

Minutes of the 69th Approval Committee Meeting of Kandla SEZ, held on 27th May, 2014 at KASEZ under the Chairmanship of Shri Mahendra Jain, IAS, Development Commissioner, KASEZ

Following members were present:-

1	Shri Krishan Kumar	Jt. Development Commissioner, KASEZ
2	Shri Paras Saankhla	Dy. Commissioner (Cus) – Rep. of Commissioner of Customs.
3	Shri Ashish Porwal	Asstt. Commissioner Income Tax - Rep. of Jt. Commissioner of Income Tax.

Absentees:

- (1) Director (Banking)
- (2) Asstt. Collector/SDM
- (3) Jt. DGFT, Rajkot
- (4) GM, DIC, Bhuj

69. Review/confirmation of the minutes of last meeting of the Approval Committee:

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

69.1 New Proposals to set up Units in KASEZ:

69.1.1 M/s. Srikaram Prescience Pvt. Ltd., New Delhi:

The proposal of the applicant is for setting up a unit for warehousing and Logistic Service activity. The Company's representative appeared before the Committee and mentioned the following facts:-

1. They are presently in the same line of business.
2. Investment in project is Rs.1300 lakhs which is to be met out of internal accruals, term loan and equity capital.
3. Export projected for 5 year period is Rs.5316 lakhs and they are likely to achieve NFE of Rs.4556 lakhs.
4. Employment- 30 persons.

The Committee noted that the firm has already set up its unit in 3 different SEZs namely Panvel, Khurja, Sricity of which the first two are already functional. The UAC approved the proposal subject to acquiring of space by the unit in the Zone in the next auction.

Minutes of the 69th Approval Committee Meeting of Kandla SEZ, held on 27th May, 2014 at KASEZ under the Chairmanship of Shri Mahendra Jain, IAS, Development Commissioner, KASEZ

69.1.2 M/s. Nirav Mercantile Pvt. Ltd., Mumbai:

The proposal of the applicant is for setting up a unit for manufacturing activity of Lime Mix Tobacco of IYC (HS) Code 24039910. The Company's representative who appeared before the Committee mentioned following facts:-

1. Investment in project is Rs.116.98 lakhs, out of which Rs.80 lakhs will be arranged from their equity capital and remaining amount through unsecured loan.
2. Export projected for 5 year period is Rs.24948 lakhs and they are likely to achieve NFE of Rs.24948 lakhs.
3. Employment 50 persons.

The Committee noted that the new unit is being established by the promoters of Miraj Group, which according to the representative of the Company is a large group engaged in the manufacturing of chewing tobacco. However, the unit's representative was not able to satisfactorily reply to the queries raised by the members of the Committee on the issue of sources of the proposed investment etc. The Unit had also not furnished any details about the current transactions, balance sheet, P&L statement etc of the Miraj Group. However, considering the statement as made by the company's representative that the management is already in this line of production and has been exporting from their DTA unit at Nathdwara, Rajasthan, the Committee decided that DC may approve the proposal on file after examining:

- (a) A copy of financial statements and annual report of their DTA unit (Miraj Group) is submitted;
- (b) Proof is submitted by the company regarding source of funding.

69.1.3 M/s. Hira Enterprises, Maharashtra:

Representative of the Company present for the meeting was neither the Director nor the executive or/ authorized representative of the Company and could not furnish information sought by the committee members. Therefore, the UAC decided to defer the proposal.

Minutes of the 69th Approval Committee Meeting of Kandla SEZ, held on 27th May, 2014 at KASEZ under the Chairmanship of ShriMahendra Jain, IAS, Development Commissioner, KASEZ

69.2 Broad Banding request in existing LoA:

69.2.1 M/s. Consolidated Cobalt Chemicals Ltd., KASEZ, KASEZ:

M/s.Consolidated Cobalt Chemicals Ltd is an existing Unit in KASEZ approved for manufacturing cobalt chemicals and trading of Calcined Magnesite. Representative of the Unit came for discussions.

The present proposal is for broad-banding of LOA for manufacturing of following items:

Sr.No.	Item	ITC (HS) Code
1	Calcium Phosphate	28352500
2	Ammonium Phosphate	31054000

Committee noted that in the Agenda it was mentioned that the unit was NFE negative for the 5 year block ending upto 2012-13. However, the unit's Director Shri Kishore Shah who appeared before the Committee mentioned that in the last completed 5 year block, their unit was NFE positive by approximately Rs.6 crores. The unit projected NFE earning of Rs.384 lakhs in the next five year period. The Committee approved the proposal subject to verification of the facts regarding the NFE in last five year block.

69.2.2 M/s. Link International, KASEZ:

M/s. Link Internaitonal is an existing unit approved for manufacture of 'Plastic Injection Moulding' and also subsequently permitted for trading activities of 'Furnace Oil and High Speed Diesel Oil'. Their representative was present in the meeting.

Minutes of the 69th Approval Committee Meeting of Kandla SEZ, held on 27th May, 2014 at KASEZ under the Chairmanship of Shri Mahendra Jain, IAS, Development Commissioner, KASEZ

The Committee noted that the unit was given original LOP for manufacture of Plastic Injection Moulding and later on it got permission for broad banding of trading activities of Furnace Oil and High Speed Diesel Oil. The firm's present proposal before the UAC was for inclusion of warehousing service activity in their existing LOA. The firm's representative stated that the firm has not been manufacturing plastic injection moulding any more and is engaged only in the trading business. Considering the above facts, the Committee decided to defer the proposal and asked the unit to come up with detailed explanation as to why it had abandoned the purpose for which original LoA was granted and also give proper reasons for diversifying into unrelated line of business.

69.2.3 M/s. Commodities Trading, KASEZ:

Committee noted that the unit was granted LOA in August, 2013 for warehousing service activity and now wants to add manufacturing activity of Gutka, Khaini, Zarda, Pan masala and chewing tobacco in existing LOA. The Committee also noted that the unit had no previous experience of manufacturing or exports of these items.

The unit's representative, came for discussions, mentioned that they have already started their activities and have achieved more than their yearly projection for the warehousing activity for which they were granted LOA. The unit's representative also emphasized that they have queries from African countries where they have been exporting salt from their DTA unit.

The Committee deferred the proposal as the unit did not give reasonable justification for diversifying into un related item of Gutka etc without any experience or enquiries or orders.

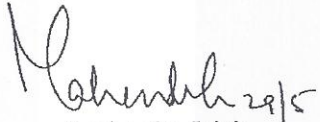
69.2.4 M/s. Rodex International, KASEZ:

Minutes of the 69th Approval Committee Meeting of Kandla SEZ, held on 27th May, 2014 at KASEZ under the Chairmanship of Shri Mahendra Jain, IAS, Development Commissioner, KASEZ

The Committee noted that the unit had obtained original LOP for trading activities and later added manufacturing of “ articles of apparel and clothing accessories knitted or crocheted or not knitted or not crocheted”. Unit’s representative came for discussion and clarified that at present they are not carrying out the manufacturing activity.

Committee considered that the unit’s present proposal is to include manufacturing activity of pan masala, gutka and khaini in their existing LOA for which they have no experience and it is not in any way connected with the line of their business and therefore, decided to reject the proposal and advised the unit to consolidate its earlier LOA including manufacturing of “ articles of apparel and clothing accessories knitted or crocheted or not knitted or not crocheted”.

The meeting ended with thanks to all.


(Mahendra Jain)
DC, KASEZ.