

Minutes of the 45th Approval Committee meeting of KASEZ held on 09/06/2011.

The 45th meeting of Approval Committee was held on 09/06/2011 at 1530 hrs. under the Chairpersonship of Shri Pravir Kumar, IAS, Development Commissioner, KASEZ, through video conferencing from the offices of the Development Commissioner, KASEZ at Kandla and Development Commissioner, Dahej SEZ at Ahmedabad.

Following were present:

Dahej SEZ office, Ashram Road, Ahmedabad

1	Shri Pravir Kumar	Development Commissioner, Kandla SEZ
2	Shri SN. Patil	JDC Dahej SEZ – Special Invitee

KASEZ office – Kandla, Gandhidham

1	Shri Upendra Vasishth	Jt. Development Commissioner, Kandla SEZ
2	Shri K.S. Mishra	Addl. Commissioner (Cus), Kandla
3	Shri Ashish Porwal	Asstt. Commissioner (Income Tax)
4	Shri D.B. Parmar	Rep. GM, DIC, Bhuj
5	Shri M.R. Macwana	Dy. Env.Engineer, GPCB

Absent:

- (1) Director (Banking)
- (2) Jt. DGFT
- (3) Asstt. Collector/SDM

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

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

45.2. Action Taken Report:-

45.2.1 to 45.2.13 The position reported was noted.

45.3. Deferred proposals:

45.3.1 M/s. E-Waste Solutions, New Delhi:

The proposal was for de-manufacturing of outdated computers / IT components /E-waste. Committee noted that the proposal was first discussed in Approval Committee meeting on 7/9/2010 and it was decided to refer this proposal to MoEF. MoEF gave clarification on 3/11/2010. The proposal was again discussed in the Approval Committee on 22/12/2010 and



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was deferred, as the Addl. Commissioner of Customs, Kandla wanted to study the reply received from MoEF, New Delhi. Addl. Commissioner (Cus.) stated that since the proposal was for recycling of second hand items; such proposals should not be encouraged and needed to be rejected in the light of Rule 18(4). Chairman suggested to give an opportunity to the applicant for explaining the actual project, before reaching any decision in the matter. JDC, KASEZ informed that the applicant had not been asked to come for interview. Therefore, it was decided that the applicant may be asked to come for discussions and explain the whole project during the next meeting of the Approval Committee and the proposal was deferred.

45.3.2 M/s. Oswal Extrusion Ltd.,KASEZ

Proposal is to set up a unit for service activity of Free Trade Warehousing in terms of Rule 18(5) and 18(6) of the SEZ Rules. It was noted that the proposal was placed in the 43rd meeting of the Approval Committee and was deferred due to scarcity of space in the Zone. The applicant thereafter stated that they would be utilizing part of their existing premises. Therefore, the proposal was placed before the 44th Approval Committee and the same was deferred as the applicant did not turn up for interview on that date.

Mr. Chetan Parekh, Director appeared for interview and put for the following:-

- They have an existing unit in KASEZ.
- Project cost of Rs. 300 lakhs will be met from internal accruals and debt financing.
- They will utilize a portion of the space from their existing unit.
- Under the FTW activity, they will be doing business for Dow Chemicals – either for export or for domestic sale of plastic granules. This will be done as per Rule 18(5).
- Unit also wanted warehousing permission under Rule 18(6).
- Employment 25 persons.

Observations/clarifications of the Committee:-



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- FOB value of exports projected for 5 year period is Rs. 9150 lakh, with NFE of Rs. 4470 lakhs.
- Since they intended to use the premises of their existing unit in KASEZ, they were asked to physically demarcate the premises of their existing unit and that of the Warehouse and put separate gates. It was informed to the applicant that after site inspection and approval only the import will be permitted.
- Proposal was approved under Rule 18(5) only, subject to the condition that they shall not import/warehouse old and used worn clothing and plastic waste/scrap etc. For approval under Rule 18(6), the promoter was asked to give full details.

45.3.3 M/s. N.P. Holdings, Ahmedabad:

Committee noted that the proposal was placed before the 44th meeting held on 10/5/2011 and the same was deferred, as the promoter did not turn up for interview. The promoter did not turn up during this meeting also. However, Committee went through the proposal on the basis of documents available.

The proposal was for setting up a unit for manufacture and trading (as per Annexure-A Part 1 & A-Part-2). It was noted that M/s. N.P. Holdings intended to market the products of M/s. Sayona Colors Pvt. Ltd., Ahmedabad. Project cost of Rs. 40 lakh was stated to be met from Proprietor's capital. FOB value of exports projected for 5 year period was Rs.1735 lakh with NFE of Rs. 413.75 lakhs. They required space of 3000 sq.ft. The project would generate employment to 9 persons and water requirement was stated to be only 1.5 KL per month.

After deliberations, the proposal was approved for manufacture of items as per Annexure A Part-I and for trading of items at Annexure-A Part-2, except item at Sr. Nos. 14, 16, 20 and 21 (restricted), subject to standard terms and conditions. However, due to non-availability of space, it was kept at WL-1.



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

Proposal was for setting up a unit for manufacturing of Cassia Powder and Guar Gum Powder. Committee noted that this was discussed in the 44th meeting and was deferred as the promoter did not come for interview.

Committee discussed the proposal. It was noted that the proposed project cost was Rs.80 lakh, which would be met from promoter's own sources or through financial institutions. It was also noted that the promoter is already in manufacturing and export of guar splits, cassia splits and the countries/regions of export were stated to be in Europe, America, U.K. and Middle East. FOB value of projected exports for 5 year period was Rs. 10400 lakhs. They required a built up space of 1000 sq.mtrs.

After deliberations, the proposal was approved subject to standard terms and conditions. However, due to non-availability of space, it was kept at WL-2.

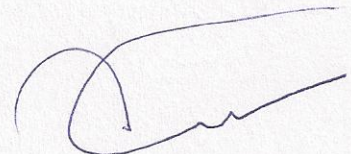
45.4 New Proposals to set up units in KASEZ:

45.4.1 M/s. S.R. Warehousing and Trading, KASEZ:

JDC explained that M/s. S.R. Warehousing and Trading was allotted premises in KASEZ in the FTZ era to run a warehouse. In the FTZ era, for warehousing activity no LOA was issued and only land allotment was done. There were a few units engaged in the same activities and they were issued with LoA under the SEZ Rules in 2010, after they applied for it. The subject unit, however, still remained without LoA. Mr. Ramesh Ghadvi, Partner appeared for interview. He mentioned that they were an existing unit in KASEZ for warehousing since October, 2000. Since grant of LoA was a procedural requirement for continuing the business, the Committee approved the proposal.

45.4.2 M/s. Futuristics Metal Trading Pvt. Ltd., New Delhi.

Proposal was to set up a unit for manufacturing activity of segregation of imported scrap. Unit's Representative appeared for interview and stated that they would be importing rails.



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Addl. Commissioner (Customs) stated that rail was not freely importable. The Committee observed that segregation of metal scrap was not a permissible manufacturing activity in the SEZ and therefore, decided to reject the proposal, in view of Rule 18(4)(d).

45.4.3 M/s. Globus Metal Trading Pvt. Ltd., New Delhi.

Proposal was to set up a unit for manufacturing activity of segregation of imported scrap. The Committee observed that segregation of metal scrap was not a permissible manufacturing activity in the SEZ and therefore, decided to reject the proposal, in view of Rule 18(4)(d).

45.5 Ratification of Broad Banding/Change of name permissions:

Committee noted the broad banding permission and change of name/constitution to the following units:-

(1) M/s. Syndicate Printers Ltd.:-

The Committee noted the broad banding permission given to them for undertaking trading activity of "Paper & Paper products of all kinds, foils & products made thereof, inks, varnish, spare parts of machinery, consumables & packing material covered under Chapter 48/49, 5603/7607, 3215 and 8443/39, 51, 61 of ITC HS Code."

(2) M/s. Shreeji Exports:-

The Committee noted the change of constitution of partnership of the firm.

(3) M/s. Timbmet Door Solutions Pvt.Ltd.:-

The Committee noted the change of registered address of the company from 1501 Devika Towers, Nehru Place, New Delhi – 110019 to 213-214, Square One Complex, Saket, New Delhi – 110 017.

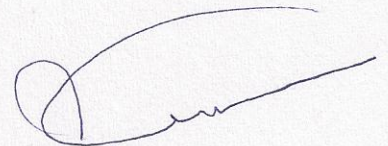


Supplementary agenda:

45.6.1 Proposal of M/s. Timbmet Engineered Products Pvt. Ltd. KASEZ for setting up a unit in KASEZ for manufacturing of Biscuits and Confectioneries.

M/s. Timbmet Engineered Products Pvt. Ltd. were accorded LoA dated 18/9/2007, which was extended upto 17/9/2011, to set up an industrial unit to manufacture Timber Engineered Components like panels, floorings, etc and also allotted with plot No.1/4B in Sector-III, KASEZ. Now, the company has changed its name from M/s. Timbmet Engineered Products Pvt. Ltd to M/s. Universal Confectionery and Food Products Pvt. Ltd. and registered the same with Registrar of Companies. The new company would take over all the assets and liabilities of existing company. The main object of the new company was to change the focus of manufacturing activity to Biscuits and confectionery, due to shrinking export market of timber products. FOB value of exports projected for 5 year period was Rs.12203 lakhs with NFE of Rs.11348 lakhs. Since the biscuits and confectionery involved procurement of Sugar from DTA, a proposal was sent to BOA for consideration. Board of Approval for SEZs in its 46th meeting held on 31/5/2011 decided that as per the present EXIM Policy Sugar was freely exportable and the proposal was sent back to the UAC for consideration at that level.

Keeping the above decision of the BOA in view, the Committee approved their proposal subject to condition that EXIM Policy on Sugar, as on the date of import/export shall be applicable to them.



(Pravir Kumar)
DC, KASEZ