

Minutes of the 3rd Approval Committee meeting held on 09/07/2010.

Minutes of the 3rd meeting of Approval Committee (2010-2011) held on 09/07/2010 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
3	Shri D.B. Parmar, Manager (RM)	Rep. of GM, DIC
4	Shri P.K. Dodia	R.O., GPCB, Bhuj
5	Shri K.H. Mehta	ITO, Gandhidham.

Absent:

- (1) Director (Banking)
- (2) Addl. Commissioner (Cus)
- (3) Jt. DGFT
- (4) 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. Kundan Rice Mills Ltd., Delhi:**

Proposal is to set up a unit for trading activity of Chemicals & Solvents viz. Acetone, Butyl Acetate Monomere, Cyclohexanone, Caustic Soda, Ethyl Acetate, Ethylene Chloride, Iso Propyl Alcohol, Methanol, etc. Promoter appeared for interview and put forth the following clarifications:-

- They are in the business since 1995 and deals in international trading and distribution of various products including edible oils, pulses, chemicals, waxes, etc.
- Raw material will be imported.
- During 2008-09 the turnover of their group company was Rs.220386.80 lakhs.
- Project cost is Rs.70 lakhs and will be met from internal accruals.
- Space requirement 2500 sq.mtrs. open land 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.7730.14 lakhs with a NFE of Rs.2080.14 lakhs.

- It was informed to the applicant that the ITC HS code given for Solvent C-9 is not matching and they were asked to give the correct ITC HS code.
- Further it was informed to the applicant that there is shortage of space both open land and built-up area and they will be waitlisted (WL-1).
- The proposal was approved. However, it was decided to issue LOA after identification of the premises and on submission of ITC HS Code for solvent.
(Action: IA-I)

(ii) **M/s. Jaggo Overseas, Delhi:**

Proposal is to set up a unit for trading of Sodium Cyanide and Potassium Cyanide. Promoter appeared for interview and put forth the following clarifications:-

- They are in the business since 1999 and deals in wide range of chemicals and machineries and engaged in importing and exporting of Optimum quality electroplating chemicals, polishing compound, abrasive, etc.
- Their current market is Gulf. Presently they are operating from Nhava Sheva.
- They are currently exporting Sodium Cyanide.
- End use is refining of metal, electroplating, hardening of metal and pharmaceuticals.
- Due to better facilities at Kandla and Mundra Port, they intend to set up a unit in KASEZ.
- During 2008-09 the turnover of their group company was Rs.490.02 lakhs.
- Project cost is Rs.38.6 lakhs and will be met from promoters contribution.
- Space requirement is 300 sq.mtrs. built up area.

Observations/clarifications of the Committee:

- FOB value of the of exports for the 5 year project period is Rs.7004.84 lakhs with a NFE of Rs.1663.762 lakhs.
- It was informed to the applicant that they have to take necessary approvals from the concerned department including consent from GPCB, which they have agreed.
- Further it was informed to the applicant that there is shortage of space both open land and built-up area and they will be waitlisted (WL-2).

- The proposal was approved. However, it was decided to issue LOA after finalization of the premises.

(Action: IA-I)

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

Committee noted that the proposal was discussed in the 2nd Approval Committee meeting held on 26/5/2010 and the applicant was asked to provide the proof for arranging Rs.440 lakhs to invest in the company. Promoters appeared for interview and clarified that a term loan of 70% is being taken from Bank of India and balance from the group company as one of the director is having different firms. ITO asked them to give a break-up of the investment in writing.

The proposal was approved in-principle subject to their furnishing the details of finance and also due to non-availability of space. Formal LOA to be issued when land/shed is available for allotment (WL-3) and on written confirmation from ITO.

(Action: IA-I Section)

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

Committee noted that the proposal was discussed in the 2nd Approval Committee meeting held on 26/5/2010 and the applicant was asked to provide the justification with documentary evidence for how remaining finance will be arranged. Promoter appeared for interview and clarified the details of arranging the finance. ITO asked them to give address of each of the persons from whom the finance will be arranged.

The proposal was approved in-principle subject to their furnishing the details of financiers as required by ITO. Since space is not available formal LOA will be issued when land/shed is available for allotment. (WL-4).

(Action: IA-I Section)

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

Proposal is to set up a unit for trading activity of Rapeseed Meal, Soya Meal, Sesame Seeds, Groundnut Meal, Groundnut Kernels, Yellow Maize, etc. Promoter appeared for interview and put forth the following clarifications:-

- They are into export of agro-commodities.
- Their group turnover is Rs.57 crores and are Merchant Exporter.
- Investment will be Rs.36.80 lakhs, which will be met from promoters contribution.

- Space requirement 2000 sq.mtrs. land and 1000 sq.mtrs. built up area.

Observations/clarifications of the Committee:

- FOB value of the of exports for the 5 year project period is Rs.4464.96 lakhs with a NFE of Rs.3795.22 lakhs.
- Further it was informed to the applicant that there is shortage of space both open land and built-up area and they will be waitlisted (WL-5).
- Proposal was approved in-principle due to non-availability of space. Formal LOA to be issued when land/shed is available for allotmen.

(Action:IA-I Section)

(vi) M/s. Venus Upcountry Trading Pvt. Ltd., Surat:

The proposal is to set up a trading unit for Bicycle and its parts, plastic insulated items such as kitchen ware, table ware and household ware, Indian Mouth freshener. Promoter appeared for interview and put forth the following clarifications:-

- They have a unit at Surat and doing their activities from Nhava Sheva.
- Project cost is Rs.10 lakhs, which will be met from their own sources.
- Require space of 2000 sq.mtrs. built up area to implement the project.

Observations/clarifications of the Committee:

- FOB value of the exports for the 5 year project period is Rs.3185 lakhs with a NFE of Rs.1540 lakhs.
- Proposal was approved in-principle due to non-availability of space. Formal LOA to be issued when land/shed is available for allotment (WL-6).

(Action: IA-I)

(vii) M/s. Milak Warehouse, KASEZ:-

The proposal is to approve warehousing activity for which they have been allotted space in KASEZ vide allotment order dated 27/1/1992 and they are doing the warehousing activity since 1992. As per the SEZ Act and Rules, all authorized operations have to be covered under the LOA. Promoters appeared for interview and clarified that they are doing the warehousing activity since 1992 as per the Allotment Order. It was noted that LOA has been subsequently issued to them for carrying out trading activity in 2001. Committee, therefore, decided to amend their existing LOA issued in 2001 to include warehousing activities

(Action: IA-I)

(viii) M/s. V. Milak Enterprises, KASEZ:

The proposal is to approve private bonded warehouse for storage of goods of the Zone units for which they have been allotted space in KASEZ vide allotment order dated 9/12/1998. As per the SEZ Act and Rules, all authorized operations have to be covered under the LOA. Promoters appeared for interview and clarified that they are doing the warehousing activity since 1998 as per the Allotment Order. It was noted that LOA has been subsequently issued to them for carrying out manufacturing of all types of wrappers, BOPP self adhesive tapes, corrugated boxes, etc. in 1998. Committee, therefore, decided to amend their existing LOA issued in 1998 to include private bonded warehousing and weigh bridge activities.

(Action: IA-I)

(ix) M/s. Liladhar Passoo Forwarders Pvt.Ltd., KASEZ:

Party did not come for interview. Deferred.

(Action: IA-I)

(x) M/s.NSDL Database Management Ltd.

NSDL Database Management Ltd. is a service provider to KASEZ for implementing the SEZ Online system. Government of India exempts the taxable services which are required in relation to the authorized operation in SEZ and received by a Developer or units of a SEZ, whether or not they are taxable services are provided inside the SEZ. Committee decided to grant them exemption from payment of Service Tax on the aforementioned services.

(Action: IA-I)

(xi) M/s. Galentic Pharama (India) Pvt. Ltd., Mumbai:

Proposal is to set up a unit for manufacturing of Pharmaceutical, surgical, cosmetics and white petroleum jelly/liquid petroleum products under chapter 29, 30 & 33. Mr. Bhupendra Singhani, Director 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, due to the market recession they could not implement the project in time and the LOA lost its validity. Now, the situation is improving they are confident of starting the unit at the earliest. He has stated within 2-3 months time they will start the construction.

Observations/clarifications the Committee:

- FOB value of the of exports for the 5 year project period is Rs. 10450 lakhs with a NFE of Rs.6860 lakhs.
- Proposal was approved subject to standard terms and conditions.

(Action: IA-I)

(xii) M/s. Speciality Rolled Products (India)Ltd., Mumbai:

Proposal is to set up a unit for manufacturing of stainless steel strips and stainless steel foils' Mr. Harshad Sonavala, Director 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, due to the market recession they could not implement the project in time and the LOA lost its validity. Now, the situation is improving they are confident of starting the unit at the earliest. He has stated within 3-4 months time they will set up the unit. Civil construction is already going on.

Observations/clarifications the Committee:

- FOB value of the of exports for the 5 year project period is Rs. 38523 lakhs with a NFE of Rs.9519 lakhs.
- Proposal was approved subject to standard terms and conditions.

(Action: IA-I)

(xiii) M/s. Praj Industries Ltd.,Pune:

Proposal is to set up a unit for manufacturing of customized machinery and equipment in SS,MS, C,copper, Duplex steel exotic material, such as columns, heat exchangers, reboilers, coolers, v-gessels, reactors, spheres, etc. Representative of the unit appeared for interview and put forth the following clarifications:-

- They are already having a unit in KASEZ.
- They have got highest export performance award last year from the KASEZ.
- Project cost Rs.3502 lakhs, which will be met from their own sources.
- Require 20500 sq.mtrs. land and 10500 sq.mtrs. built up area.

Observations/clarifications the Committee:

- FOB value of the of exports for the 5 year project period is Rs. 22300 lakhs with a NFE of Rs.11576 lakhs.
- Committee noted that they are an existing unit in KASEZ and has been awarded with highest export award in the engineering sector.
- Proposal was approved in-principle due to non-availability of space. Formal LOA to be issued when land/shed is available for allotment (WL-7).

(xiv) M/s. Zest Marine Services Pvt. Ltd., Gandhidham:

Proposal is to set up a unit for trading of Lubricants, Marine chemicals, wire ropes and plastic ropes, hatch sealing tapes, ship spares – new and second hand. Promoter appeared for interview and put forth the following clarifications:-

- They are already in the business of shipping services, ship chandler, repairing, bunker supplier since 1999.
- Project cost Rs.40 lakhs, which will be met from share capital and promoters contribution.
- Require 400 sq..mtrs. built up area.

Observations/clarifications the Committee:

- FOB value of the of exports for the 5 year project period is Rs. 810 lakhs with a NFE of Rs.336 lakhs.
- It was clarified to them that in respect of ship spares only new spares will be permitted and no second hand spare parts be permitted, which they have agreed.
- Proposal was approved in-principle due to non-availability of space. Formal LOA to be issued when land/shed is available for allotment (WL-8) with a condition that no import of second hand ship spares will be allowed.

DC
15-07-2010