

Minutes of the 20th (Twentieth) meeting of the Approval Committee for the multi-product Dahej – Special Economic Zone held on 25-06-2010, 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 OPAL, 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:-

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

Cont....2



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 D.M. Pandya, Dy.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.
03.	Commissioner of Income-Tax having territorial jurisdiction over the SEZ or his nominee not below the rank of Joint Commissioner.

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

(i) Confirmation of 19th Meeting :

The Minutes of the 19th Meeting of the Approval Committee of Dahej SEZ held on 19.05.2010 was confirmed.

(ii) Report on action taken on decision of the 19th Meeting of the Committee. Chairman appraised the members for the action taken on the decisions of the 19th Meeting of the committee. Following actions were taken:

- LOA has been issued to M/s.Hindustan M-I Swaco Ltd. on 24.05.2010.
- List of goods required for authorized operations as requested by M/s.Torrent Energy Limited has been sent to them on 24.05.2010 as approved.
- List of goods required for authorized operations for "Office Space" as requested by M/s.Dahej Hospitality Limited has been sent to them on 28.05.2010 as approved. The services which are covered under the default list of services are also permitted to M/s. Dahej Hospitality Limited vide the said letter dated 28.05.2010.

Contd....3

JS

- An addendum to LOA has been issued on 25.05.2010 to M/s.Fermenta Biotech Ltd. for Phase-II product.

(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 were considered by the committee.

1. M/S. GLENMARK GENERICS LTD.

Proposal is to set up for manufacturing Bulk Drug -- API.

Shri Jalaj Sharma, Director and President-Operations; Shri Kalpesh Chheda, Assistant Manager-Projects and other two officers of M/s.Glenmark Generics Ltd. appeared before the approval committee for interview and put forth following points:

- Glenmark Pharmaceuticals Ltd.(GPL) is a research-driven, global, fully integrated pharmaceutical company with headquarter at Mumbai and M/s.Glenmark Generics Ltd.(GGL) is a subsidiary company of M/s.Glenmark Pharmaceutical Company.
- M/s.GGL has planned to install a capacity of 240 MTPA in Dahej SEZ for API (Bulk Drug).
- Total Project Cost is Rs.14475 Lacs which will be met by Rs.7175 lacs as Internal Accrual and Rs.7300 Lacs as loan from Financial Institutions. However, he mentioned that the company has adequate internal accruals to comfortably finance the entire project also.
- Requirement of space : About 40,000 Sq.Mtrs., for which Developer has agreed in-principle.
- It was confirmed by the Director of the company that there is no case of Central Excise & Customs evasion of duty or any other related case.

Observations/Clarifications of the Committee :

- FOB Value of the Export for the 5 years projected is Rs.88577 Lacs and Foreign Exchange Outgo is Rs.31098 Lacs with NFE or Rs.57479 Lacs.
- The manpower requirement in Dahej SEZ unit is 250 Men and 70 Women.

The proposal was approved subject to standard terms and conditions.

Contd....4



(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 letter dated 28.05.2010 clarifying the different authorized operations as a unit and as a co-developer. Shri Khandelwal stated that M/s.Torrent Energy Limited possess two LOAs – one for as a unit and the other is as a co-developer in Dahej SEZ. As a unit the company generates the electricity and as a co-developer the company will work for creating necessary transmission and distribution network of electricity and carry out electricity distribution in Dahej SEZ area.

Earlier in the LOA, as a unit M/s.Torrent Energy Limited was permitted for generation as well as transmission and distribution of the electricity. Shri Khandelwal stated that LOA issued to unit may be amended to include only generation of electricity. Transmission and distribution may be deleted. The issue discussed by the members and it is decided that before amending the LOA M/s Torrent Energy Limited has 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. Shri Khandelwal accepted the same and said that the details will be provided very soon.

Accordingly, the matter has been deferred to the next UAC till the details will be received from M/s.Torrent Energy Limited.

2 & 3. M/S. MEGHMANI CHEMTECH LTD. & M/S. MEGHMANI INDUSTRIES LTD.

The issue of M/s.Meghmani Chemtech Ltd. and M/s.Meghmani Industries Ltd. is mis-declaration in Form-F at the time of filing application as a unit in Dahej SEZ.

It was found that there are Central Excise and Customs cases pending against M/s.Meghmani Chemtech Ltd. and M/s.Meghmani Industries Ltd. and/or their group of companies. But both the units did not declare them in Form-F at the time of filing application as a unit in Dahej SEZ.

Chairman of the committee informed UAC that failure to abide by any of the conditions of the LOA shall render the unit liable to penal action under the Foreign Trade (Development and Regulation) Act, 1992 and the Rules and orders made there under. Accordingly, a Show Cause Notice was issued to M/s.Meghmani Chemtech Ltd. vide letter No.KASEZ/DCO/03-MOI/08-09 Dated 15.07.2009 and personal hearing was done on 30.03.2010. A Show Cause Notice was issued to M/s.Meghmani

Industries Ltd. vide letter No.KASEZ/DCO/II/15/07-08 Dated 17.07.2009 and personal hearing was done on 25.05.2010. He suggested to impose the penalty on the both the units i.e. M/s.Meghmani Chemtech Ltd. and M/s.Meghmani Industries Ltd. for mis-declaration in the LOA.

Commissioner of Central Excise & Customs, a member of the committee did not agree with the chairman and opined that by mis-declaration in the LOA, M/s.Meghmani Chemtech Ltd. and M/s.Meghmani Industries Ltd. mis-guided the committee and obtained the LOA. So LOA of both the units should be cancelled.

Chairman opined that cancellation of LOA of the units is very harsh decision and so the committee can impose some penalty on both the units as per FTDR Act, 1992. Commissioner of Central Excise & Customs disagree with him and insisted to cancel the Letter of Approval of both the units and the other present members after deliberation finally agreed with him and opined that the LOA of both the firms should be cancelled as per Section 16 of the SEZ Act, 2005. As proviso of Section M/s.Meghmani Chemtech Ltd. and M/s.Meghmani Industries Ltd. have been heard in the Development Commissioner's office on 30.03.2010 and 25.05.2010 respectively.

Accordingly, UAC decided that the LOA issued to M/s.Meghmani Chemtech Ltd. and M/s.Meghmani Industries Ltd. should be cancelled.

4. M/S. DAHEJ HOSPITALITY LTD.

Shri Shibu Pillai, GM(Corporate Affairs) of M/s.Dahej Hospitality Limited appeared before the approval committee and submitted list of material of goods required for authorized operations for the period for seven months for construction of Convention Centre and Hotel Building in Dahej SEZ. The list mostly contains basic materials like Cement, Steel, Bricks, Sand, Grit, Kapachi etc. which are essential for construction.

Accordingly, the list of goods has been approved by the Committee.

5. M/S. DAHEJ SEZ LTD.

Shri R.J. Shah, CEO of M/S. DAHEJ SEZ LTD. has submitted the list of goods duly certified by Chartered Engineer as required for carrying out authorized operations in Dahej SEZ for the Approval of U.A.C.

After discussion, the committee has approved the list of goods.


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