

**Minutes of the 42<sup>nd</sup> meeting of Approval Committee held on 27/01/2011 at 1130 hrs. at KASEZ, under the Chairmanship of Shri Pravir Kumar, IAS, Development Commissioner, KASEZ.**

Following were present:

1	Shri Upendra Vasishth	Jt. Development Commissioner,
2	Shri C.J. Maniar	Addl. Commissioner, Income-tax
3	Shri D.N. Zinzuwadia	JCI & GM, DIC

Absent:

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

**42.1 Review/confirmation of the minutes of last meeting of the Approval Committee:**

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

**42.2. Action Taken Report:-**

**42.2.1 M/s. SOI Agro Industries Pvt. Ltd** – Committee noted that rejection letter had been issued to the applicant.

**42.3 Deferred Proposals:**

**42.3.1 M/s. Link Enterprises, Gandhidham**

The proposal of M/s. Link Enterprises for setting up a unit in KASEZ for trading of Furnace Oil, LDO, HSD, Engine Spares for ships, Iron ropes, ropes of jute/plastics was deferred in the Approval Committee meeting held on 6/10/2010 as Addl. Commissioner, Kandla Customs wanted to confirm the status of unit in the wake of number of SCNs issued to the DTA unit. Addl. Commissioner, Kandla Customs was requested on 28//12/2010 to confirm the status of the unit, so that a decision could be taken in the Approval Committee. However, since no reply was received and Addl. Commissioner, Kandla Customs was not present in the Approval Committee meeting held on 5/1/2011, the proposal was again deferred on that day.

Committee noted that the proposal was deferred in the last Approval Committee meetings wherein the Addl. Commissioner (Customs), Kandla was not present. This was done in the light of some query raised by the Additional Commissioner (Customs), Kandla that there were quite a number of SCNs issued and some were adjudicated and their track record was not proper.

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It was brought before the Committee that vide letter dated 12/1/2011 the Addl. Commissioner (Customs), Kandla had informed that there were 6 SCNs issued to M/s. Link Enterprises for recovery of duty on balance quantity of bulk liquid cargo, which were not cleared from the warehouse within stipulated period under the Customs Act. All the said SCNs were adjudicated and confirmed the duty. Aggrieved by the said O-I-O, the importer preferred appeal with the Commissioner (Appeals), who had remanded the case back to original adjudicating authority for de-novo adjudication and the same was still pending with the Custom House. Further, he had informed that the track record of the party in general, was good.

Considering the above letter of Addl. Commissioner (Customs), Kandla, Committee reconsidered the proposal and approved it in-principle, subject to availability of space for allotment.

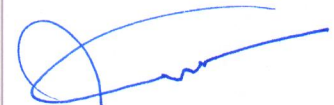
(Action: IA-I)

**42.3.2 M/s. Agasthya Free Trade Warehousing Pvt. Ltd.**

The 40<sup>th</sup> Approval Committee held on 22/12/2010 had taken a decision that in the wake of a large number of units having taken warehousing LOA, their performance needed to be watched. Therefore, it had deferred all the warehousing proposals and had asked the DC's office to prepare a statement of performance of all the warehousing units over six months period. In line with the same, the proposal of M/s. Agasthya Free Trade Warehousing Pvt. Ltd. was again deferred in the 41<sup>st</sup> Approval Committee meeting.

On these issues, there was a discussion in the Approval Committee and it was decided that the proposals of existing units which do not require any further allocation of premises may be considered on merits and all other proposals for warehouse requiring additional space may be deferred or kept in abeyance, as decided in the 40<sup>th</sup> Approval Committee meeting. Therefore, it was decided to put up only such proposals for warehousing for consideration in the next Approval Committee meetings that do not require any additional space.

(Action: IA-I)



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#### **42.3.3 Deferred Proposal**

##### **M/s. Real Pack Tech, Gandhidham:**

Committee noted that the proposal was deferred in the last Approval Committee meeting. The proposal is to set up a unit for manufacture of stretch cling films, plastic films and all types of plastic bags. The promoter appeared for interview and put forth the following points regarding proposed project for consideration:

- Presently in the business of shipping, logistics-import and export of various products.
- Annual turnover of the group is Rs.25 crore.
- Raw materials will be imported (granules).
- Proposed project cost is Rs.39 lakhs. Value of imported machinery will be Rs.15 lakhs.
- Project cost will be met from promoters share capital.
- Provide employment to 22 persons
- Require 2500 sq. mtrs. space.

##### **Observations/clarification of the Committee:**

- FOB value of exports projected for 5 year period is Rs.1396 lakhs with a NFE of Rs.764 lakhs.
- Import of plastic scrap shall not be allowed.
- Applicant was informed about the shortage of space/premises.
- Proposal was approved in-principle, subject to availability of space.

(Action: IA-I)

#### **42.4 New Proposals to set up units at KASEZ:**

##### **42.4.1 M/s. Zug Bearings Pvt. Ltd., Mumbai.**

The proposal is to set up a unit for manufacture of industrial and automobile bearings. The promoter appeared for interview and put forth the following points regarding proposed project for consideration:-



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- Promoted by a Switzerland based company with 100% foreign investment.
- Initially they will import components and undertake assembling activity in KASEZ and later on they will set up complete manufacturing line.
- Countries of export are CIS, Brazil, Middle East, etc.
- Raw materials will be imported from China, Taiwan, and European Countries.
- Plant and machinery worth Rs.60 lakhs will be imported from Germany
- At present no intention to sell in domestic market.
- Employment 52 persons.
- Require 1000 sq. mtrs. space and 500 sq. mtrs. built up area.

**Observations/clarifications of the Committee:**

- FOB value of exports projected for 5 year period was Rs.8190 lakhs with a NFE of Rs.547 lakhs.
- Authorized capital of the promoter company was only Rs.1.00 lakh, whereas their project cost was stated to be Rs.64 lakhs.
- Applicants were asked to re-work on their capital investment plan and also produce income tax returns of all the Directors. Applicant was also asked to give a Board Resolution from the foreign company regarding their commitment for investment. The proposal was deferred.

(Action: IA-I)

**42.4.2 M/s. United Drilling Tools Ltd.**

Proposal is to set up a unit for manufacture of Casing Pipe with Connector for oil field application. Mr. Satya Narayan Rai, Director (Commercial) appeared for interview and put forth the following points regarding proposed project for consideration:-

- Already in the same business at Noida, supplying to M/s. Jindal Pipes.
- Got 25 years of experience in the field.
- Major buyers are oil companies abroad and ONGC in India.
- Project cost Rs.470 lakhs, which will be met from Bank borrowings and surplus reserves.



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- Connectors will be manufactured in SEZ and will be connected with the pipes before export.
- Employment 100 persons.
- Space requirement – 10,000 sq. mtrs.

**Observations/clarifications of the Committee:**

- FOB value of exports projected for 5 year period is Rs.18620 lakhs with a NFE of Rs.8975 lakhs.
- Proposal was approved in-principle, subject to availability of space.

(Action: IA-I)

**42.5 Ratification of Broad banding/change of name permissions issued during January. 2011:-**


**42.5.1** Committee noted and ratified the broad-banding permission issued to M/s. Pon Pure Chem (P) Ltd. for undertaking manufacturing activity of Iso Propyl Alcohol Tech Grade.

**42.5.2** Committee noted and ratified the change of name of M/s. Shrichakra Udyog Pvt. Ltd. to M/s. Shrichakra Udyog Ltd.

**42.5.3** Committee also noted and ratified the broad-banding permission issued to M/s. Milak Warehouse for undertaking manufacturing and packing of cosmetic/toiletry preparations as well as food products.

**42.5.4** Chairman informed that the approvals for manufacturing of new and unrelated items should not be accorded as broad-banding and the applicants should be asked to submit separate applications and the same should be placed before the Approval Committee for consideration and decision.

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**42.6 General:**

It was informed to the Committee that a letter had been issued to all the units to submit the copy of PAN & copy of audit report in Form 56F and 56FF prescribed in Income-Tax Rules, 1962, duly certified by Chartered Accountant. This action was at the request of the Income-Tax department for monitoring at their end.



(Pravir Kumar)

 Development Commissioner,  
KASEZ