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Minutes of the 21st (Twenty First) meeting of the Approval Committee for the multi-product Dahej – Special Economic Zone held on 27-07-2010, at 15-30 hours at Vadodara under the Chairmanship of Shri S. N. Patil, Development Commissioner, Dahej Special Economic Zone, in the Irish Hall of Hotel Gate Way-Taj, Akota Road, Vadodara.

Approval Committee constituted by the Central Government vide Notification No. 993 (E), dated 25-04-2008 issued from file No. 1/1/2006-EPZ consists of the following Chairperson and Members, namely:-

01.	Development Commissioner, Dahej Special Economic Zone.	Chairperson, Ex-officio
02.	Director or Deputy Secretary to the Government of India, Ministry of Commerce and Industry, Department of Commerce	Member, Ex-officio
03.	Joint Director General of Foreign Trade, Vadodara.	Member, Ex-officio
04.	Commissioner of Central Excise, having territorial jurisdiction of the Special Economic Zone or his nominee not below the rank of Joint Commissioner.	Member, Ex-officio
05.	Commissioner of Income-Tax having territorial jurisdiction over the SEZ or his nominee not below the rank of Joint Commissioner.	Member, Ex-officio
06.	Director (Banking), Banking Division, Ministry of Finance, Government of India.	Member, Ex-officio
07.	District Collector of the Bharuch District or Additional District Collector or Deputy Collector as his nominee.	Member, Ex-officio
08.	General Manager, District Industries Centre, Bharuch.	Member, Ex-officio
09.	Representative of M/s. Dahej SEZ Ltd., (Developer).	Special Invitee
10.	Member Secretary, Gujarat Pollution Control Board, Gandhinagar	Member

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2. The following were **Present:-**

01.	Shri S. N. Patil Development Commissioner, Dahej Special Economic Zone.	Chairman
02.	Shri B. K. Bansal, Commissioner of Central Excise & Customs, Vadodara-II.	Member
03.	Shri B.P. Banker, Joint Director General of Foreign Trade, Vadodara.	Member
04.	Shri Abhijit Kumar, Additional Commissioner of Income Tax, Bharuch Range.	
05.	Shri Roopwant Singh, Collector, Bharuch.	Member
05.	Shri R.I. Chavda, G.M., District Industries Centre, Bharuch.	Member
06.	Ms. M. U. Patel, DEE, Gujarat Pollution Control Board, Bharuch.	Member
07.	Shri R. J. Shah, CEO – Dahej SEZ Ltd. (Developer)	Special Invitee

Absent:-

01.	Director or Deputy Secretary to the Government of India, Ministry of Commerce & Industry, Department of Commerce or nominee.
02.	Director (Banking), Ministry of Finance, Banking Division, Government of India.

3. The following items of the agenda circulated with notice for the meeting were taken up for discussions.

(i) Confirmation of 20th Meeting :

The Minutes of the 20th Meeting of the Approval Committee of Dahej SEZ held on 25.06.2010 was confirmed.

(ii) Report on action taken on decision of the 20th Meeting of the Committee. Chairman appraised the members for the action taken on the decisions of the 20th Meeting of the committee. Following actions were taken:

- LOA has been issued to M/s.Glenmark Generics Ltd. on 05.07.2010.
- A letter was issued to M/s.Torrent Energy Ltd. to calculate all the duty details of all materials on which exemption was availed by them as a unit for distribution and transmission of electricity.
- An LOA issued to M/s.Meghmani Industries Ltd. is cancelled.
- An LOA issued to M/s.Meghmani Chemtech Ltd. is cancelled.
- The list of materials required for authorized operations regarding Convention Centre, Hotel approved by the UAC is sent to M/s.Dahej Hospitality Ltd.
- The list of goods required for carrying out authorized operations approved by the UAC is sent to M/s.Dahej SEZ Ltd.

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(iii) Consideration of applications under SEZ Rules, 2006.

(A) FRESH CASES :-

One application for setting up of unit received and scrutinized in this office as prescribed in Rule 17 of the SEZ Rules, 2006 was considered by the committee.

1. M/S. SHIVA PHARMACHEM PVT. LTD.

Proposal is to set up for Pharmaceuticals.

Shri Vishal Agrawal, Managing Director and Shri Prakash Chavan, General Manager of M/s.Shiva Pharmachem Ltd. appeared before the approval committee for interview and put forth following points:

- Shiva Pharmachem Pvt. Ltd.(SPPL) is India's leading manufacturer and global supplier of Acid Chlorides.
- Present manufacturing capacity of M/s.SPPL is 10,000MT of Acid Chlorides and other specialty chemicals.
- Total Project Cost is approx Rs.75-80 Crores including land.
- Capital Investment is Rs.7700 lakhs.
- The projection of Net Foreign Earnings within 5 years period is Rs.23300 lakhs.
- It was confirmed by the Managing Director of the company that there are two cases of Central Excise & Customs Department pending. In the first case a penalty of Rs.6,50,000/- was imposed on SPPL and matter is pending with CESTAT. In the second case an SCN to M/s.SPPL was issued and the matter is pending.

Observations/Clarifications of the Committee :

- The MD of M/s.SPPL himself admitted that he is not fully aware about the facts of the central excise and customs cases against M/s.SPPL.

The proposal of the unit was deferred to the next UAC meeting with an advice to them to file all the facts and documents to the Development Commissioner's office for scrutiny purpose.

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(B) OTHER CASES :-

1. M/S.TIONG WOON PROJECT & CONTRACTING (INDIA) PRIVATE LTD.

Shri Jeffrey Loh, Country Manager of M/s.Tiong Woon Project & Contracting (India) Private Ltd. appeared before the approval committee.

Shri Loh has submitted that M/s.Tiong Woon Project & Contracting (India) Private Ltd. has been authorized to "Rendering of Engineering services for heavy lifting, erection, installation and commissioning". They imported two cranes for a value of Rs.20.40 Crores and intend to import more cranes in near future. M/s.OPAL (another unit in Dahej SEZ) interested in renting/hiring their cranes. As the renting/hiring activity is not included in their authorized operations, they requested to include the activity of "renting/hiring of cranes and equipments" in the list of authorized operations in LOA.

After consideration, the members of the Unit Approval Committee have accepted the request of the unit and allowed to issue an addendum to the LOA.

2. M/S. FERMENTA BIOTECH LTD.

Shri Rajendra Gaitonde, Director-Operations and Shri Sudarshan G. Kamath, General Manager-Finance of M/s.Fermenta Biotech Ltd. appeared before the approval committee. The unit has submitted a list of services vide letter dated 25.06.2010 for approval of the same with a view to claim to refund service tax.

Out of 58 services requested, 7 services are not covered under the Default Services. Accordingly, except 7 services, all the other 51 services which are covered under the list of Default Services have been approved by the Committee.

3. M/S. ROXUL ROCKWOOL INSULATION INDIA PVT. LTD.

Shri Ajay B. Modi, Deputy Manager-Logistics of M/s.Roxul Rockwool Insulation India Pvt. Ltd. appeared before the approval committee. The unit has submitted list of services for carrying out authorized operations vide letter dated 10.07.2010 2010 for approval of the same with a view to claim to refund service tax. They submitted a request for 90 services (33 Services in Annexure-A and 57 services in Annexure-B).

Out of 90 services requested, 31 services are not covered under the Default Services. Accordingly, except 31 services, all the other 59 services which are covered under the list of Default Services have been approved by the Committee.

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4. **M/S. BHARAT SANCHAR NIGAM LTD.**

Shri Rajesh Kanungo, Shri Jayprakash Modgi, Sub Divisional Engineer from M/s.Bharat Sanchar Nigam Limited appeared before the approval committee and submitted list of material of goods required for authorized operations for telecommunication network in Dahej SEZ.

The following was decided:

- a) M/s.BSNL will submit the write up for the authorized operations to be carried out in Dahej SEZ.
- b) Materials which are consumed inside the SEZ is only exempted and which is not consumed/used inside the SEZ is not exempted. So the optical fiber cable from their existing optical fiber cable route to Dahej SEZ will not be exempted.
- c) Cost of land should not be included in the list of goods required for authorized operations in the SEZ.
- d) M/s.BSNL will prepare revise list of goods with full nomenclature and will submit for approval.

Accordingly, the matter has been deferred to the next meeting by the Committee.

5. **M/S.FIRMENICH AROMATICS PRODUCTION (INDIA) PRIVATE LTD.**

Shri Sanjay Kalyankar of M/s.Firmenich Aromatics Production (India) Private Ltd. appeared before the approval committee and requested for broadbanding.

LOA No.KASEZ/DCL/Firmenich/17/2007-08 Dated 01.03.2008 was issued to M/s. Firmenich Aromatics Production (India) Private Ltd. for manufacture of "Aromatic Chemicals, Fragrance and flavour compounds and systems". Shri Kalyankar stated that they propose to set up new project for manufacture of "Fragrance Blending & Compounding" at the existing location of Plot No.Z-10, Dahej SEZ. They designed to produce 10,000 TPA of fragrance compounds and proposed employment of 80 direct employees. Net Foreign Exchange earnings for five years period will be Rs.4792.57 Mio.

After deliberation, the committee has approved for broadbanding.

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6. **M/S.RAMDEV CHEMICAL INDUSTRIES**

Shri Suresh Kumar, Director of M/s.Ramdev Chemical Industries appeared before the approval committee. An LOA No.KASEZ/DCO/Dahej/012/2008-09 dated 01.12.2008 has been issued to them. Shri Suresh Kumar has stated that vide the above said LOA, M/s. Ramdev Chemical Industries has been authorized to manufacture "Pigment Blue 15:3, Pigment Blue 15:4 & Pigment Phthalocyanine Blue Crude". Now they proposes to manufacture new products and expand the capacity of existing products. i.e. "Copper Phthalocyanine Crude Pigment Beta Blue, Pigment Blue 15:4, Pigment Alpha Blue and Pigment Green-7, Activated CPC Blue, Ammonium Sulphate, Calcium Carbonate" and by-products "Ammonium Carbonate, Dilute Hydrochloric Acid, Dilute Sulphuric Acid & Hypochloride Solution (Aluminum Hydroxide)" at the existing location of Plot No.Z/19 & 20, Dahej SEZ.

The members of the committee has noticed that after granting the LOA on 01.12.2008 the unit has not made any development activities till date. Now, they requested for addition/expansion of the products by seeking amendment in LOA. The committee has advised to Shri Kumar to show some development activities on the basis of previous LOA in three to four months. After examining the activities on the plot, the committee may approve the request of further expansion/addition. Shri Suresh Kumar has requested for two months of time and the committee approves the same.

Accordingly, the matter has been deferred to the meeting of the committee after two months of time subject to some development activities done by the unit at their plot in Dahej SEZ on the basis of their existing LOA.

7. **OTHER ISSUE:**

The Chairman has proposed that following four services which are not in the list of approved default services may be included in them:

- (i) Outdoor Caterer's/Canteen Service
- (ii) Legal Consultancy/Advocate's Service
- (iii) Photography Service
- (iv) Pandal or Shamiana Service

After deliberation, it was decided that "Legal Consultancy" may be included in the list of default services list. For other services, the unit has to apply separately as and when they required the same with proper justification.

S.P. Patil

Chairman of Approval Committee,
& Development Commissioner,
Dahej Special Economic Zone.