

Minutes of the 39th Approval Committee meeting of KASEZ held on 16/11/2010.

Minutes of the 39th meeting of Approval Committee held on 16/11/2010 at 1100 hrs. at KASEZ, under the Chairpersonship of Shri Pravir Kumar, Development Commissioner, KASEZ.

Following were present:

1	Shri Upendra Vasishth	Jt. Development Commissioner
2	Shri C.J. Maniar	Addl. Commissioner, Income Tax
3	Shri D.N. Zinzuwadia	JCI & GM, DIC

Absent:

- (1) Director (Banking)
- (2) Addl. Commissioner (Cus)
- (3) Jt. DGFT
- (4) Asstt. Collector.

39.1 Review/confirmation of the minutes of last meeting of the Approval Committee:

Minutes of the last meeting of the Approval Committee were confirmed.

39.2. Action Taken Report:-

39.2.1 As approved in the last Approval Committee meeting, Letter of Approval and the offer of allotment of premises have been issued to the following applicants:-

- (i) M/s. Ohmpro Electromechanicals Pvt. Ltd.
- (ii) M/s. Rodex International
- (iii) M/s. Shri Lal Mahal Ltd.
- (iv) M/s. Worlds Window Impex India Pvt. Ltd.

39.2.2 Application of M/s. ITM Safety Pvt. Ltd. had been deferred for want of details of financial break. The Applicant was asked to give the details in writing.

39.2.3 Applications for Free Trade Warehousing Service Activity submitted by the following applicants were deferred for further discussions to assess the requirement for more warehouses:-

- (i) M/s. Oswal Tradex
- (ii) M/s. Plast-O-Fine Industries
- (iii) M/s. Maruti Exports
- (iv) M/s. Anchor Enterprises
- (v) M/s. Shiv Construction

39.3 Cases deferred in the last Approval Committee meeting:

39.3.1 M/s. ITM Safety Pvt. Ltd., Adipur:

Committee noted that the proposal was discussed in the Approval Committee meeting held on 6/10/2010 and the applicant was asked to give the details of financial break-up. Committee noted that the applicant has since given the required details. Mr. Shailendra Limbani, Director clarified that the fabric is easily available in India and to some extent the same will be imported. They will install machinery worth Rs.20 lakh in the first year. He further stated that the machineries were mainly stitching machines, which were not costly. They requested for allotment of an area of 2000 sq. mtrs. land/1000 sq. mtrs built up area. Applicant was informed about the shortage of space. Mr. Limbani stated that they were in the process of negotiating with a sick unit and if it materialized, they would come up with a request for transfer of the premises. The proposal was approved in-principle. (WL-1)

39.3.2 Applications for Free Trade Warehousing Service Activity:

Committee noted that the following applications were discussed in the Approval Committee meeting held on 6/10/2010 and deferred:-

- (a) M/s. Oswal Tradex
- (b) M/s. Plast-O-Fine Industries
- (c) M/s. Maruti Exports
- (d) M/s. Anchor Enterprises
- (e) M/s. Shiv Construction

It was noted in respect of M/s. Plast-O-Fine Industries and M/s. Maruti Exports, that these units did not require any additional space and would utilize their existing premises. Therefore, their proposals were approved.

Proposals of following units were also approved in principle subject to availability of premises:-

- (a) Oswal Tradex (WL-2)
- (b) Anchor Enterprises (WL-3)
- (c) Shiv Construction (WL-4)

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

39.4.1 M/s.Sankalp Marines &Exports:

The proposal is to set up a unit for trading activity. Mr. Girish, Proprietor appeared for interview and put forth the following clarifications:-

- They are in the trading business for the last two years in Gandhidham, which is a partnership firm.

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- They will supply the goods to foreign going vessels and foreign Embassies. However, supply to foreign Embassies is not likely in the near future.
- Project cost is Rs.50 lakhs and will be met from Promoter's own sources.
- Space requirement is 500 sq. mtrs.

Observations/clarifications of the Committee:

- FOB value of the projected exports for the 5 year project period is Rs.500 lakhs with a NFE of Rs.100 lakhs.
- Further it was informed to the applicant that approval for tobacco products such as Cigarettes and Cigar cannot be granted by the Approval Committee, to which the promoter agreed. He was also informed about the shortage of space, both in respect of open land as well as built-up area and they will be waitlisted (WL-5).
- The proposal was approved in-principle, subject to standard terms and conditions, excluding tobacco products. Allotment of premises will be considered as per availability.

(Action: IA-I)

39.4.2 M/s. Aries International, KASEZ:

Proposal is to set up a unit for manufacture of Tablet Salt and other salt products. Mr. Denu Kapania, Promoter appeared for interview and put forth the following clarifications:-

- They have an existing unit in KASEZ.
- They have export orders in hand for the proposed activity from Oman and agreed to give copies of the same. Already doing the same activities from outside the zone.
- Project cost is Rs. 10 lakhs and will be met from own sources.
- No separate premises are required and they will carry out the authorized operations in their existing premises.

Observations/clarifications of the Committee:

- FOB value of exports for 5 year project period is Rs.750 lakhs with a NFE of Rs.750 lakhs.
- The applicant was asked to clearly demarcate their two projects. He was also asked to give the copies of export orders. Since they do not require any additional space as stated by them, the proposal was approved, subject to the standard terms and conditions and also submission of copy of the export orders as stated by them.

(Action: IA-I)

39.4.3 M/s. International Warehousing & Trading, Gandhidham:

Proposal is to set up a unit for service activity of Warehousing Services & Trading and Trading activity of self adhesive tapes made of paper, plastics, PVC and Cloth and adhesive/immersions, all types of packing materials including flexi tank containers. Shri R.G. Chellani, Proprietor appeared for interview and put forth the following clarifications:-

- He is one of the Partners in an existing unit in KASEZ namely, M/s. Shreyas Packaging Industries.
- Warehousing of the goods is proposed for the foreign suppliers.
- Project cost is Rs. 31 lakh and will be met from his own sources.
- Space requirement is 8000 sq. mtrs..

Observations/clarifications of the Committee:

- FOB value of exports for 5 year project period is Rs. 2100 lakh, with a NFE of Rs.1050 lakhs.
- Committee noted that the promoter is one of the Partners of an existing unit in KASEZ, running the business smoothly.
- The proposal was approved subject to the standard conditions and the allotment would be considered as per availability of the premises. (WL-6)
(Action: IA-I Section)

39.4.4 M/s. Add Impex, Gandhidham:

Proposal is to set up a unit for Service activity of Free Trade Warehousing and Trading activity. Shri Rajendra Agarwal, Proprietor appeared for interview and put forth the following clarifications:-

- He is presently associated with M/s. Add Polymers and M/s. Flax Apparels in KASEZ engaged in plastic recycling and garment/used clothing, respectively.
- Already doing trading and warehousing and exporting all permissible items to Japan, Middle East, European Countries and African Countries.
- They will warehouse the goods on behalf of foreign suppliers and also undertake labeling/re-packing.
- Project cost is Rs. 40 lakhs and will be met from own sources.
- Space requirement is 4000 sq. mtrs. for factory and 1000 sq. mtrs. built up area.

Observations/clarifications of the Committee:

- FOB value of the projected exports for the 5 year project period is Rs.3750 lakhs with a NFE of Rs.683 lakhs.
- Applicant was informed about the non-availability of space and advised to implement the same within their existing premises. However, he requested for allotment of separate premises, being a proprietorship firm.
- Proposal was approved in-principle. Allotment of premises would be considered separately. (WL-7).

(Action: IA-I)

39.4.5 M/s. Vishwas Enterprises, Gandhidham:

Proposal is to set up a unit for service activity of warehousing services. Promoter appeared for interview and put forth the following clarifications:-

- Presently in the business of tyre retreading and the annual turnover is Rs.15 crore.
- Project cost is Rs. 85 lakhs and will be met from own funds and unsecured loan from close friends and relatives.
- Space requirement is shown as 11000 sq. mtrs.

Observations/clarifications of the Committee:

- FOB value of the projected exports for the 5 year project period is Rs.749.34 lakhs with a NFE of Rs. 694.34 lakhs.
- The applicant was informed about the non-availability of premises at present.
- Proposal was approved in principle. Allotment of premises would be considered as per availability (WL-8).

(Action: IA-I)

39.4.6 M/s. Tokyo Plast International Ltd., Mumbai:

Proposal is to set up a unit for manufacture of plastic thermo-ware/insulated-ware, vacuum flasks and plastic household articles. Mr. Haresh Shah, Director appeared for interview and put forth the following clarifications:-

- They have a unit in KASEZ for the last three years for plastic thermo-ware/insulated-ware, vacuum flasks and plastic household articles.
- Project cost is Rs. 570 lakhs and will be met from internal accruals and bank finance.

- Space requirement is shown as 5000 sq. mtrs.

Observations/clarifications of the Committee:

- FOB value of the projected exports for the 5 year project period is Rs.12029 lakhs with a NFE of Rs.3839 lakhs.
- Committee noted the satisfactory performance of their existing unit in KASEZ. The applicant was informed to about the non-availability of premises.
- Proposal was approved in principle. Allotment of premises would be considered as per availability (WL-9).

(Action:IA-I Section)

39.4.7 M/s. J.M. Baxi & Co.,KAEZ:

Mr. H.A. Vaishnav, Dy. General Manager, represented on behalf of the firm. Committee noted that unit was already allotted with premises in 1966 and was doing the warehousing activities. The proposal is based on the requirement of SEZ Rules to obtain LAO for the authorized activities and they were not issued with any LOA. He was asked to submit a copy of the allotment order. The proposal was approved.

39.4.8 Mr. Harish Chaturani, Gandhidham:

Proposal is to set up a unit for service activity of warehousing services. It was noted that the proposed project cost of Rs.50 lakhs will be met from the promoter's own sources. FOB value of exports projected for 5 year period is Rs.749.34 lakhs with a NFE of Rs.694.34 lakhs. It was noted that the promoter was engaged in the manufacturing of plastic agglomerates in KASEZ. It was further noted that they do not require any space to implement the project. The proposal was accordingly approved.

39.4.9 M/s. Ashwin Enterprise, Gandhidham:

Proposal is to set up a unit for service activity of warehousing services. Mr. A.K. Mishra, Proprietor appeared for interview and put forth the following clarifications:-

- Presently in the business of trading of commodities and job work services to SEZ units and also labour supply to support services to various SEZ units.
- Propose to set up the warehouse for warehousing of goods of foreign suppliers.
- Project cost is Rs. 50 lakhs and will be met from own sources.

- Space requirement is shown as 8000 sq.mtrs. However, the applicant was willing to undertake the approved activities in a smaller area also.

Observations/clarifications of the Committee:

- FOB value of the projected exports for the 5 year project period is Rs.749.34 lakhs with a NFE of Rs. 694.34 lakhs.
- The applicant was informed about the non-availability of premises.
- Proposal was approved in principle. Allotment of premises would be considered as per availability (WL-10).

(Action: IA-I)

39.4.10 Monitoring of Annual Performance Review for the year 2009-10:

Committee noted that there were 176 working units as on 31/3/2010 out of which 166 units had submitted the APRs and 10 units had failed to submit APRs. It was further noted that 20 units had reported negative NFE, out of which 19 units have not completed 5 years. Committee decided to issue warning to those units who have completed 3 years and have negative NFE, to improve their performance. Those who have completed four years with negative NFE, warning letters may be issued, asking them to state the steps taken to improve their performance and informing them that their LOAs would be liable to cancellation, if they do not earn positive NFE in block of 5 years. For the units that have completed 5 years and have negative NFE, i.e. M/s. Afcan Impex Pvt. Ltd. a SCN may be issued. SCN may also be issued to such units that have not submitted the APRs.

(Action: IA-I)

39.5 General:

- (a) Approval Committee felt that priority should be given to manufacturing units and to units that have potential for higher foreign exchange earnings, for allotment of premises within the SEZ.
- (b) If there is an application for similar activity, an analysis with reference to the performance of the existing units should be done.

(Action: IA-I)

(Pravir Kumar)
DC, KASEZ