ninetieth (90th) meeting of the Approval Committee for Dahej -SEZ.

Reference: - Letter No. KASEZ/P&C/5-A/91/07/6600, dated 01-08-2008.

This is to inform you that the Ninetieth (90th) meeting of the Approval Committee for Dahej - Special Economic Zone, would be held on Thursday, 30th May, 2019 at 12:00 hours under the chairpersonship of Shri Anil Kumar Choudhary, Development Commissioner, Dahej SEZ in the Conference Room of Office of the Development Commissioner, Dahej SEZ, Administrative Building, Dahej, Ta- Vagra, District Bharuch- 392 130. Agenda papers for the said meeting are enclosed herewith. You are requested to kindly attend the meeting.

Encl: as above

Yours faithfully,

(M.B.Jain)

Appraising Officer

Dahej Special Economic Zone

(M) 9426444333

Agenda for 90th meeting of Unit Approval Committee for Dahej SEZ to be held on 30-05-2019, Thursday at 12:00 hours in the Conference Room of Office of the Development Commissioner, Dahej SEZ, Administrative Building, Dahej, Ta- Vagra, District Bharuch- 392 130.

90.1 Fresh cases for unit in Dahej -SEZ:- One

| Sr. No. | Name of Applicant/Unit | Proposal/Request for |
|---------|-------------------------------------|--|
| 01 | M/s. Kumar Organic Products Limited | Transfer of Letter of Approval under SEZ Rules, 2006 & SARFAESI Act, 2002. |

90.2 Deferred cases for Dahej -SEZ:- One

| Sr. No. | Name of Applicant/Unit | Proposal/Request for |
|---------|--|--|
| 01 | M/s Powerband Industries Private Limited | Change of shareholding pattern and board of directors. |

Item No. 90.01

Item No. 90.01.01

Fresh cases for unit in Dahej -SEZ:-

M/s. Kumar Organic Products Limited.

PAN No:- AAACK6745P

Transfer of Letter of Approval under SEZ Rules, 2006 & SARFAESI Act, 2002.

ANNEXURE - I

| | |
|---|---|
| Name of the applicant. | M/s. Kumar Organic Products Limited |
| Sector | Chemical |
| Address (Regd.Office) | M/s. Kumar Organic Products Limited Usha Krishna Towers, Plot No. 36-B, Road no. 3 & 5, Jigani Industrial Area, Anekal Taluka Bangalore, Karnataka-560105 |
| Factory address (proposed) | Processing Zone of Dahej Special Economic Zone |
| Type of firm | Public Limited Company |
| Details of property | NA |
| Details of documents of () above | NA |
| Whether adjudicated or not, if so details of adjudicating authority | NA |
| Area of land/factory: | Plot No. Z/35 to Z/38 in Dahej SEZ |
| Proposed items of manufacturing : | Manufacturing of; Piroctone Olamine, Pyrimidine Diamine Oxide, Methyl Lactate, Hexyl Resorcinol, n-Butylresorcinol, Ciclopirox Olamine, Methylene Bis- Benzotriazolyl Tetramethyl butylphenol, Ethylhexyl triazone, L-(-)-2-Oxothiazolidine-4-Carboxylic Acid, Ethylhexyl butamido triazone. |

| Proposed Annual Capacity (MT) | Items Description | Annual Capacity MT |
|---|--|--------------------|
| | Piroctone Olamine | 35000 |
| | Pyrimidine Diamine Oxide | 5000 |
| | Methyl Lactate | 2000 |
| | Hexyl Resorcinol | 1000 |
| | n- Butylresorcinol | 1000 |
| | Ciclopirox Olamine | 500 |
| | Methylene Bis-Benzotriazolyl Tetramethyl butylphenol | 2000 |
| | Ethylhexyl triazone | 200 |
| | L-(-)-2-Oxothiazolidine-4-Carboxylic Acid | 1000 |
| | Ethylhexyl butamido triazone | |
| Product value for 5 years (in lacs) | Rs. 56700.00 Lakhs | |
| Whether conversion from existing DTA unit into EOU/SEZ | For setting-up new undertaking in Dahej - SEZ. | |
| Name of the Promoter: (Proprietor/Partners/ <u>Directors</u>) | <u>Directors:-</u> Udayan Kumar Singh Unayan Kumar Singh Krishna Kumar Singh Sachidanand Singh Raj Gopal Katju Bhawani Shankar Sahay | |
| Proposed Import of Capital goods. | NIL | |
| Proposed Import of Raw material, Component Consumables, Packing material, fuel etc. | Rs. 10973.00 Lakhs | |
| FE outgo. | Rs. 31274.00 (5 years period) | |
| FOB value of Exports | Rs. 56700.00 Lakhs (5 years period) | |
| DTA Sales | NIL | |
| NFE | Rs. 25426.00 Lakhs (5 Years period) | |
| Cost of Project (Rs. In lakhs) | | |
| Plant Machinery | | |
| Indigenous | Rs.1276.00 | |
| Import CIF Value | | |
| Total Cost | Rs.1276.00 | |
| Sources of funds (Rs. In lakhs) | | |
| Self | Term Loan from Bank- 10 Cr Ret with internal source. | |
| Marketing arrangements as given in the | Established world markets. | |

| | |
|--|--------------------|
| proposal | |
| Whether the items of manufacturing and export are restricted or not Remarks as per Exim Policy | No |
| Whether the unit falls under fraudulent list | No |
| Jurisdiction of Customs/Central Excise (Specify Commissioner ate and Range) | DCC/SO, Dahej SEZ. |
| Employment | 75 Men & 5 Women |
| Recommendation from Excise/Customs | Not Received |
| Recommendation from Income Tax | Not Received |
| Recommendation from DGFT | Not Received |

Brief Note

The proposal has been received from M/s. Kumar Organic Products Limited, vide application in Form F dated 09.04.2019 for transfer of Letter of Approval from M/s. Avalon Agro Products Pvt. Ltd. to M/s. Kumar Organic Products Limited under SEZ Rules, 2006 & SARFAESI Act, 2002. The Corporation Bank under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Act), 2002 (54 of 2002) and in exercise of the powers conferred under section 13 read with Rule 8 & 9 of the Security Interest (Enforcement) Rules, 2002 sold on its behalf in favour of M/s. Kumar Organic Products Limited, the movable and immovable property on plot no. Z/35,36,37,38 in Dahej SEZ secured in favour of Corporation Bank by the M/s. Avalon Agro Products Pvt Ltd towards the financial facility Cash Credit and Term Loan offered by Corporation Bank vide Sale Certificate of Corporation Bank dated 19.03.2019 which has been submitted by M/s. Kumar Organic Products Limited.

In view of the above facts, M/s. Avalon Agro Products Pvt. Ltd., Dahej SEZ unit were called upon vide Show Cause Notice dated 10.04.2019 by the Development Commissioner, Dahej SEZ as to why the Letter of Approval issued to them should not be cancelled and benefits availed by way of exemptions, draw backs and concessions under SEZ Act, 2005 and SEZ Rules, 2006 should not be recovered. But neither reply to this notice was received nor the unit turned up to explain their case. Thereafter one more opportunity had been given to the unit to submit written submission on or before 29.04.2019 or appear before the Development Commissioner, Dahej SEZ to explain as to why action should not be taken for cancellation of Letter of Approval no. Dahej SEZ/II/35/Avalon Agro/11-12 dated 14.03.2012 and applicable dues should not be recovered for not abiding by provision of SEZ Act, 2005 and Rules and orders made thereunder and failure to comply stipulated condition (x) of Letter of Approval.

In this regard, Chief Promoter and Managing Director of M/s Avalon Agro Products Pvt. Ltd. has replied that the bank has taken possession, so he does not have any rights to say anything regarding matters of the company, he is redundant and irrelevant as MD of the Company. He will not be attending meeting as requested as he is not a party in this matter anymore. He suggested virtual meeting using Skype/videoconferencing.

M/s. Kumar Organic Products Limited have submitted projected FOB value of exports for the 5 years period is Rs. 56700 Lakhs, import Rs NIL and NFE of Rs. 25426 Lakhs.

The above proposal is placed before the Approval Committee of Dahej SEZ for consideration under Rules 74A of SEZ Rules, 2006 & SARFAESI Act, 2002 for transfer of Letter of Approval from Avalon Agro Products Pvt Ltd to Kumar Organic Products Limited.

An Agenda for change of shareholding pattern and board of directors was placed before 88th Unit Approval Committee meeting held on 26.03.2019 and the Committee decided to defer the proposal as change of shareholding pattern relates to the Income Tax Department and the representative from their Department was not present. Further, in terms of instruction no.89 dated 17.05.2018 of Ministry of Commerce (SEZ Section), the information regarding change in shareholding pattern needs to be shared with Income Tax Department. The Development Commissioner may refer the matter to the concerned Income Tax Department for their comments. Accordingly, the matter has been referred to the Commissioner of Income-tax, Vadodara-III vide letter dated 12.04.2019.

M/s Powerband Industries Private Limited (PIPL) was issued Letter of Approval dated April, 2016 for authorized operation to manufacture items of Plastic Film, Bopp Hotmelt Tape and Paper Masking Tape

M/s PIPL vide their letter dated 21/12/2018 & 27/02/2019 requested post-facto approval for changes in Powerband's board of directors and shareholding pattern pursuant to the 2016 Share Transfer and 2018 Share Transfer. The details are given below:

Shareholding pattern as on March 16,2016

| Name of shareholder | No. of shares held | % of shareholding |
|---------------------|--------------------|-------------------|
| Rajan Desai | 420,000 | 84% |
| Harsh Desai | 40,000 | 8% |
| Siddharth Desai | 40,000 | 8% |
| Total | 500,000 | 100% |

Shareholding pattern after transfer of share on September 16,2016

| Name of shareholder | No. of shares held | % of shareholding |
|---------------------|--------------------|-------------------|
| IPG Mauritius Ltd. | 370,000 | 74% |
| Rajan Desai | 90,000 | 18% |
| Harsh Desai | 20,000 | 4% |
| Siddharth Desai | 20,000 | 4% |
| Total | 500,000 | 100% |

Shareholding pattern after transfer of share on November, 2018

| Name of shareholder | No. of shares held | % of shareholding |
|---|--------------------|-------------------|
| IPG Mauritius Ltd. | 499,999 | 99.9998% |
| IPG Mauritius Holding Company Ltd. (as a nominee of IPG Mauritius Ltd.) | 1 | 0.0002% |
| Total | 500,000 | 100% |

Changes in Board of Directors

| As on March, 2016 | As on September, 2016 | As on February, 2018 | As on November 16, 2018 |
|---------------------------|--|---------------------------|-------------------------|
| Rajan Rameshchandra Desai | Rajan Rameshchandra Desai | Rajan Rameshchandra Desai | Douglas Raymond Nalette |
| Harsh Raja Desai | Harsh Raja Desai | Harsh Raja Desai | Gregory Andrew Yull |
| Siddarth Rajan Desai | Siddarth Rajan Desai | Siddarth Rajan Desai | Jeffrey Richard Crystal |
| | Douglas Raymond Nalette (nominated by IPG Mauritius Ltd. pursuant to becoming a 26% shareholder) | Douglas Raymond Nalette | Anupam Wason |
| | Gregory Andrew Yull (nominated by IPG Mauritius Ltd. pursuant to becoming a 26% shareholder) | Gregory Andrew Yull | |
| | Jeffrey Richard Crystal (nominated by Marutius Ltd. pursuant to becoming a 26% shareholder) | Jeffrey Richard Crystal | |
| | Shawn Patrick Nelson (nominated by IPG Mauritius Ltd. pursuant to becoming a 26% shareholder). | Anupam Wason | |

In addition to the foregoing changes, M/s. Powerband has also appointed certain alternate directors to represent the interest of the board members. However, all of the alternate directors have resigned as on November 15, 2018.

M/s PIPL was asked that it has been seen from the letter dated 21/12/2018 the shareholding pattern has been changed with regard to the shareholders, however, the major share portion of Rajan Desai to IPG Mauritius Ltd is without approval of Board of Approval and without knowledge of Development Commissioner, Dahej SEZ during September, 2016 and explain the case with documentary evidence.

In response, M/s PIPL informed that neither the 2016 Share Transfer nor the 2018 Share Transfer between IPG Mauritius Limited and the Desai family required any approval from either the MCA or the RBI. Instead, M/s. Powerband was only required to intimate the

foregoing authorities of these transactions. M/s PIPL enclosed (a) annual return filed with the MCA in Form MGT-7 for the financial year 2015-16 notifying the shareholding pattern prior to the 2016 Share Transfer (b) annual return filed with the MCA in Form MGT-7 for the financial year 2016-17 notifying the shareholding pattern prior to the 2016 Share Transfer (c) Intimation in Form DIR-12 notifying the MCA of change in Board of Directors on September 16, 2016 (d) Intimation in Form DIR-12 notifying the MCA of change in Board of Directors on February 27, 2018 (e) Letter dated February 1, 2017 received from the authorized dealer bank, Hongkong and Shanghai Banking Corporation Limited, confirming the intimation of the 2016 Share Transfer to the RBI.

In respect of the 2018 Share Transfer, applicant unit requested to note that Powerband will notify the MCA of the change in shareholding pattern later this year in the annual return for the financial year 2018-19. M/s PIPL attached the documents (a) Intimation in Form DIR-12 notifying the MCA of change in Board of Directors on November 16, 2018. (b) Emails dated November 20, 2018, November 22, 2018 and November 23, 2018 received from the authorized dealer bank, Hongkong and Shanghai Banking Corporation Limited, confirming the intimation of the 2016 Share Transfer to the RBI and (c) Auto-generated e-mails dated November 20, 2018 and November 22, 2018 received from the RBI acknowledging the successful submission of the applications intimating the RBI of the 2018 Share Transfer.

In view of above, request of M/s Powerband Industries Private Limited for post-facto approval for changes in Powerband's board of directors and shareholding pattern pursuant to the 2016 Share Transfer and 2018 Share Transfer is placed before the committee for appropriate decision.

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