

Minutes of the 1st Meeting (2019 Series) of the Units Approval Committee (UAC) for EOUs held on 05.03.2019 at 15:30 Hrs. in the Office Chamber of the Development Commissioner, Administrative Building, Kandla SEZ, Gandhidham under the Chairpersonship of Dr. Amiya Chandra, Development Commissioner, KASEZ.

Following were present:

- (1) Shri Satyadeep Mahapatra, JDC, KASEZ
- (2) Shri Arun Kumar, DC(Customs), KASEZ.
- (3) Shri Jacob Augustine, FTDO, O/o.Jt. DGFT, SURAT.

M/s. Filmtec Ventures LLP., Valsad.

1. The proposal is for setting up of new unit in EOU Scheme at Survey No. 1841, Khadki-Dungari Road, Off. NH No. 48, Village Dungri, Dist. Valsad, Gujarat. 396125 for manufacturing of Stretch Films and Poly Olefin Shrink Film- ITC (HS) code 39201019. The production capacity of the items is 24000 MT and 6000 MT/pa respectively.

2. Shri Harsh R. Desai, Partner of the company appeared before the UAC for personal interview and explained about the proposal. Shri Harsh R. Desai gave a brief about their company and stated that they are in same business since 1994.

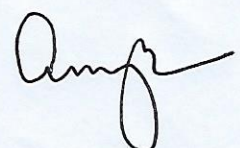
3. On being asked by the Chairman about the usage of the stretch film & POF shrink film, Shri Harsh R. Desai, partner of the company has explained that stretch film is used for load stabilisation. During transportation of expensive and critical goods like bottles etc, the pallets need to be secured during transportation. Stretch film is wrapped around the pallet to ensure that whether transported on land, sea or air, the pallet of goods do not topple or get destroyed. This saves money for industry and the country and reduces wastage. POF shrink film is used as protective packaging product to wrap food, vegetables, electronics etc.

Both these products that they intend to produce are 5 generations ahead of technology currently available in the country. Their products will help India to become a leader in this sector which is currently dominated by USA, EUROPE and MALAYSIA. With this, India will be taken to global stage.

4. The Chairman asked Shri Desai what is the wastage in this product. He answered that there is zero wastage in this production. They use 100% virgin LLDPE granules only and all material will be converted to cast extruded film. Whatever is not usable is re-granulated and reused.

5. Further, chairman asked him that how they intend to fund this project? Shri Desai informed that the promoters have funded the entire project with their own funds. 90% of the expenditure is already done. Factory building is ready, and the primary machinery will be arriving in the end of March to be commissioned by end of April,2019 and they will start commercial production in end of May,2019.

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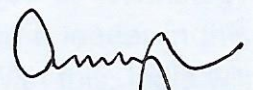
6. On being asked by the Chairman as to why they have chosen this area of production, he replied that they have 24 years of experience in this field. The promoters had started Powerband industries Pvt. Ltd which went on to become the largest producer of tapes in India and among the top 5 globally. Powerband won the highest exporter award in for the last 10 years in the row. Powerband products were well known in USA and Europe. They sold the business in Nov 2018 to an American company. The funds received were then decided to be reinvested in the same field. They had earlier produced this item and have access to markets and distributors in over 30 countries which they intend to service though their new business.

7. Further, Chairman asked him whether it will be completely export Oriented EOU to which he replied that some DTA will be done as they are targeting to substitute imports of such products done from USA and EUROPE. Their primary intention is to only export but market conditions can be uncertain due to recent US move and hence DTA could be done but to a small extent. Specially rejected or off grade finished goods will have to be sold in DTA. Though the intention is to export only, uncertain market conditions like duty tariffs being revised by countries like USA can force them temporarily to sell in DTA. However, they would be more than fulfilling criteria for EOU units in terms of NFE earnings.

8. Observation/Decision of the Committee:

- Projected Export for the 5 year period is Rs 51088 lakhs
- Net Foreign Exchange Earnings projected for the 5 year period is Rs.13420 lakhs.

9. The proposal meets with the requirement of approval under EOU Scheme under the Automatic Approval Route. The Committee, therefore, decided to approve the proposal subject to standard terms and conditions.



(Dr. Amiya Chandra)
Development Commissioner,
Kandla Special Economic Zone.