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Minutes of the 22<sup>nd</sup> (Twenty Second) meeting of the Approval Committee for the Multi-product Dahej – Special Economic Zone held on 26-08-2010, at 15-00 hours at Dahej under the Chairmanship of Shri Pravir Kumar, Development Commissioner, Dahej Special Economic Zone, in the Conference Room of Samsung Engineering, Dahej SEZ, Dahej.

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

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

01.	Shri Pravir Kumar, Development Commissioner, Dahej Special Economic Zone.	Chairman
02.	Shri S. N. Patil Joint Development Commissioner, Dahej Special Economic Zone: Nominee of Ministry of Commerce & Industry, Department of Commerce.	Member
03.	Shri B. K. Bansal, Commissioner of Central Excise & Customs, Vadodara-II.	Member
04.	Shri D.M. Pandya, Dy.Collector, Bharuch.	Member

05.	Shri R.I. Chavda, G.M., District Industries Centre, Bharuch.	Member
06.	Shri R. J. Shah, CEO – Dahej SEZ Ltd. (Developer)	Special Invitee

**Absent:-**

01.	Joint Director General of Foreign Trade, Vadodara.
02.	Commissioner of Income-Tax having territorial jurisdiction over the SEZ or his nominee not below the rank of Joint Commissioner.
03.	Director (Banking), Ministry of Finance, Banking Division, Government of India.
04.	Member Secretary, Gujarat Pollution Control Board, Gandhinagar

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

**(i) Confirmation of 21<sup>st</sup> Meeting:**

As no Comments/Observations on the draft minutes of the 21<sup>st</sup> Meeting of the Approval Committee of Dahej SEZ held on 27.07.2010 were received from any member, the same were confirmed.

**(ii) Report on actions taken on the decisions of the 21<sup>st</sup> Meeting of the Committee.**

Chairman appraised the members about the actions taken on the decisions of the 21<sup>st</sup> Meeting of the committee. Following actions were taken:

- A letter was issued to M/s. Shiva Pharmachem requiring them to submit the details of cases pending against them. Accordingly the unit submitted a detailed report on cases, which was sent to the Central Excise Commissioner, Vadodara for information and scrutiny.
- An addendum to LOA was issued to M/s.Tiong Woon Project & Contracting (India) Private Ltd. allowing the unit for renting/ hiring of Cranes and equipments.
- A letter regarding approved services, which are under the list of default services, was issued to M/s. Fermenta Biotech Ltd.
- A letter regarding approved services, which are under the list of default services, was issued to M/s. Roxul Rockwool Insulation India Pvt. Ltd.
- M/s. BSNL was desired to submit the revised list of materials consumed by them for authorized operations, as discussed in the meeting.
- A letter was issued to M/s. Firmenich Aromatics Production (India) Private Ltd. allowing them for manufacture of Fragrance, Blending & Compounding.
- A Service of "Legal Consultancy" has been added in the default list of services prepared by the Development Commissioner, Dahej SEZ.





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(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.

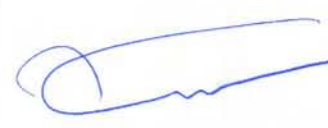
**1. M/S. SALVI CHEMICAL INDUSTRIES**

Shri Nirav Salvi, Managing Director of M/s. Salvi Chemical Industries appeared before the Approval Committee for interview and put forth the following points:

- M/s. Salvi Chemical Industries are the manufacturer of pharmaceuticals, bulk drugs etc. The major raw materials used by them are Iodine, 8HQ, Fumaric Acid, Ferrous Sulphate, Methanol, D L Tartaric Acid etc.
- They have one sister concern unit viz. M/s. Nutracare International in the Surat SEZ. A case of mis-declaration of imported goods was booked against that unit and the said goods were seized by Customs and an SCN was issued to them by the Commissioner, Central Excise & Customs, Surat-I on 02.06.2009. The Commissioner, Central Excise & Customs, Surat-I subsequently decided the case on 24.09.2009 and ordered for confiscation of the seized goods. The unit thereafter preferred an appeal before CESTAT, Ahmedabad and the same was pending for decision till date. Mr. Salvi stated that in the bill of entry and invoice, the goods were declared as Sodium Saccharine of 8-12 Mesh but the actual goods that were received from the supplier were Sodium Saccharine of 20-40 Mesh. He further stated that it was a bona-fide mistake on the part of their export manager, but there was no evasion of duty involved as there is no duty difference in the above goods of 8-12 Mesh and 20-40 Mesh.
- Total Project Cost of M/s. Salvi Chemicals is Rs.4372 Lakhs including land.
- Total Capital Investment is Rs.2865 lakhs.
- The projection of Net Foreign Earnings within 5 years period is Rs.34889 lakhs.

**Observations/Clarifications of the Committee :**

It was observed by the Committee that although there was a Central Excise & Customs case against their sister concern unit, the unit was not black listed or debarred for getting any license by the department. Further, the unit had filed an appeal in CESTAT, which was pending for decision till date. After detailed deliberations, the proposal was approved/accepted with a cautionary warning to the unit to be more careful in future and ensure that such type of mistakes or any mis-declaration do not occur in future. Further, the proposal would be subject to the standard terms and conditions.



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**(B) FRESH CASES FOR UNIT IN DAHEJ SEZ- OLD LOA EXPIRED AND APPLIED AS A FRESH UNIT :-**

**1. M/S. GODREJ & BOYCE MFG. CO. LTD.**

Shri Nitin S. Palan, Asst. General Manager-Projects and Shri Virendrasinh Bhadola, Asst. General Manager-Human Resources of M/s. Godrej & Boyce Mfg. Co. Ltd. appeared before the approval committee for interview and put forth the following points:

- They have already got the LOA three years back. However, now the said LOA has expired, therefore, they have applied as a fresh applicant for the same project and on the same plot.
- Shri Palan stated that there was an encroachment issue of Temple and Ashram in their plot and they were not being allowed to take up the development work by the local villagers. Although GIDC had held some negotiations with the villagers, but till date the matter had not been solved, resulting in delay in completion of the works.
- No boundary had been constructed by the Developer and many trespassers were coming there at all times and sometimes stealing wires, cables etc. from their premises.
- The Temple and Ashram are expanding their encroachments day by day and they were unable to control the same.
- Net foreign exchange earnings of their project for the five years would be Rs.35140 Lakhs and the total employment during next five years would be nearly 900 persons.

**Observations/Clarifications of the Committee :**

- It was observed that the Developer had to complete the boundary work urgently. Further, the Deputy Collector Bharuch was advised to take up immediate measures to check further encroachments and use his quasi-judicial powers to resolve the matter (including spot inspection/appointment of a Commission, photography etc. to get a status report and issue of preventive orders /directions u/s 145 Cr. P. C., if necessary).
- The project of the unit and other facts are same as per LOA issued earlier.

Accordingly, the proposal was approved subject to standard terms and conditions.





## 2. M/S. SARSWATI INDUSTRIES SYNDICATE LTD.

Shri M.L. Bajaj, Asst. General Manager of M/s.Saraswati Industries Syndicate Ltd. appeared before the Approval Committee for interview and put forth the following points:

- They have already got the LOA three years back, however, now the said LOA has expired. Therefore, they have applied again as a fresh applicant for the same project and on the same plot.
- Shri Bajaj stated that there are many electric poles in their plot in Dahej SEZ. These poles are providing electric supply to the temple and ashram situated in the SEZ area. So unless the temple and ashram were shifted to some other place, it would not be possible to remove the poles.
- No boundary had been constructed by the Developer and many trespassers were coming there at all times and sometimes stealing wires, cables etc. from their premises.
- The Temple and Ashram are expanding their encroachments day by day and they were unable to control the same.

### Observations/Clarifications of the Committee :

- The Commissioner Central Excise mentioned that there were some cases of Central Excise and Customs Department against the unit but they had not been mentioned in the Form-F while applying. The concerned documents were shown to Mr. Bajaj, who accepted that it was a mistake on their part but explained they had no mala-fide intention behind the same. The Chairman directed them to give the explanation regarding the same and also directed the unit to give full details about the pending cases, with their present status to the Development Commissioner's office.

Accordingly, the proposal of the unit was deferred to the next UAC meeting, till the unit submitted their explanation and details of cases pending against them.

## (C) DEFERRED CASES FROM PREVIOUS MEETINGS OF THE UAC :-

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

Shri Vishal Agrawal, Managing Director and Shri P.K. Mittal, Business Head of M/s.Shiva Pharmachem Ltd. appeared before the Approval Committee for interview and put forth the following points:

- The proposal of the unit was deferred in last UAC. It was confirmed by the Managing Director of the company that there were two cases of Central Excise & Customs Department pending. In the first case a penalty of Rs.6,50,000/- was imposed on M/s. SPPL and matter is pending with CESTAT. In the second case an SCN to M/s. SPPL was issued and the matter is pending. Shri Mittal stated that they are only job-workers and no duty has been demanded from them. The Central Customs & Excise Department has imposed penalty on M/s.Shiva Pharmachem only.
- 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 of existing unit.
- Total Project Cost is approx Rs.75-80 Crore including land and Capital Investment is Rs.7700 lakhs.
- The projection of Net Foreign Earnings within 5 years period is Rs.23300 lakhs.

**Observations/Clarifications of the Committee :**

- The decision of CESTAT is still pending against the case of M/s.Shiva Pharmachem Pvt. Ltd. Shri Mittal stated that they have not paid the penalty. M/s.Shiva Pharmachem Pvt. Ltd. were advised that they should either obtain a stay order from CESTAT or pay the full amount of penalty imposed upon them, under protest.

The proposal of the unit was deferred to the next UAC meeting.

**2. M/S.TORRENT ENERGY LTD.**

Nobody appeared before the UAC on behalf of M/s. Torrent Energy Ltd. Accordingly, the issued was deferred to the next UAC meeting.

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

Shri Rajesh Kanungo, Dy.General Manager and 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) The revised list of goods required for authorized operations submitted by M/s. BSNL (Annexure – A) was approved.





- b) M/s. BSNL was advised to start their work in Dahej SEZ as early as possible. Shri Rajesh said that approximately 10-11 towers were required in Dahej SEZ for providing full connectivity and they were doing the work of mapping of towers.
- c) It was suggested that M/s. BSNL should try to install the towers in corridors and on such other plots which were lying vacant. First tower should be installed near the office of the Customs and Dahej SEZ Ltd. as early as possible to ensure smooth functioning of the offices there.

Accordingly, the list of the goods/materials required for authorized operations by M/s. BSNL was approved by the Committee.

#### **(D) OTHER CASES :-**

##### **1. M/S. DAHEJ SEZ LTD.**

Shri R.J. Shah, CEO of M/s. Dahej SEZ Ltd. submitted the quarterly progress report for SEZ developer for necessary approval of UAC.

Shri Shah stated that out of total area of 1710.95.37 Hect., 1695.82.11 Hect. Area was earmarked as processing area in Dahej SEZ.

The Committee noted the contents of quarterly report for the months of April-June, 2010 submitted by M/s. Dahej SEZ Ltd. and advised it to complete the work of fencing/ boundary-wall at the earliest, after resolving the pending land related issues, in consultation with District Collector, Bharuch.


#### **(E) ADDITIONAL POINTS :-**

The Chairman proposed following additional points:-

- CCTV cameras should be installed on both gates of SEZ within 15 days to enhance security of SEZ and also keep a track of the movement of Goods, vehicles and persons.
- Subsequently Barcode system should be implemented. Also RFID Tags/ Cards system, along with GPS system should also be introduced for all the vehicles which are frequently coming and going in the SEZ. The Developer should take necessary steps for the same.
- Video conferencing facility in the offices of Development Commissioner at Ahmedabad and Dahej should be made functional at the earliest.
- There should be a Disaster Management Plan with all the following details:
  1. A list of all the gases and chemicals used/produced/stored or transported by the units of SEZ and also outside SEZ should be prepared and the details about their hazardous nature or otherwise,

- possible harmful effects and the immediate measures required for tackling any accident/leakage etc. should be prepared at the earliest
2. Telephone nos. all Emergency services including Police, Fire, Ambulance etc.
  3. Charts for Do's and Don'ts for the knowledge of public as well as precautions to be taken while handling these materials/ manuals etc. should be prepared.
  4. A Calendar of training programmes and mock security drills should also be prepared.
- Work of boundary wall should be completed urgently.
- The first Fortnight of September 2010 should be celebrated as "Plantation Fortnight" and large scale Tree plantation work should be undertaken to make the best possible use of the current rainy season.

The Chairman requested the Developer to work on the above points and implement them as early as possible.

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

31/9/10.