

Minutes of the 44th Approval Committee meeting of KASEZ held on 10/05/2011.

Minutes of the 44th meeting of Approval Committee held on 10/05/2011 at 1530 hrs. at KASEZ, under the Chairpersonship of Shri Upendra Vasishth, Jt. Development Commissioner, KASEZ.

Following were present:

1	Shri C J Maniar	Addl. Commissioner, Income-tax
2	Shri B.H. Patel	GM, DIC
3	Shri S.N. Patil	JDC, Ahmedabad (on video conference) (representing MoC)

Absent:

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

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

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

44.2. Action Taken Report:-

44.2.1 to 44.2.7 The position reported was noted.

44.3. Deferred proposals:

44.3.1 Zug Bearings Pvt. Ltd., Mumbai:

Committee noted that the proposal was deferred in the 42nd meeting of the Approval Committee held on 27-01-2011 for submission of supporting documents. It was further noted that the applicant has now submitted the required documents and the same was forwarded to Addl. Commissioner, Income-tax for further compliance. Addl. Commissioner, Income-tax stated that he has gone through the document and he has no objection for approval of the proposal. Accordingly, the proposal was approved. It was also decided that one number N-II shed may be offered to them.

44.3.2 M/s. E-Waste Solutions, New Delhi.

Committee noted that the proposal was deferred in the 40th meeting of the Approval Committee as the Addl. Commissioner (Cus) wanted to study the reply received from the Ministry of Environment and Forest, New Delhi. Since the Addl. Commissioner (Cus) could not attend the meeting and in the absence of feed back from him, the Committee deferred the proposal.

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44.3.3 M/s. Oswal Extrusion Ltd., KASEZ:

Committee noted that the proposal was discussed in the 43rd meeting of the Approval Committee held on 24/2/2011 and deferred the proposal for want of space. Now the promoter has informed that he was not in position to attend the meeting and has sought another date. Therefore, the proposal was deferred.

44.3.4 M/s. Flamingo Logistics, KASEZ, Gandhidham:

Committee noted that the proposal was discussed in the 43rd meeting of the Approval Committee held on 24/2/2011 and deferred the proposal for want of space. Shri Kiran Singh, Director appeared for the hearing. He has stated that they will utilize the premises of FTWZ being developed by M/s. Worlds Window Infrastructure & Logistics Pvt. Ltd. as a Co-Developer. Co-Developer also given consent to provide space of 4 acres to M/s. Flamingo Logistics.

Committee informed the applicant that no blanket approvals can be granted under Rule 18(6). However, approval will be granted under Rule 18(5) and 76 of the SEZ Rules, which the applicant agreed.

Additional Commissioner, Income-tax informed about the pending dues against the unit. Mr. Kiran Singh informed that they have already paid the same. Committee approved the proposal under Rule 18(5) and 76 subject to clearance from Addl. Commissioner, Income-tax about payment of dues by the applicant.

44.3.5 M/s. Keshwani Exim Pvt. Ltd., Mandvi (Kutch):

Committee noted that the proposal was discussed in the 43rd meeting of the Approval Committee held on 24/2/2011 wherein the Committee approved Salt and Honey and for rest of the commodities i.e. Sugar, Pulses, Spices and Cereals Flour it was decided to refer to BOA. Committee noted that the proposals for Pulses and Cereals Flour were approved by the BOA in its meeting held on 25/3/2011. BOA also clarified that the UAC is empowered to take decision in respect of Sugar and Spices; however careful examination is required so that their domestic availability is not affected. In view of the above clarification from the Ministry, their proposals for Sugar and Spices were approved, subject to strict observance of the policy provisions issued from time to time for clearances for import & export and no DTA procurement or DTA sale will be permitted.

44.4 New Proposals to set up units in KASEZ:

44.4.1 M/s. Hwatsi Chemical Pvt. Ltd., Mumbai:

Proposal is to set up a unit for manufacture of Thinners and trading activity of Chemical and Solvents. Mr. Bharat Sheth, Promoter appeared for interview and put for the following:-

- M/s. Bronze Chem Enterprise is their existing DTA unit and their turnover was Rs 8 crores.
- Project cost of Rs 24 lakhs will be met from the Directors contribution.



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- Require land of 1500 sq.mtrs. and built up area 500 sq.mtrs.
- Water requirement 3 KL and Power 20 KVA.
- Employment 08 persons.

Observations/clarifications of the Committee:-

- FOB value of exports projected for 5 year period was 1621.02 lakhs with a NFE of Rs.573.60 lakhs.
- They were informed that a shed will be offered to them for which they did not agree. They stated that they require a plot because they have to comply with the formalities of explosive licence, etc. They further clarified that as against 1500 sq.mtrs. plot area, they can accommodate their project in an area of 1100 sq.mtrs.
- Noted that they have submitted EMD of Rs.50,000/- and it was decided that a plot of the size of approx.1500 sq.mtrs. may be offered to them.
- Proposal was accordingly approved subject to standard terms and conditions.

44.4.2 M/s. Dharam Pal Woollen Industries, Haryana:

Proposal is to set up unit for service activity of Warehousing and Trading Activity and Trading of all items. Mr. Sudhir Jindal, Promoter appeared for interview and put forth the following:-

- They have an existing unit in KASEZ, namely, M/s. Jindal Fibres and present proponent is a sister concern of M/s. Jindal Fibres, KASEZ.
- Experience in manufacturing and trading of blankets, yarns, etc.
- Project cost of Rs.20 lakhs will be met from Partners capital.
- No additional premises is required and they will utilize the premises of M/s. Jindal Fibres at Plot No. MY-3, KASEZ.
- Water requirement 1 KL and Power 20 KVA.
- Employment generation 20 persons.

Observations/clarifications of the Committee:-

- FOB value of exports projected for 5 year period was 330 lakhs with a NFE of Rs.273 lakhs.
- They were informed that they have to physically demarcate the area between them and M/s. Jindal Fibres and provide demarcation details, which they have agreed.

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- It was clarified to the applicant that no worn clothing and plastic scrap shall be permitted to be warehoused in the proposed warehouse, which the applicant agreed.
- Since they do not require allotment of any additional area, the project was approved was accordingly approved subject to standard terms and conditions.

44.4.3 M/s. Giridhar Exports, Mumbai.

Proposal is to set up a unit for manufacture of perfumed and malasa Aggarbati, industrial perfumery compound, synthetic essential oils, roll on bottle with fragrances, perfumed candles. Mr. Girish Hemani, Partner appeared for interview and put for the following:-

- They have a unit in KASEZ, namely, M/s. G.K. Exports.
- Project cost of Rs.15 lakhs will be met from the Partners capital.
- Require land of 1000 sq.mtrs. and built up area 1000 sq.mtrs.
- Water requirement 2 KL and Power 40 KVA.
- Employment 25 persons.

Observations/clarifications of the Committee:-

- FOB value of exports projected for 5 year period was 2976.64 lakhs with a NFE of Rs.2343.64 lakhs.
- Committee noted that M/s. G.K. Exports is a performing unit in the Zone.
- It was informed to the applicant that a shed of the size of about 1100 sq.mtrs. will be offered to them, which he has agreed.
- Noted that they have submitted EMD of Rs.50,000/- and it was decided that N-2 shed may be offered to them.

Proposal was accordingly approved subject to standard terms and conditions.

44.4.4 M/s. N.P. Holdings, Ahmedabad:-

Promoter did not turn up for interview. Deferred.

44.4.5 M/s.Spaaroma Industries, Ahmedabad:-

Proposal is to set up a unit for manufacturing activity of Toilet Soap. Promoter appeared for interview and put forth the following:-

- Have extensive regional and international experience of over 20 years in soap, detergent and personal care products.
- Project cost Rs.705 lakhs. k

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- Once they are allotted with a shed, they will form a company.
- Space requirement 6600 sq mtrs land and 2200 sq mtrs built up area
- Employment generation 45 persons.
- Water requirement 5 KL and Power 225 KVA.

Observations/clarifications of the Committee:-

- FOB value of exports projected for 5 year period was Rs 20100 lakhs with a NFF of Rs.5379 lakhs.
- It was noted that there will be zero discharge.
- It was informed to the applicant that their project will be approved in-principle subject to their furnishing details of company and its Partners/Directors alongwith financial details, income-tax returns for the last three years of the individuals alongwith balance sheet, which they have agreed to submit within a weeks' time.
- It was decided to clear the proposal on file on receipt of the above details from the applicant.
- Noted that they have submitted FMD of Rs 1,00,000/- and it was decided that 2 Nos of N-2 shed may be offered to them.

44.4.6 M/s. National Trading & Manufacturing Services Co., Visakhapatnam:-

Proposal is to set up a unit for manufacturing of Uniform cutting and positioning of all grads of metal coils, sheets lamination & stamping and trading activity of CR/HR coils, MS/Seamless pipes & Tubes and furnitures. Mr. Harish Mandavia, Promoter appeared for interview and put forth the following:-

- Have experience of over 20 years in trading of metals and in the field of export/import.
- Having a unit in Visakhapatnam SEZ namely, M/s. Pooja Scrap Industries for recycling of ferrous and non ferrous scrap.
- Project cost Rs.15 lakhs, will be met from his own sources and from financial institutions.
- Space requirement 10000 sq.mtrs. land and 10000 sq.mtrs.built up area.
- Employment generation 80 persons
- Water requirement 10 KL and Power 75 KVA.

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Observations/clarifications of the Committee:-

- FOB value of exports projected for 5 year period was Rs.10819 with a NFE of Rs.1159 lakhs.
- Applicant was asked about the input materials for which he has confirmed that no scrap will be imported and only virgin materials in the form of flake, sheet and they will do cutting in uniform size.
- It was informed to the applicant about the shortage of space in KASEZ as per his requirement. He has stated that he can start the activity an area of 5000 sq.mtrs. It was further informed to him that a shed of size of about 1100 sq.mtrs. can be offered to them, which he has agreed.
- Noted that they have submitted EMD of Rs.1,00,000/- and it was decided that one number N-2 shed may be offered to them.
- Proposal was accordingly approved subject to standard terms and conditions and also that no import of scrap shall be permitted.

44.4.7 M/s. Zetts Fragrances LLP, Mumbai:

Proposal is to set up a unit for manufacturing and trading activity of perfumes. Perfumery components. Mr. Arun B. Desai, Director appeared for interview and put forth the following:-

- They are engaged in the same field.
- They were accorded a LOA on 10/6/2009 in the name of M/s. Zetts Cosmetics Pvt. Ltd. to set up a unit in KASEZ.
- Planning to convert M/s. Zetts Cosmetics Pvt. Ltd. into LLP. However, this was not found feasible and hence applied for a fresh licence.
- Project cost Rs.805 lakhs, which will be met from their own sources and from financial institutions.
- Space requirement 20000 sq.mtrs. land and 10000 sq.mtrs.built up area. However, stated that for the time being they can carry out operations from the premises of M/s. Zetts Cosmetics Pvt Ltd.
- Employment generation 150 persons.

Observations/clarifications of the Committee:-

- FOB value of exports projected for 5 year period was Rs 9150 lakhs with a NFE of Rs.5647.27 lakhs.

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- Applicant was asked about the delay in implementation of their earlier project in KASEZ for which it was clarified that they were earlier offered plot which was not accepted and they had requested for shed and the allotment of shed took time.
- It was informed to the applicant about the shortage of space in KASEZ as per their requirement, for which they have stated that for the time being they do not require any space and they will use space of their sister unit M/s. Zetts Cosmetics Pvt. Ltd.
- Noted that they have submitted EMD of Rs.1,00,000/- towards allotment of premises.
- Proposal was approved subject to standard terms and conditions and also apply for exit of M/s. Zetts Cosmetics Pvt. Ltd.

44.4.8 M/s. Ajanta Plastics Industries-Export Division (Unit-II), Delhi.

Proposal is to set up a unit for Service activity of warehousing activity. Mr. Gaurav Gupta, Director appeared for interview and put forth the following:-

- They are an existing unit in KASEZ for manufacture of sacks and bags of plastics.
- Project cost Rs.12 lakhs, which will be met from promoters contribution.
- Do not require space and have stated that they will utilize the space from their existing unit in KASEZ.
- Employment generation 20 persons.

Observations/clarifications of the Committee:-

- FOB value of exports projected for 5 year period was Rs.102 lakhs with a NFE of Rs.102 lakhs.
- They were informed that they have to physically demarcate the area between them and M/s. Ajanta Plastics and provide demarcation details, which they have agreed.
- It was clarified to the applicant that no worn clothing and plastic scrap shall be permitted to be warehoused in the proposed warehouse, which the applicant agreed.
- Proposal was approved subject to standard terms and conditions.

44.4.9 M/s. Transworld Furtichem Pvt. Ltd., Mumbai:-

Proposal is to set up a unit for manufacturing activity of Single Super Phosphate. Mr. Dilip Gadia, Director appeared for interview and put forth the following:-

- They are an existing unit in KASEZ for manufacture of NPK fertilizers.
- Project cost Rs.624.36 lakhs, which will be met from share capital and reserves.

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- Do not require space and have stated that they will utilize the space from their existing unit in KASEZ.
- Water requirement 19800 KL/PA and Power 364 KVA.
- Employment generation 40 persons.

Observations/clarifications of the Committee:-

- FOB value of exports projected for 5 year period was Rs. 12350 lakhs with a NFE of Rs.7115 lakhs.
- Committee noted that their existing unit in KASEZ a good performer in the Zone. It was also noted that they do not require any additional allotment of pemises.
- Proposal was approved subject to standard terms and conditions.

44.4.10M/s. Mahesh Agro Food Industries, Rajasthan:-

Proposal is to set up a unit for manufacturing of Cassia Powder and Guar Gum Powder. Dr. Sunil G. Rathi, authorized by the promoters appeared. He has stated that the grand mother of the promoter expired and due to that reason they could not attend the meeting and requested to postpone the interview. Accordingly, the proposal was deferred.

44.5 Broad-Banding:-

44.5.1 M/s. Aquatec India, KASEZ:-

Committee noted that they are existing unit in KASEZ approved for trading activity of bathroom fittings and exported worth Rs.48 lakhs. They have requested for permission to carry out manufacturing activity also. Committee noted that the applicant proposes to get the goods manufactured on job work from a manufacturing unit at Jamnagar. Since the raw material will be imported metal scrap, which is a sensitive item and secondly 100% job work is envisaged. Therefore, in view of the restriction on job work by way of Rule 41 (1)(f) of SEZ Rules, 2006, Committee rejected the proposal.

44.5.2 M/s. Satguru Polyfab Pvt. Ltd., KASEZ:-

Committee noted that they are existing unit in KASEZ approved for manufacturing activity of Pellets, Agglomerates/Granules of LDPE/HDPE/PP/ABS, etc., as amended. They have requested for inclusion of manufacturing activity of Woven Fabrics and Flexible intermediate bulk container (FIBC)/Jumbo Bags from Agglomerates/Granules. Committee observed that they proposes to send the granules/agglomerates to job worker for further processing. This part of the process was not acceptable to the Approval Committee. Therefore, Committee decided to approve the proposal subject to the condition that agglomerates/granules will be processed in the unit in KASEZ itself and no job work will be permitted to be carried out, with aggro/granules as RM.

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44.6 Note for consideration of Approval Committee on the subject of Certificate to be issued to KASEZ Units to avail exemption/refund of service tax:-

Committee noted that Notification No.09/2009-ST dated 3/3/2009 has been rescinded vide Notification No.17/2011-ST dated 1/3/2011 and a new procedure has been implemented for availing exemption and refund of Service Tax. Since this is a procedural requirement, Committee approved the proposal.

44.7 Ratification of Broad Banding/Change of name permissions:

44.7.1 M/s. Consolidated Cobalt Chemicals Pvt. Ltd.:-

Committee noted the broad banding permission given to them for undertaking manufacturing activity of Potassium Borate.

44.7.2 M/s. Sanghvi Polyfil Pvt. Ltd.:-

Committee noted the broad banding permission given to them for undertaking trading activity of PE Ropes (PP/HDPE).

44.7.3 M/s. Strands Textile Pvt. Ltd.:-

Committee noted the broad banding permission given to them for undertaking trading activity of Raw Cotton.

44.7.4 M/s. Lohaida Warehousing Company:-

Committee noted the change of constitution of the firm from a Proprietorship concern to Partnership concern.

44.7.5 M/s. Saffire Garments:-

Committee noted Deed of change in constitution of partnership in the Letter of Approval.

44.7.6 M/s. Ohmpro Electromechanicals Pvt. Ltd.

Committee noted the change in the registered office of the company from 2nd Floor, Diwaliba Flat, Nr. Darpan Cross Road, Near Navrangpura High School, Navrangpura, Ahmedabad – 380 014 to Plot No.524, New Extended Area, Kandla SEZ, Gandhidham.

44.7.7 M/s. Euro Trousers Mfg. Co. (FZE):-

Committee noted the broad banding permission given to them for undertaking trading activity of Textile Fabrics.

44.7.8 M/s. International Warehousing & Trading:-

Committee noted the change of constitution from Proprietorship to Partnership concern.

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44.7.9 M/s. Worlds Window Impex India Pvt. Ltd.:-

Committee noted the change in name and constitution of the allottee from 'M/s. Worlds Window Impex India Pvt. Ltd' to 'M/s. Kandla Metal and Rubber Recycling Private Limited'.

44.7.10M/s. Schmetz India Pvt.Ltd.:-

Committee noted the broad banding permission given to them for undertaking trading activity of "Sewing machine needles for all types of sewing machine application" (including industrial application).



(Upendra Vasishth)
DC (I/c), KASEZ