

Minutes of the 2nd Approval Committee meeting held on 26/05/2010.

Minutes of the 2nd meeting of Approval Committee (2010-2011) held on 26/05/2010 at 1530 hrs. at KASEZ, under the Chairpersonship of Dr.(Mrs.) Maya D. Kem, Development Commissioner.

Following were present:

1	Shri Upendra Vasishth, JDC	Nominee of MOC
2	Shri Jitesh Nagori	Addl. Commissioner (Cus),Kandla
3	Shri D.N/ Zinzuwadia	GM, DIC
4	Shri M.R. Macwana	DEE, GPCB, Bhuj
5	Shri Mehta	ITO, Gandhidham.

Absent:

- (1) Director (Banking)
- (2) Jt. DGFT
- (3) SDM, Anjar

I. Review/confirmation of minutes of last meeting of the Approval Committee:

Minutes of last meeting of the Approval Committee were confirmed.

II. Following proposals for setting up units in Kandla Special Economic Zone were taken up for consideration:

(i) M/s. SOI Agro Industries Pvt. Ltd., Ahmedabad:

Proposal is to set up a unit for manufacture of Tomato Paste, Tomato Ketchup/Sauce/Soup, Tamato and Fruit pulp, Canned Tomato, Fruit Juices, Dehydrated fruit and vegetable powder. Mr. Hemant Issrani, Director appeared for interview and put forth the following clarifications:-

- They are in the business for the last 1 ½ years and their brand is Tangy. They are already selling from China to Africa, Ghana. They have an office at China.
- Main raw material is tomato which is easily available in Gujarat and Madhya Pradesh.
- Project cost is Rs.840 lakhs.
- Means of finance Rs.4 crores from bank finance and rest from own sources.
- Space requirement 12000 sq.mtrs. land and 5500 sq.mtrs. build up area.

Observations/clarifications of the Committee:

- FOB value of the of exports for the 5 year project period is Rs.16473 lakhs with a NFE of Rs.11881 lakhs.

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- It was informed to the applicant that their income-tax return do not reflect their capability to invest Rs.4 crores for the project and the applicant was asked to provide the proof for arranging Rs.440 lakhs to invest in the company.
- The proposal was accordingly deferred.

(Action: IA-I)

(ii) M/s. USV Limited, Mumbai:

Proposal is to set up a unit for manufacturing of active pharmaceutical ingredients Metformin Hydrochloride. Mr. Prasanna Kulkarni, Dy GM appeared for interview and put forth the following clarifications:-

- They were issued with a LOA for the same activity by the KASEZ in the past and also allotted space in KASEZ. However, the statutory approvals could not get in time and the LOA lost its validity. Now, they have got the clearances and intend to commence production within 18 months time.

Observations/clarifications the Committee:

- FOB value of the of exports for the 5 year project period is Rs.50625 lakhs with a NFE of Rs.33184 lakhs.
- Proposal was approved subject to standard terms and conditions.

(Action: IA-I)

(iii) M/s. Tekwud Products Pvt. Ltd., Ahmedabad:

Proposal is to set up a unit for manufacturing of various types of wood plastic composite products. Promoters appeared for interview and put forth the following clarifications:-

- Presently they are in the field of civil construction. Mr. Apresh Bajpai, one of the Directors, is having sufficient marketing experience in the proposed project.
- Raw material – wood powder and polythene granules which will be procured domestically.
- Investment is stated to be Rs.300 lakhs. Means of finance - Rs.200 lakhs through bank loan and remaining from promoters contribution.
- Space requirement 4000 sq.mtrs. land and 2200 sq.mtrs. build up area.

Observations/clarifications the Committee:

- FOB value of the of exports for the 5 year project period is Rs.3370.20 lakhs with a NFE of Rs.3275.20 lakhs.
- It was informed to the applicant that their income-tax return do not reflect their capability to invest Rs.100 lakhs for the project and the applicant was asked to

provide the justification with documentary evidence for how remaining finance will be arranged.

➤ Deferred.

(Action: IA-I Section)

(iv) M/s. World Window Impex, New Delhi:

Proposal is to set up a unit for manufacture of ferrous and non ferrous metal and metal scrap i.e. aluminium color coated coil, cast iron scrap, heavy melting steel scrap, light melting steel scrap, shredded steel scrap, rail scrap, aluminium taint & tabor, aluminium twitch, copper, zinc and processing of waste rubber tires. Mr. Ankit Jain, Sr. Manager appeared for interview and put forth the following clarifications:-

- Promoters are travelling and hence they could not come. He has been authorized to appear on their behalf.
- There are three types of activity involved – (I) radial tire reclamation – they will be importing the waste radial tires and process it to manufacture high mesh rubber powder and reclaim rubber. (ii) metal processing unit – metal scrap would be imported and do value addition in the form of cutting, reshaping, resizing, sorting on the basis of sizes, chemical composition and other end use and (iii) plastic garbage bags manufacturing – procure domestically/import waste plastic and recycle to form plastic granules.
- Investment is stated to be Rs.1500 lakhs and the same will be met from equity (internal accruals) and debt.
- Space requirement 25000 sq.mtrs. land and 200 sq.mtrs. build up area.

Observations/clarifications the Committee:

- FOB value of the of exports for the 5 year project period is Rs.52100 lakhs with a NFE of Rs.17059 lakhs.
- It was noted that as per Rule 18(4)(d) no proposal shall be considered for import of other used goods for recycling. Further Committee was of the view that in respect of metal scrap processing the activities of cutting, reshaping, resizing shall not amount to recycling or refurbishing. Regarding radial tires it was noted by Committee that the import is restricted. Further, as per Rule 18(4)(a) no proposals shall be considered for recycling of plastic scrap or waste. Therefore, Committee decided to reject the entire proposal.

(Action:IA-I Section)

(v) M/s. Sarthak Warehousing & Trading Co., Panipat:

The proposal is to set up a unit for service activity for Warehousing and Trading. Promoters appeared for interview and put forth the following clarifications:-

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- They will be warehousing for the overseas client and making transportation and other logistic as per their requirement for which they will get service charges in foreign currency.
- No outflow of foreign exchange is involved and hence whatever they will earn in FE will be +NFE only.
- Project cost Rs.150 lakhs will be met from partners own contribution.
- They require 5000 sq.mtrs. open land and 4000 sq.mtrs. built up area.

Observations/clarifications of the Committee:

- FOB value of the of exports for the 5 year project period is Rs.2300 lakhs with a NFE of Rs.2300 lakhs.
- Proposal was approved in-principle due to non-availability of space. Formal LOA to be issued when land/shed is available for allotment.

(Action: IA-I)

(vi) M/s. Saffire Fashions Gandhidham:-

The proposal is to set up a unit for manufacture of Garments and Made-ups. Mr. C.S. Behal, Partner appeared for interview and put forth the following clarifications:-

- He is already having units in the Zone viz. M/s. Saffire Garments, M/s. Saffire Clothing Co.Pvt.Ltd.
- In the proposed project, one of the Partner is an NRI.
- Project cost Rs.85 lakhs.
- They require 2000 sq.mtrs. open land and 1500 sq.mtrs. built up area. However, clarified that they do not require any plot/shed and they will manage with their existing premises.

Observations/clarifications the Committee:

- FOB value of the of exports for the 5 year project period is Rs.3300 lakhs with a NFE of Rs.1924.80 lakhs.
- Proposal was approved subject to standard terms and conditions that no fresh allotment of premises in KASEZ will be made for this unit.

(Action: IA-I)

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(vii) M/s. DML Exim Pvt. Ltd., Rajkot:

Promoter did not turn up for the interview. Deferred.

(Action: IA-I)

DC
31-05-2010