

Minutes of the 18th (Eighteenth) meeting of the Approval Committee for the multi-product Dahej – Special Economic Zone held on 16-04-2010, at 12-30 hours at Vadodara under the Chairmanship of Shri S. N. Patil, Development Commissioner, Dahej Special Economic Zone, in the Conference Room of VCCI, VCCI Complex, Makarpura, 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:-

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| 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:-

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| 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 Rupwant Singh, Collector, Bharuch. | Member |
| 04. | Shri B.P. Banker, Joint Director General of Foreign Trade, Vadodara. | Member |
| 05. | Shri Sher Singh, Assistant Commissioner of Income Tax, Vadodara-III. | Member |
| 06. | Shri R.I. Chavda, G.M., District Investment Centre, Bharuch. | Member |
| 07. | Ms. M. U. Patel, DEE, Gujarat Pollution Control Board, Bharuch. | Member |
| 08. | Shri R. J. Shah, CEO – Dahej SEZ Ltd. (Developer) | Special Invitee |

Absent:-

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| 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 17th Meeting :

The Minutes of the 17th Meeting of the Approval Committee of Dahej SEZ held on 05.03.2010 was confirmed.

(ii) Report on action taken on decision of the 17th Meeting of the Committee. Chairmen appraised the members for the action taken on the decisions of the 17th Meeting of the committee. Following actions were taken:

- LOA has been issued to M/s.Fermenta Biotech Ltd. on 11.03.2010.
- M/s.Oil and Natural Gas Corporation was intimated regarding approval of 41 services out of 57 services which are in the list of default services.

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

(A) FRESH CASES :-

Four applications for setting up of units received and scrutinized in this office as prescribed in Rule 17 of the SEZ Rules, 2006 were considered by the committee.

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1. M/S. HINDUSTAN DORR-OLIVER LTD.

Shri Niraj Narayan, Sr.General Manager, of M/s.Hindustan Dorr-Oliver Ltd. has requested through fax No.HDO/SEZ/2010 dated 16.04.2010 that the director and authorized representative of the unit will not be able to attend the meeting due to some unavoidable reasons. He requested to consider the same in next meeting.

Accordingly, the matter has been deferred to the next meeting of UAC.

2. M/S. RALLIS INDIA LTD.

Shri Anup Kumar Guha, Vice President(Finance) and Ms.Coomie Kapadia, General Manager of M/s. Rallis India Ltd. appeared before the approval committee.

Shri Guha stated that they have one existing unit in Dahej SEZ which will commence its production from June, 2010 and this is another project in the Dahej SEZ. In this project they will be manufactured Herbicides, Fungicides, Insecticides etc. They will export their products in Brazil, Thailand, Japan, Argentina, Pakistan etc.

Their FOB value of exports for the 5 years is projected as Rs.1,85,000 lacs with NFE of Rs.98,500 lacs. The manpower requirement in Dahej SEZ is 250 Men and 50 Women. The Developer (Dahej SEZ Ltd.) has agreed in principle for allotment of plot of about 1,50,000 Sq.Mtrs. in the processing zone of Dahej SEZ for setting up of unit.

Accordingly, the proposal of M/s. Rallis India Ltd. was approved by the Approval Committee subject to standard terms and conditions.

3. M/S. SABERO ORGANICS GUJARAT LTD.

Shri S.R.B. Nair, Director and Shri J.S. Sethi, Advisor-Legal & Corporate Affairs of M/s.Sabero Organics Gujarat Ltd. appeared before the approval committee. Shri Nair stated that the project at Dahej SEZ is a project to manufacture synthetic pyrethroids insecticides such as Cypermethrin, Alphamethrin, Permethrin, Deltamethrin and Lambda Cyalothrin along with its intermediates D V Acid Chloride and Meta Phenoxy Benzaldehyde etc. He added that several bulk products of their existing plant shall be formulated and packaged in company brand name also. The total capacity of the project would be 3400 MT per annum with the required capacity of the intermediates to manufacture this quantity.

He further stated that the technology for their products has been developed in-house by their state of the art R&D department of the company. The location of their project at Dahej is 250 kms. away from the company's main manufacturing plant at Sarigam. He said that the main plant and machinery will be purchased from indigenous manufacturers. UPL, Indofil, Meghmani etc. are the competitors of their company. The company is an ISO 9001 and 14001 and is working towards obtaining GLP certification for its laboratory in the current year.

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Their FOB value of exports for the 5 years is projected as Rs.70,553 lacs with NFE of Rs.57,856 lacs. The manpower requirement in Dahej SEZ is 250 Men and 10 Women. The Developer (Dahej SEZ Ltd.) has agreed in principle approval for allotment of plot of about 50,000 Sq.Mtrs. in the processing zone of Dahej SEZ for setting up of unit.

One of the committee members has enquired whether the raw material used for the plant would be from registered supplier. Mr.Nair confirmed that it would be from registered supplier.

Accordingly, the proposal of M/s. Sabero Organics Gujarat Ltd. was approved by the Approval Committee subject to standard terms and conditions.

4. M/S. NEESA INFRASTRUCTURE LTD.

Shri Bishwajit R. Sikdar, Vice President and Shri Sudhansu Kumar, Executive-Finance of M/s.Neesa Infrastructure Ltd. appeared before the approval committee.

Earlier, a Letter of Approval No.KASEZ/P&C/6/31/07-08 dated 10.10.2007 has been issued to M/s.Neesa Infrastructure Ltd. for manufacture of "Iron, Steel & Stainless Steel Casting". But now the company wants to withdraw their application of earlier project and file a new application for different products. Shri Sikdar stated that the demand of the customers has changed and the earlier project is not profitable and so they want to commence new project for manufacture of "MS Ingot, Rolled structured product and Valve". He stated that India is the fourth largest producer in terms of total casting production in the world and second largest in terms of number of units produced. The casting market is growing at a rate of 11%. He said that their proposed project has manufacturing capacity of 18,000 MTPA to manufacture high grade casting/ MS ingot casting. The company has 30,000 MTPA of capacity to manufacture rolled structure products and 1800 MTPA to manufacture valves. He said that their target market is the upcoming units in Dahej SEZ, other SEZs across India and also international market. The project cost is Rs.44 Crores.

Their FOB value of exports for the 5 years is projected as Rs.36,429 lacs with NFE of Rs.28,475.5 lacs. The manpower requirement in Dahej SEZ is 125 Men. The Developer (Dahej SEZ Ltd.) has agreed in principle approval for allotment of plot of about 19,038 Sq.Mtrs. in the processing zone of Dahej SEZ for setting up of unit.

Accordingly, the withdrawal of LOA No. .KASEZ/P&C/6/31/07-08 dated 10.10.2007 has been approved subject to payment of applicable duties and the new proposal of M/s. Neesa Infrastructure Ltd. was approved by the Approval Committee subject to standard terms and conditions and with one extra condition that the new unit will start its commercial production by March, 2011 as committed by Shri Sikdar.

(B) OTHER CASES :-**1. M/S.TORRENT ENERGY LIMITED.**

Shri Kapil Khandelwal, Vice President(Finance & Operation) of M/s.Torrent Energy Limited appeared before the approval committee. M/s.Torrent Energy Limited has submitted a list of goods for authorized operations of transmission and distribution network in Dahej SEZ and a list of Taxable Services for approval of the same with a view to claim to refund service tax, for the approval of UAC.

All the Services which are covered under the list of Default Services have been approved by the Committee. Regarding list of goods for the authorized operations it was decided that Co-developer may prepare revised list of goods for authorized operations as there were mistakes in the list.

2. M/S.CS SPECIALTY CHEMICALS PVT. LIMITED.

Shri Sandeep Zaveri, Executive Director of M/s.CS Specialty Chemicals Pvt. Ltd. appeared before the approval committee. M/s. CS Specialty Chemicals Pvt. Limited has requested to accord the LOA in the name of M/s.CS Performance Chemicals Private Limited which is wholly owned subsidiary of M/s.CS Specialty Chemicals Pvt. Ltd.

The committee has a view that though M/s.CS Performance Chemicals Private Limited is a wholly owned subsidiary of M/s.CS Specialty Chemicals Pvt. Ltd., they are two different legal entities in the eyes of law. The LOA is meant for only that company to which it was issued and it is non-transferable. As this is a case of change of identity and not of the change of name, the committee has rejected the proposal of the unit.

3 (i) M/S. MEGHMANI CHEMTECH LTD.

Shri Ramesh M. Patel, Executive Director; Shri M.V. Mori, General Manager(Comm.); Shri K.D. Mehta, Vice President(Company Affairs) and Shri V.R. Mori of M/s.Meghmani Chemtech Ltd. appeared before the approval committee. M/s. Meghmani Chemtech Ltd. has requested to accord the LOA in the name of M/s.Meghmani Organics Limited which is a parent company of M/s. Meghmani Chemtech Ltd.

The committee has a view that though M/s. Meghmani Organics Ltd. is a parent company of M/s.Meghmani Chemtech Ltd., they are two different legal entities in the eyes of law. The LOA is meant for only that company to which it was issued and it is non-transferable. This is another case of change of identity and not of the change of name, the committee has rejected the proposal of the unit.

3 (ii) M/S. MEGHMANI CHEMTECH LTD.

All four officers mentioned in Sr.No.3(i) above, appeared before the approval committee.

Chairman of the committee read out the Show Cause Notice dated 15.07.2009. The unit has replied the SCN vide letter dated 26.08.2009 and requested for personal hearing. The personal hearing was completed on 30.03.2010 in the office of the Development Commissioner.

The main submission of the unit is that in all the cases pending against them are of issues involving interpretation of provisions and are not on account of any fraud, collusion or mis-statement with intent to evade payment of duty. They committed the mistake on their part of non mentioning the details of cases in the Form-F at the time of application. Casewise details were given by Shri Mori.

Committee has decided that issue may be discussed in the next UAC before reaching final conclusion.

3. M/S. SUN PHARMACEUTICAL INDUSTRIES LTD.

Shri Mahesh G. Tailor, Executive-Commercial of M/s.Sun Pharmaceutical Industries Limited appeared before the approval committee. He has submitted a list of Taxable Services for approval of the same with a view to claim to refund service tax for the approval of UAC.

Out of 51 services 47 Services which are covered under the list of Default Services have been approved by the Committee.

5. M/S.OIL AND NATURAL GAS CORPORATION LIMITED.

Shri P.V. Satyaprakash, DGM(P) and Shri S.K. Sharma, Chief Engineer of M/s. Oil and Natural Gas Corporation Limited appeared before the approval committee.

Shri Satyaprakash stated that the plant construction work of their C2C3 plant has been completed. The construction of product evacuation facilities is in progress and the scheduled commissioning is July-2010. He further submitted that the OPaL commissioning scheduled in Jan-13 to June-13. For off-taking products during the interim period, ONGC is in advance stage of negotiation with prospective buyers. He further said that enough market doesn't exist for total quantity of pure C3 (153 KTPA) for a short period. Therefore, Oil marketing companies (OMCs) offer to offtake C3 & C4 in blended form (as LPG) and only balance C3 as pure component. So blending of C3 & C4 in the ratio of 40:60 by wt. is required for short period till OpaL is commissioned. In view of the above, he requested to include LPG as additional item of manufacturing in their existing LOA.

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After discussion, the approval committee has decided that as this facility is for short period till the OPaL will functioning and the NFE shall remains positive, the proposal of the unit is approved.

6. M/S. CHEMETALL LITHIUM INDIA PVT. LTD.

Shri A.Adhikari, CEO of M/s. Chemetall Lithium India Pvt. Ltd. appeared before the approval committee. The unit has submitted a list of services vide letter dated 13.03.2010 for approval of the same with a view to claim to refund service tax.

Out of 85 services requested, 19 services are not covered under Default Services. Except 19 services, all the other 66 services which are covered under the list of Default Services have been approved by the Committee.

7. M/S. ONGC PETRO ADDITIONS LTD.

Chairman has informed the committee that M/s.OPAL vide letter No. OPAL/BDA/EN/LOG/101/096-10 dated 25.03.2010 has requested to grant them permission to open a gate in boundary of SEZ so that the ODC cargo can be brought in.

M/s.Dahej SEZ Ltd.(Developer) has allotted a Plot No.Z/85/2 admeasuring 52145.14 sq. mts. of area to construct jetty for temporary use for transportation of equipments for the period from date of allotment letter upto December 31, 2011 subject to certain conditions vide letters dated 11.03.2010 & 20.03.2010.

The committee has noted the above.

8. M/S. P.I. INDUSTRIES LTD.

A Letter of Approval No.KASEZ/DCO/PII/21/08-09 dated 27.05.2008 had been issued to M/s.P.I. Industries Ltd. for manufacture of "Agro Chemicals, Fine Chemicals & Pharma Intermediates".

Vide letter dated 22.02.2010 submitted by M/s. P.I. Industries, they seek the permission to withdraw as a unit from Dahej SEZ and cancel the LOA issued to them.

The committee has approved withdrawal of application subject to payment of applicable duties.

9. M/S. NEESA INFRASTRUCTURE LTD.

The matter already covered under Sr.No.(4) of fresh cases.

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