

Minutes of the 4th Approval Committee meeting held on 11/08/2010.

Minutes of the 4th meeting of Approval Committee (2010-2011) held on 11/08/2010 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 C.J. Maniar	Addl. Commissioner IT
5	Shri Jeetesh Nagori	Addl. Commissioner (Cus)
6	Shri D.N. Zinzuwadia	JCI & GM, DIC
7	Shri M.R. Macwana	Dy. Engineer, GPCB, Bhuj

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. Setco Automotive Ltd., Kalol:**

Proposal is to set up a manufacturing unit for automobile clutches and parts thereof. Mr. J.S. Bawa, Head-Commercial Services & IR appeared for interview and put forth the following clarifications:-

- They are in the business of auto components/clutching for commercial vehicles. They have one DTA unit at Kalol, another unit at Utharakand and one EOU at Kalol.
- Raw material will be steel sheets as well as bars. Except friction of raw materials, entire raw materials will be procured indigenously.
- Last year's turnover was 210 crores.
- Project cost is Rs.600 lakhs and will be met from internal accruals and bank finance.
- Space requirement 25000 to 40000 sq.mtrs. open land to implement the project. However, to begin with the minimum area requirement is 5000 sq.mtrs.

Observations/clarifications of the Committee:

- FOB value of the projected exports for the 5 year project period is Rs.58600 lakhs with a NFE of Rs.54650 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-1).
- The proposal was approved. However, it was decided to issue LOA after identification of the premises.

(Action: IA-I)

(ii) **M/s. Aravali International, Ahmedabad:**

Proposal is to set up a unit for manufacturing of Marble Slabs/Tiles. Mr. Sunil Lunawath, Director appeared for interview and put forth the following clarifications:-

- They are in the business of marbles since 1975 and they are world renowned for its pioneer role in the production and export of Soap Stone. One of the firms is a Government Recognized Export House.
- Their current market is China, Middle East, Egypt, USA, Taiwan, Vietnam and Russian Block.
- Partnership deed is stated to be not registered with the Registrar of Firms.
- Project cost is Rs.281.43 lakhs and will be met from partners contribution and bank finance.
- Space requirement is 4000 sq.mtrs. land 1000 sq.mtrs. built up area.

Observations/clarifications of the Committee:

- FOB value of exports for 5 year project period is Rs.16695 lakhs with a NFE of Rs.2431 lakhs.
- Applicant was informed that no DTA sale will be permitted as Marble import is restricted item.
- Applicant was asked to give copy of partnership deed duly registered with Registrar of Firms and details of return of income for the last three years.
- Applicant was informed that removal of scrap/waste, etc. arising out of the production process to the DTA shall not be permitted and the same has to be destructed under the preventive supervision, which the applicant 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).

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- The proposal was approved subject to compliance of the above and also subject satisfaction of the Income Tax. Addl. Commissioner Income Tax was requested to give his observation within a week.
- They will install all machineries required for the manufacturing/processing of machineries before commencement of commercial production as no permission for job work will be granted, the item being restricted under the FTP.
- It was also decided that o/o the Development Commissioner will carry out inspection of plant and machinery before commencement of production. This should be part of LOA.

(Action: IA-I)

(iii) M/s. Atul Raheja, New Delhi:

Proposal is to set up a unit for manufacturing of Safety Syringes, Insulin Suringes, Hypodermic Needles, IV Sets and IV cannulae. Mr. Hemandra Srivastava and Mr/Sandeep Sharma appeared for interview on behalf of the applicant and put forth the following clarifications:-

- Promoter is a Director of an existing Group Company engaged in the manufacturing of disposable products, having a gross turnover of Rs.591 lakhs.
- The present proposal is going to be a joint venture with Lifelong Meditech Ltd. and they are in the preliminary stages of incorporating a company.
- Project cost is Rs.2500 lakhs and will be met from promoters contribution and bank finance.
- Space requirement is 10000 sq.mtrs. land and 700 sq.mtrs. built up area.

Observations/clarifications of the Committee:

- FOB value of exports for 5 year project period is Rs.53658 lakhs with a NFE of Rs.40207 lakhs.
- It was informed to the representative appeared on behalf of the Applicant that his statement and the project application defers as the application filed in the name of Atul Raheja whereas his statement is setting up a joint venture and he was asked to come up with a proposal after incorporation of the company.
- Further it was informed to the applicant that there is no land/ready-built shed available for allotment.
- The proposal was deferred.

(Action: IA-I Section)

(iv) M/s. Liladhar Pasoo Forwarders Pvt. Ltd., KASEZ:

Committee noted that unit is already allotted with premises in 1981 and are doing the warehousing activities. The proposal is based on the requirement of SEZ Rules to obtain LOA for the authorized activities and they were not issued with any LOA earlier and hence the proposal was approved for “warehousing, other business services and services auxiliary to all mode of transport.” as per Rule-76 of the SEZ Rules.

(Action: IA-I Section)

(v) M/s. Global Energy Food Industries:

Committee noted that the proposal was discussed in the Approval Committee meeting held on 6/4/2010 and it was decided to give inprinciple approval for Razors, Blades and Disposable Cartridges for manufacturing and for Biscuits, Confectionery & Sugar Syrup matter was referred to the DOC for clarification. It was reported to the Committee that the matter was discussed with the AS, MOC on 13/7/2010 and it was clarified that LOA may be issued to the unit for above activities, subject to the condition that DTA procurement of Sugar will not be permitted and only import of sugar will be permitted. Committee accordingly approved the proposal subject to condition that they will only import sugar and no DTA procurement will be allowed.

(Action:IA-I Section)

(vi) M/s. Metal Link Alloys Ltd.:

Committee noted that the proposal was discussed in the Approval Committee meeting held on 09/03/2010 and the approval was given subject to condition of No DTA sale of reconditioned, repaired or re-engineered products, scrap, remnant or waste. It was informed to the Committee a reference was also made to MOC in this regard. It was further, reported to the Committee that the matter was discussed with the AS, MOC on 13/7/2010 and it was instructed that if the process involves “manufacturing process” then it cannot be treated in the category of recycling/reconditioning and hence DTA sale should not be stopped. It was noted that as per process of the unit scrap will be segregated and melted to make billets and rods for making components. It was further noted that any process of metal making involves raw materials of scrap in various quantities. Therefore, it was decided to approve the proposal for manufacture and hence it was decided to not to stop the DTA sale as per SEZ Rules provided melting of scrap takes place.

(Action: IA-I)

(vii) M/s. World Window Impex:-

Committee noted that the proposal was discussed in the Approval Committee meeting held on 26/5/2010 and the same was rejected. However, it was informed to the Committee that this was discussed with the AS, MOC and Ministry directed us to reconsider the project application. Committee noted that a decision has already taken in the case of M/s.Metal Link Alloys Ltd. as above, the same decision hold good in respect of ferrous and non-ferrous materials. Regarding rubber it was decided that the applicant may be asked to give clarification on complete manufacturing process and the product to be exported.

(Action: IA-I)

(viii) M/s. Sahashtraa Exports Pvt. Ltd.:

Proposal is to set up a unit for trading of chemicals & solvents. Mr. Suhail Agarwaal, Director appeared for interview and put forth the following clarifications:-

- They are in the business of imports, exports and trading of various petrochemicals, ethanol mines, chlorinated solvents, etc. They are having its marketing network spread all over India.
- The export market is Middle East, Africa and South East Asia.
- They will import chemicals and do repacking at KASEZ for export.
- Project cost is Rs.95 lakhs and will be met from own sources.
- Space requirement is 5000 sq.mtrs. land and 1500 sq.mtrs. built up area.

Observations/clarifications of the Committee:

- FOB value of exports for 5 year project period is Rs.6959 lakhs with a NFE of Rs.1878 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-3).
- The proposal was approved in-principle.

(Action: IA-I)

(ix) M/s. Lohadia Warehousing Co., Adipur:

Proposal is to set up a unit for Warehousing service facility. Mr. Ramesh Gadhvi, promoter appeared for interview and put forth the following clarifications:-

- The proposal is for a warehousing service facility and already in the same business and have already assured sufficient business.
- Project cost is Rs.5 lakhs and will be met from own sources.
- Space requirement is 10000 sq.mtrs. land.

Observations/clarifications of the Committee:

- FOB value of exports for 5 year project period is Rs.6490 lakhs with a NFE of Rs.6490 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-4).

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- The proposal was approved in-principle.

(x) **M/s. La Spirit Liquor Trading Co., Gandhidham:**

Proposal is to set up a unit for trading of all sorts of Liquor (ITC HS-2208). Mr. Motanwala, promoter appeared for interview and put forth the following clarifications:-

- Engaged in various business activities. Also having a 100%EOU.
- The proposal is for ship supplies.
- Project cost is Rs.5 lakhs and will be met from own sources.
- Space requirement is 1000 sq.mtrs. built-up sapce.

Observations/clarifications of the Committee:

- FOB value of exports for 5 year project period is Rs.780 lakhs with a NFE of Rs.99 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).
- The proposal was approved in-principle.

(Action: IA-I)

DC
18-08-2010