

Minutes of the 6th Approval Committee meeting held on 06/10/2010.

Minutes of the 6th meeting of Approval Committee (2010-2011) held on 06/10/2010 at 1530 hrs. at KASEZ, under the Chairpersonship of Shri Upendra Vasishth, Jt. Development Commissioner (I/c DC).

Following were present:

1	Shri Jeetesh Nagori	Addl. Commissioner (Cus)
3	Shri Thomas Kurian	Dy.DC (MOC's nominee)
4	Shri Ranjit Kumar Singh	Asstt. Collector, Anjar
5	Shri D.N. Zinzuwadia	JCI & GM, DIC

Absent:

- (1) Director (Banking)
- (2) Jt. DGFT

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. Ohmpro Electromechanicals Pvt. Ltd., Ahmedabad:**

Proposal is to set up a unit for manufacture of electrical accessories such as Earthing Materials, Lightning Protection Materials, Metallic Cable Glands and Cable Lugs, etc. Promoters of the unit, Mr. Sheen Panicker & Mr. Sreejit M. Namboodiri, appeared for interview and put forth the following clarifications:-

- They are in the trading business of electrical parts for the last 8 years from UAE.
- Initially they plan to outsource actual manufacturing process and components from Jamangar and will be bringing the same into the Zone and carry out assembly, quality checking and packing for export.
- Countries of export: European countries, US and African countries.
- Raw material will be rods, sheets and if necessary finished products itself and undertake assembling operations in the Zone.
- Plans to set up a foundary for melting, etc. in future, for which they will come up separately.
- Project cost is Rs.26 lakhs and will be met from Promoters share capital.
- Space requirement 465 sq.mtrs. for factory and office and 465 sq.mtrs. built up area to implement the project. However, stated that they prefer to take land admeasuring 4000 sq.mtrs. open land.

Observations/clarifications of the Committee:

- FOB value of the projected exports for the 5 year project period is Rs.3305.05 lakhs with a NFE of Rs.2305.05 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 subject to the condition that no scrap will be imported. However, it was decided to issue LOA after identification of the premises.

(Action: IA-I)

(ii) **M/s. Link Enterprises, Gandhidham:**

Proposal is to set up a unit for trading of Furnace Oil, LDO, HSD, Engine Spare for ships, Iron ropes, ropes of jute/plastics. Representative of the promoter appeared for interview and put forth the following clarifications:-

- They are in the business for the last 10 years. Got bonded warehouse at Gandhidham and wanted to shift to SEZ for availing SEZ benefits.
- Project cost is Rs. 15 lakhs and will be met from own sources.
- Space requirement is 2000 sq.mtrs. built up area.

Observations/clarifications of the Committee:

- FOB value of exports for 5 year project period is Rs.640 lakhs with a NFE of Rs.127 lakhs.
- Addl. Commissioner (Cus) informed that there are quite a number of SCNs issued and some are adjudicated and their track record is not proper as they have violated the conditions of the Customs Act/Rules. Addl. Commissioner (Cus) was requested to provide the details.
- Deferred due to objection of Addl. Commissioner (Cus).

(Action: IA-I)

(iii) **M/s. Rodex International, KAEZ:**

Proposal is to set up a unit for manufacturing of tablet salt, softening salt and disposable syringes. Mr. Dilip Dhakan, Promoter appeared for interview and put forth the following clarifications:-

- An existing unit in KASEZ for trading and manufacture.
- Project cost is Rs.21 lakhs and will be met from promoters contribution and internal accruals.

- Space requirement 300 sq.mtrs. . However, stated that they will not come for additional space and do the activities in their existing shed, duly demarcated.

Observations/clarifications of the Committee:

- FOB value of exports for 5 year project period is Rs.2630 lakhs with a NFE of Rs.705 lakhs.
- Committee noted that they are an existing unit in KASEZ having achieved positive NFE of Rs.28.29 lakhs cumulatively in the 2nd year of second five year block.
- It was informed to the applicant that there is no land/ready-built shed available and they have to under the activities within their existing premises duly demarcated.
- The proposal was accordingly approved subject to the condition that only virgin materials will be used for manufacture of disposable syringes and no scrap/waste shall be permitted.

(Action: IA-I Section)

(iv) **M /s. ITM Safety Pvt. Ltd., Adipur:**

Proposal is to set up a unit for manufacture of readymade garments and all types of protective clothing, apparels, made ups, workwears, knitted garments and safety apparels. Shri Shailendra B. Limbani, Promoter appeared for interview and put forth the following clarifications:-

- He is presently associated with a unit having FDI investments manufacturing same articles and he has implemented the project in KASEZ.
- Project cost is Rs. 150 lakhs and will be met from own sources and with loan from financial institution. Anticipates an FDI investment of \$220.00 from a company in the Netherland Antilles.
- Space requirement 2000 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.5005 lakhs with a NFE of Rs.3661 lakhs.
- It was noted that the working capital is Rs.13 crores, while there are no details available regarding financing He informed that the funding will be done by a company in the Netherland Antilles. By this, members of the Approval Committee were not convinced and he was asked to give details of the financial break up.
- The proposal was deferred.

(Action: IA-I)

(v) **M/s. Shri Lal Mahal Ltd, New Delhi:**

Proposal is to set up a unit for manufacturing and processing of Basmati Rice. Their Vice President appeared for interview and put forth the following clarifications:-

- Promoters have 25 years experience in international trading, processing and manufacture of Basmati and Non-Basmati Rice. Largest exporter of Rice from India.
- Getting APEDA Awarded for export excellence for last eleven years continuously.
- Have large network of dealers in East, Middle East, Gulf, Europe, America and African countries.
- Will undertake rice processing – polishing, grading and value addition in SEZ. Rice will be procured domestically.
- Project cost is Rs. 758.49 lakhs and will be met from share capital and internal accruals.
- Broken rice will be sold in DTA
- Space requirement is shown as 10000 sq.mtrs. for factory & office and 5000 sq.mtrs. built up area. In the meeting requested for 20000 sq.mtrs. land and requested to allot a shed to immediately start operations.

Observations/clarifications of the Committee:

- FOB value of the projected exports for the 5 year project period is Rs.23792 lakhs with a NFE of Rs.23626 lakhs.
- It was informed to the applicant that they have to follow all the Government regulations/guidelines on export of rice, which they have agreed.
- Proposal was approved in principle and LOA to be issued after offer of the required premises (WL-2).

(Action: IA-I)

(vi) **M/s. Worlds Window Impex India Pvt. Ltd., New Delhi:**

Proposal is for processing of waste rubber tyres. Committee noted that the proposal was discussed in the Approval Committee meeting held on 11/8/2010 it was decided to ask the applicant to give clarification on complete manufacturing process and the product to be exported. Shri Naveen Agrawal, Director of the company explained the manufacturing process and informed that same process is followed by their unit M/s.M.V. Enterprises at

Dehradun. Regarding product to be exported they have informed that they will be manufacturing high grade rubber powder and high tensile reclaimed rubber sheets and there is wide market for these items. It was informed to him that the used tyres are falling under Chapter 4012 and it is restricted item of import and also asked them to abide by the pollution control norms and the guidelines, rules and regulations issued by the Govt./DGFT from time to time, which they have agreed. The applicant informed that they will procure the same indigenously as the used tyres are available indigenously. Committee approved the proposal and LOA to be issued after offer of land/shed is made.

(Action:IA-I Section)

(vii) Certificate to be issued to KASEZ Units to avail exemption/refund of Service Tax:

It was noted the Approval Committee had approved various services required in relation to the authorized operations of the KASEZ units for availing exemption/refund of service tax as default list. Now some units have applied for some more taxable services. After deliberations, Committee approved following services also:

- (1) Commercial use or exploration of event.
- (2) Commercial or Industrial construction.
- (3) Health Insurance.
- (4) Testing, inspection and analysis charges.
- (5) Transport of goods through the national water way, Inland water and Costal Shipping.
- (6) Air craft operator service, for transportation of good, by Air.
- (7) Goods transport agency service.
- (8) Transportation of goods through pipeline or conduit service, excluding transportation of water.
- (9) Transport of goods, in containers by rail service.
- (10) Transport of goods by rail service.

(viii) Broad banding permissions for the month of September 2010:

Committee noted the broad-banding approvals granted by the Development Commissioner, KASEZ during the month of Septembers 2010 and approved the same for following units:-

1. M/s. Gelkaps Sports Pvt.Ltd.
2. M/s.Vijay Tanks &Vessels Ltd.

(ix) Applications for Free Trade Warehousing Service Activity:

- (1) M/s. Oswal Tradex, Gandhidham:

Shri Mukesh Parekh, Promoter appeared for interview. He stated that they will import and also make tie-up with importer for export and DTA sale. The payment will be taken in foreign exchange. They will also provide warehousing facility to the Zone units if there is any requirement from the unit. FOB value of export projected for 5 year period is Rs. 38500 lakhs with a NFE of Rs.6500 lakhs. Space requirement is stated to be 10000 sq.mtrs.

(2) M/s. Plast-O-Fine Industries:

Shri Vivek Agarwal, Partner appeared for interview. He stated that basically they would like trade in polymers. They will also provide warehousing facility to the Zone units if there is any requirement from the unit, as per availability. FOB value of export projected for 5 year period is Rs.2400 lakhs with a NFE of Rs.391 lakhs. Applicant informed that they can implement the project in their existing premises i.e. Plot No.247 & 248, Sector-IV and they do not need any additional space.

(3) M/s. Maruti Exports:

Shri Rakesh Jain, Partner appeared for interview. They will provide storage facility to SEZ units as well as foreign clients, complete logistic solution, inventory control & storekeeping series. Also undertake labeling, re-packing, packing, etc. and further exports as per clients requirement. FOB value of export projected for 5 year period is Rs. 360 lakhs with a NFE of Rs.360 lakhs. Applicant informed that they are having 25715 sq.mtrs. land on which total covered area is 12849.71 sq.mtrs. and they propose to utilize covered area of 4579 sq.mtrs. out of these area.

(4) M/s. Anchor Enterprises:

Mr. Mahesh Tejwani, promoter appeared for interview. They have stated that there will be no intra-zone and indigenous warehousing. They have stated that the activities are proper material handling, storage and timely movement of goods i.e. export warehousing. FOB value of export projected for 5 year period is Rs. 7493.37 lakhs with a NFE of Rs.7438.37 lakhs. They require an area of 16000 sq.mtrs.

(5) M/s.Shiv Construction:

Promoter appeared for interview. They have stated that there will be providing service activity of warehousing, construction and related services. Presently engaged in road construction and construction activity. FOB value of export projected for 5 year period is Rs. 807.60 lakhs with a NFE of Rs.807.60 lakhs. They require an area of 10000 sq.mtrs.

Committee observed that about a dozen warehousing units are in the zone and that an area of 100 acres has been allotted for an exclusive FTWZ. Therefore, the requirement of further warehouses in the Zone needs to be assessed. It was therefore, decided to defer all the above five proposals, which can be considered after DC and Kandla SEZ Authority take a view on the issue.

(Action: IA-I)

JDC
07-10-2010