



भारत सरकार/ Government of India
वाणिज्य एवं उद्योग मंत्रालय/ Ministry of Commerce and Industry
विकास आयुक्त का कार्यालय/ Office of the Development Commissioner
दहेज विशेष आर्थिक क्षेत्र/ DAHEJ Special Economic Zone
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No. KASEZ/DCO/AC/123/2008-09/ 2 2 2 2

Dated: 26th December, 2018

To: All Approval Committee members:-

1.	Director, MOC&I, New Delhi;	
2.	Commissioner of Central Excise, Bharuch	hq_bharuch@rediffmail.com , commr-cexvdr2@nic.in
3.	Commissioner of Income Tax, Vadodara -III;	amblinking@yahoo.com
4.	Jt. DGFT, Vadodara	vadodara-dgft@nic.in
5.	Director (Banking), Banking Dvn., MOF,	
6.	District Collector, Bharuch, Gujarat.	addl-collector-bha@gujarat.gov.in
7.	General Manager, DIC, Bharuch.	gm-dic-bha@gujarat.gov.in
8.	Developer (Dahej - SEZ), Gandhinagar	ceo@dahejsez.com
9.	Member Secretary, GPCB.	gpcb-bha@gujarat.gov.in

Madam/Sir,

Subject:- Eighty Sixth (86th) meeting of the Approval Committee for Dahej -SEZ.

Reference: - Letter No. KASEZ/P&C/5-A/91/07/6600, dated 01-08-2008.

This is to inform you that the Eighty Sixth (86th) meeting of the Approval Committee for Dahej – Special Economic Zone, would be held on Wednesday 02nd January, 2019 at 1200 hours under the chairpersonship of Shri Anil Kumar Choudhary, Development Commissioner, Dahej SEZ in the Conference Room of Office of the Development Commissioner, Dahej Special Economic Zone, Administrative Building, Dahej SEZ, Dahej, Ta- Vagra, District-Bharuch. Agenda papers for the said meeting are enclosed herewith. You are requested to kindly attend the meeting.

Encl: as above

Yours faithfully,

(J N Acharya)
Assistant Development Commissioner,
(M) 9953140027

Agenda for 86th (Eighty Sixth) meeting of Unit Approval Committee for Dahej SEZ to be held on 02.01.2019, Wednesday at 12.00 hours in the Conference Room of DC OFFICE, DAHEJ SEZ, Administrative Building, Dahej, Ta- Vagra, District Bharuch.

86.1 Fresh cases for unit in Dahej -SEZ:- NIL

86.2 Deferred cases for Dahej -SEZ:-

Sr. No.	Name of Applicant/Unit	Proposal/Request for
1	M/s Glenmark Pharmaceuticals Limited	Re-organisation through Business Transfer Agreement
2	M/s Gujarat Dyestuff Industries	Broad-banding/inclusion of by-product in the existing LOA

86.3 Other cases for Dahej - SEZ:-

Sr. No.	Name of Applicant/Unit	Proposal/Request for
1	M/s Hindustan M-I Swaco Limited	Increase in quantity of approved product & addition of new product for broad banding of Letter of Approval
2	Dahej SEZ Units	Monitoring of Performance and non submission of Annual Performance Report of Dahej SEZ units

Item No. 86.02.01 M/s. Glenmark Pharmaceutials Limited., Dahej SEZ
Re-organisation through Business Transfer Agreement

The proposal of M/s. Glenmark Pharmaceuticals Limited (GPL), Dahej SEZ regarding Re-organisation through Business Transfer Agreement was placed before the 85th Approval Committee held on 05-11-2011 deferred the proposal.

Now, Glenmark Pharmaceuticals Limited (GPL) vide their letter dated 13/12/2018 informed shareholding pattern of Glenmark Pharmaceuticals Limited as on 30 September 2018. They also informed that due to this transfer of business, there will not any change in the share holding pattern of GPL.

The proposal is again placed before the Approval Committee for consideration.

Item No. 86.02.02 M/s Gujarat Dyestuff Industries,-
Broad-banding/inclusion of by-product in the
existing LOA

M/s Gujarat Dyestuff Industries requested for broad-banding of by-product i.e. Acetic Acid Off or called Dilute Acetic Acid, ITC (HS) Code No.29152100. It is

the by-product of Acetic Anhydride. This material sales in local market or use in captive consumption and its annual capacity 7000 MT approximately.

The proposal of M/s Gujarat Dyestuff Industries, Dahej SEZ for broad-banding/inclusion of by-product in the existing LOA was placed before the 85th Approval Committee held on 05-11-2011 deferred the proposal of inclusion of by-product i.e. Acetic Acid Off for further clarification from the unit.

Now, the applicant unit informed vide their letter dated 18/12/2018 that the manufacturing of Acetic Anhydride involves removal of water molecules present in Acetic Acid. This is achieved by vaporizing Acetic Acid upto 800 degree C temperature and then cooling the vapours so that water molecules comes out and the balance material leftover is known as Acetic Acid alongwith it. Thus they get a mixture of 50% Acetic Acid and 50% of water. This is known as Dilute Acetic Acid or by-product substance. This product is same as raw material Acetic Acid except for it contains 50% water. This product is not cover under NDPS Act, this is covered under ITC (HS Code No.29152100) which is the code no. for Acetic Acid also.

The proposal is again placed before the Approval Committee for appropriate decision.

Item No. 86.03.01 M/s Hindustan M-I Swaco Limited
Increase in quantity of approved product & addition of new product for broad banding of Letter of Approval

M/s Hindusthan M I Swaco Limited was issued LOA on 24.05.2010, as amended from time to time, for manufacture and export of "Cellulose Ethers ITC (HS) Code 39" and started commercial production from 12.05.2014. They have made the cumulative value of export of Rs.4792.22 lakhs and Net Foreign Exchange Earnings of Rs.2239.69 upto March, 2017.

Now, M/s Hindusthan M I Swaco Limited vide their letters dated 29th November, 2018 & 21st December, 2018 requesting to increase in quantity of approved product & addition of new product for broad banding of Letter of Approval. The details is given below:

ADDITION OF PRODUCT IN THEIR LOA

Sl.No.	Name of item	H S Codes	Monthly Capacity
1	Carboxy Methyl Starch-Sodium Salt	11042300	600 MT
	Pregelatinised Starch	34021900	
2	Bentonite Derivatives	38249026	2500 MT
3	Lignite Based Products-	34039900	4200 MT

INCREASE IN THE QUANTITY OF ALREADY APPROVED PRODUCT

The applicant unit requested to increase the additional quantity of production of 1700 MT per month raising from 300 MT to 2000 MT per month for Carboxy Methyl Cellulose (CMC).

The proposal is again placed before the Approval Committee for appropriate decision.

Item No. 86.03.02 Monitoring of Performance of Dahej SEZ units

Monitoring of Performance of SEZ unit in Dahej - SEZ in respect of performance upto the monitoring Year 2016-17.

Purpose and Statute: - Section-L{ of the SEZ Act,2005, read with Rule-54 of the SEZ Rules' 2006. "Rule-S4: Monitoring of Performance:- (1) Performance of the Unit shall be monitored by the Approval Committee as per the guidelines given in Annexure appended to these rules (2) In case the Approval Committee come to the conclusion that a Unit has not achieved positive Net Foreign Exchange Earning or failed to abide by any of the terms and conditions of "the Letter of Approval of Bond-cum-Legal Undertaking without prejudice to the action that may be taken under any other law for the time being in force, the said Unit shall be liable for penal action under the provisions of the Foreign Trade (Development and Regulation) Act, 1992."

The Annual Performance Report of Dahej SEZ Units duly audited and certified by the Chartered Accountant appointed by the units are placed before the Approval Committee for monitoring in terms of provisions of Rule 22 of the Special Economic Zones Rules, 2006.

(A)The following Annual Performance Report for the year 2016-17 received from Dahej SEZ unit is placed before committee for monitoring.

Sr No	Name of the SEZ Unit	Date of Commencement of operation	Months of operation as on 31.03.2017	Cumulative NFE earned (Rs. in lacs)
1	M/s ONCG C2 C3 Project	17.07.2015	21 months	(-) 29329.21
2	M/s Sun Phamaceutical Industries Limited	15-06-2015	22 months	(-) 1312.11

AS PER CRITERIA FOR ANNUAL MONITORING [as per rule 54 of SEZ Rules, 2006]:

- (i) Units with negative Net Foreign Exchange Earnings in the 1st & 2nd year shall be placed under the Watch List to watch their performance.

(B) The following units have not submitted their Annual Performance Report for the years 2017-18 except M/s Fernas Construction India Pvt. Limited who has also not submitted their APRs for FY 2016-17

1. M/s Fernas Construction India Pvt. Limited
2. M/s Sarju Impex Limited
3. M/s Sigachi Industries Limited
4. M/s Babaji Shivram Clearing & Carriers Private Limited
5. M/s Indo Baijin Chemicals Private Limited
6. M/s P & J Cretechem (P) Limited
7. M/s Hema Dyechem India Private Limited

As per provisions laid down in Rule 22 of Special Economic Zone Rules, 2006, every Unit and Developer shall maintain proper accounts, financial yearwise, and such accounts which should clearly indicate in value terms the goods imported or procured from Domestic Tariff Area, consumption or utilization of goods, production of goods, including by-products, waste or scrap or remnants, disposal of goods manufactured or produced, by way of exports, sales or supplies in the domestic tariff area or transfer to Special Economic Zone or Export Oriented Unit or Electronic Hardware Technology Park or Software Technology Park Units or Bio-technology Park Unit, as the case may be, and balance in stock.

Further, as per condition of Bond-cum-legal undertaking, the SEZ unit shall, after the commencement of production or service activities, a SEZ unit will submit APR certified by within a period of one hundred eighty days following to close of financial year, in the form prescribed under the Special Economic Zone Rules, 2006.

As per para 7 of Bond-cum-Legal Undertaking for SEZ unit [refer rule 22] : In case of wrong submission of such information or failure to submit such information within stipulated time, the permission granted to unit for carrying out the authorized operations may be withdrawn and/or the permission for further imports and sales in the Domestic Tariff Area may be stopped.

The matter monitoring of APRs and non-submission of APRs are placed before the committee.

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Table Agenda for 86th (Eighty Sixth) meeting of Unit Approval Committee for Dahej SEZ to be held on 02/01/2019, Wednesday at 12.00 hours in the Conference Room of Office of Development Commissioner, Dahej Special Economic Zone, Administrative Building, Dahej, Ta- Vagra, District - Bharuch

86.03.03 Other cases for Dahej SEZ:

Sr. No.	Name of Applicant	Proposal/Request for
03	M/s Accent Microcell P. Ltd.	Renewal of Letter of Approval

Item No. 86.03.03

M/s Accent Microcell P. Ltd.
Renewal of Letter of Approval

M/s Accent Microcell P.Ltd., Dahej SEZ unit was issued Letter of Approval No.Dahej SEZ/II/37/AMPL/11-12 dated 26/06/2012 to manufacture item Micro Crystalling Cellulose Powder. The unit started commercial production 16-01-2014 and will be completed first five years block.

Now, M/s Accent Microcell P.Ltd has requested to renew the Letter of Approval for next block of five years vide their letter dated 20/11/2018 & 18.12.2018.

The details of exports, imports & Net Foreign Exchange Earnings are given below

(Rs.in lakhs)

		2013-14	2014-15	2015-16	2016-17	2017-18	Total
01.	Physical Exports. (PE + DE)	00.00	2252.52	3457.76	4118.77	4663.97	14493.02
02.	Deemed Exports.	00.00	0.00	00.00	195.328	53.80	249.128
03.	Capital Goods Debit.	00.00	0.00	00.00	00.00	00.00	0.0
04.	Imported RM/Inputs, etc. - used.	30.18	895.96	1338.89	1212.11	2222.51	5699.65
05.	Other outgo of FOREX.	00.00	38.69	30.33	40.49	110.22	219.73
06.	Total Imports (Outgo).	30.18	934.65	1369.22	1252.60	2332.73	5919.38
07.	Net FOREX Earnings (NFE).	(-)30.18	1317.87	2088.54	2866.17	2331.24	8603.82
08.	NFEP.						
09.	DTA Sales.	8.85	122.20	58.10	53.48	35.27	277.9

The details of projected exports, imports & Net Foreign Exchange Earnings for next block of five years are given below:

Sr. No.	Items	1 st	2 nd	3 rd	4 th	5 th	Total
1.	Free on board value of Exports 5 years	6500.00	7800.00	8400.00	9000.00	9600.00	41300.00
2.	Foreign Exchange outgo on for the first five years	3575.00	4290.00	4620.00	4950.00	5280.00	22715.00
3.	Net Foreign Exchange Earnings for the first five years(1-2).	2925.00	3510.00	3780.00	4050.00	4320.00	18585.00

They inform (1) to raise the employment from 88 to 125-130 employees in coming years (2) instance of violation of applicable statutes related to the functioning of the Unit -NIL (3) Cases of default, if any, of statutory payments NIL (4) Undertaking of any activity not sanctioned or approved by the Development Commissioner -NIL

M/s Accent Microcell P.Ltd has not submitted their application for renewal of Letter of Approval before two months from the date of expiry of the LOA. Such application shall be placed before the Approval Committee as per para 6(A) (1) of Rule 19 of SEZ Rules, 2006.

In view of above, the proposal for renewal of Letter of Approval for next block of five years from 16-01-2018 to 15-01-2023 in respect of M/s Accent Microcell P.Ltd , Dahej SEZ unit is placed before the Unit Approval Committee for consideration.

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