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Minutes of the 23<sup>rd</sup> (Twenty Third) meeting of the Approval Committee for the multi-product Dahej – Special Economic Zone held on 22-09-2010, at 16-00 hours at Vadodara under the Chairmanship of Shri Pravir Kumar, Development Commissioner, Dahej Special Economic Zone, in the Conference Room of OPAL Office, 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

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

**Absent:-**

01.	Director (Banking), Ministry of Finance, Banking Division, Government of India.
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**3. The following items of the agenda circulated with notice for the meeting were taken up for discussions.****(i) Confirmation of 22<sup>nd</sup> Meeting :**

As no comments /observations on the draft minutes of the 22<sup>nd</sup> meeting of the Approval Committee of the Dahej SEZ held on 26/08/2010 were received from any member, the same were confirmed.

**(ii) Report on actions taken on decision of the 22<sup>nd</sup> Meeting of the Committee.**

Chairman apprised the members about the actions taken on the decisions of the 22<sup>nd</sup> Meeting of the committee. Following actions were taken:

- A letter to M/s. Saraswati Industries Syndicate Ltd. was issued to submit the details of cases pending against them and accordingly they submitted the detailed report on cases.

*S. B. Patil*



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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. SAJJAN SPECIALTY CHEMICALS**

Nobody appeared before the Unit Approval Committee on behalf of M/s. Sajjan Specialty Chemicals. Accordingly, the issue was deferred to the next AC meeting.

**2. M/S. CRYSTAL WATER PRODUCTS**

Shri Y.P. Saxena, Director-Operations of M/s. Crystal Water Products appeared before the Approval Committee for interview and put forth the following points:

- The company will be manufacturing water treatment chemicals used in Natatoriums throughout the world and related services and products.
- The proposed company will be 1<sup>st</sup> in Asia and 5<sup>th</sup> in the world of its kind.
- They will import the technology from China and make the arrangement of 100% buy back of all the production to overseas buyers.
- Waste water generated in the plant will be recycled and will be reused.
- The total project cost is Rs.500 Crores and the NFE will be Rs. 325 Crores during the 5 years period.
- Commercial production will be started within 1 year from the date of issue of LOA.
- There are no cases of Central Excise & Customs against the company or its directors.

**Observations/Clarifications of the Committee :**

- The company is having 100% buy back arrangement. Because of this arrangement the unit need not wait for orders of buyers. All the production will be purchased by their overseas buyers. After detailed deliberation, the proposal was approved/ accepted. Further the proposal would be subject to standard terms and conditions.

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### 3. M/S. TAGROS CHEMICALS INDIA LTD.

Shri Adesh Daga, Director and Shri N. Premnadh, Vice President (Operations) of M/s. Tagros Chemicals India Ltd. appeared before the Approval Committee for interview and put forth the following points:

- Tagros Chemicals India Ltd. is part of Chennai based 'Jhaver Conglomerate' which has more than 100 years of existence in business.
- In order to meet the growing demand from the overseas customers, the company plans to put up a state of the art facility for manufacture of both formulations and technical grade pesticides starting from their intermediates in Dahej SEZ.
- Employment generated by the company through this project will be 457 persons.
- Total project cost is Rs.120 Crores. Out of these Rs.24 Crores will be arranged from internal accruals and remaining Rs.96 Crores will be managed by Bank Loans.
- The Projection of Net Foreign exchange Earnings (NFE) within five years periods is Rs. 839.48 Crores

#### Observations/Clarifications of the Committee :

- It was clarified to the unit by the members of Approval Committee that there would be no common effluent treatment plant in the Dahej SEZ. So the unit should make its own arrangement for the same. Also the solid waste generated from the unit had to be disposed at proper location. After detailed deliberation, the proposal was approved/ accepted. Further the proposal would be subject to standard terms and conditions.

### 4. M/S. NEO BAGS OVERSEAS PVT. LTD.

Shri Harish Jajodia, Director of M/s. Neo Bags Overseas Pvt. Ltd. appeared before the Approval Committee for interview and put forth following points:

- They have been exporting PP Woven bags/ FIBC/ Technical Fabric/ Geo Textiles etc. since inception of the company from 2007.
- The annual export of the company is around Rs.9 Crores per year. In order to have full control over the product quality and time schedule, the company has decided to set up its own manufacturing unit at Dahej SEZ.

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- The proposed project is to set up a modern plant to manufacture 100% recyclable PP Woven Fabric – Geo Textiles and FIBC bags with an installed capacity of about 5000 TPA.
  - Total project cost of the proposed unit is Rs. 2540 lacs which will be arranged as follows: Rs.690 lacs from promoters; Rs.120 lacs from unsecured loans from friends and relatives; Rs.30 lacs from internal accruals and Rs.1700 lacs from banks as a term loan.
  - They have no imports, so all the foreign exchange earned through exports will be net foreign exchange earnings. The same is calculated as Rs.19,645 lacs for the period of five years.

**Observations/Clarifications of the Committee :**

- Cash flow statement of Company was not submitted. Further internal accrual to finance the proposed project is Rs.30 lacs only against total project cost of Rs. 2540 lacs. A financial arrangement for the project cost was not properly explained.
- The Chairman directed them to give detailed statement regarding financial support from other persons/companies from whom they were seeking the support with PAN numbers and relevant details.

Accordingly, the proposal of the unit was deferred to the next AC meeting till the unit submitted their report.

**(B) DEFERRED CASES FROM PREVIOUS MEETINGS OF THE UAC :-**

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

Shri Prakash Chavan, General Manager-Projects 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 AC. It was confirmed by Shri Chavan that as advised in the last meeting of the committee the company had paid the amount of penalty of Rs.6,50,000/- under protest, imposed upon them by the CESTAT, New Delhi.

**Observations/Clarifications of the Committee :**

- The project was discussed in the last meeting of the committee. The unit had paid the full amount of penalty under protest, as advised. . After detailed deliberation, the proposal was approved/ accepted. Further the proposal would be subject to standard terms and conditions.

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

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

- They had submitted the list of all the cases of Central Excise, Customs, Income Tax etc. pending against the company with all the relevant details and present status. All the cases were essentially matters of interpretation only and no Director/Promoter was debarred from getting any license/letter of intent/letter of permission under Foreign Trade Act, 1992 or Foreign Exchange Management Act, 1999 or Customs Act, 1962 or Central Excise Act, 1944.

### Observations/Clarifications of the Committee :

- The project was discussed in the last meeting of the committee. The unit had declared all the details of the cases pending against them. After detailed deliberation, the proposal was approved/accepted with a cautionary warning to the unit to be more careful in future and ensure that such type of mistake or any mis-declaration do not occur in future. Further the proposal would be subject to standard terms and conditions.

## 3. M/S. TORRENT ENERGY LTD.

Shri Kapil Khandelwal, Vice President-Finance of M/s. Torrent Energy Ltd. appeared before the Approval Committee for interview and put forth the following points:

- M/s. Torrent Energy Limited possesses two LOAs – one as a unit and the other as a co-developer in Dahej SEZ. The company would like to generate the electricity as a unit and necessary transmission and distribution network of electricity as a co-developer in Dahej SEZ area.
- Earlier in the LOA, M/s. Torrent Energy Limited was permitted for generation as well as transmission and distribution of the electricity as a unit. Shri Khandelwal, VP-Finance of M/s. Torrent Energy Ltd. stated that the LOA issued to unit should be amended to include only generation of electricity. Transmission and distribution should be deleted. The issue was discussed by the members in the 20<sup>th</sup> meeting and it was decided that before amending the LOA M/s. Torrent Energy Limited had 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. Accordingly the list of material with all the calculations of duty was prepared and submitted by the company before AC.
- All the materials procured by M/s. Torrent Energy Ltd. as a Co-Developer or as a Unit of SEZ are exempted from duty as per SEZ Act, 2005 and SEZ Rules, 2006.

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**Observations/Clarifications of the Committee :**

- Materials procured by M/s.Torrent Energy Ltd. are exempted from duty as they are Co-Developer and unit in Dahej SEZ.
- As they already got the LOA from the Board of Approval to work as a Co-Developer in Dahej SEZ to distribute and transmit the power to the units of SEZ, the same activity requires to be deleted from their LOA, issued by DC office to them as a unit of SEZ.

The proposal of the unit was approved by the committee.

**(C) OTHER CASES :-**

**1. M/S. MEGHMANI CHEMTECH LTD.**

Shri M.V. Mori, General Manager-Comm. of M/s. Meghmani Chemtech Ltd. appeared before the Approval Committee and put forth following points:

- There are 51 services which are required for authorized operations of the company.
- Proper justification is given against each service.

**Observations/Clarifications of the Committee :**

- Out of 51 services, 46 services which were covered under the default list of services were approved. Apart from these two other services viz. (1) Business Support Service and (2) Port service by other port or any authorized person of that port were also approved. Remaining three services viz. (1) Cable Operator Service, (2) Clubs and Associations and (3) Photography services were not approved, as the same were not required by the unit at this stage.

**2. M/S. ONGC PETRO ADDITIONS LTD.**

Shri P.K. Johri, CEO and other officials of M/s. ONGC Petro Additions Ltd. appeared before the Approval Committee and put forth the following points:

- M/s. OPAL had entered into the contract with Engineers India Limited (EIL) to provide consultancy services to them.
- Shri Johri stated that the said contract was specifically for the unit at Dahej SEZ and the contractor would provide the services for their unit at Dahej SEZ only. So they needed a certificate mentioning that all the services provided by M/s.EIL to M/s. OPAL would be consumed in the Dahej SEZ only.

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**Observations/Clarifications of the Committee :**

- It was observed that the Approval Committee had already approved the services of consulting engineers to M/s. OPAL. So, the certificate requested was not under the purview of committee.

**3. M/S. CHEMORGE(JAIN)**

Shri S.C. Damani, Proprietor of M/s. Chemorge (Jain) has informed vide letter dated 22/09/2010 that due to some religious function he would not be able to attend the meeting.

Accordingly, the issue was deferred to the next AC meeting.

**4. M/S. SARJU IMPEX LIMITED.**

Shri Nikhil Tilala, Director and Shri Arjan Vaghasiya, Director of M/s. Sarju Impex Limited appeared before the Approval Committee and put forth following points:

- They requested that as a part of manufacturing process, they needed Oxygen gas for free forming and cutting machines of their raw material. So they proposed to set up Oxygen manufacturing process in their plant itself with increased capital investment of Rs.90.00 Lacs for air separation plant.
- They also intend to sell the excess part of Oxygen and it's by product Nitrogen gas in domestic market nearby Dahej.

**Observations/Clarifications of the Committee :**

It was stated that M/s. Dahej SEZ Ltd. (The Developer) had given a notice to the unit for excess construction beyond approved development plan. The unit had yet to reply the same. It was advised to the unit that they should reply to the notice and also submit the revised development plans, including the detailed drawings/layout of the above proposal to the developer. After approval of the building plan/layout, the unit could again approach the Approval Committee. Accordingly, the proposal of the unit was deferred to the next meeting of the AC.

**(C) ADDITIONAL AGENDA POINTS :-**

**1. M/S. SAPTHAGIRI HOSPITALITY PVT. LTD.**

Shri Hiren N. Barot, Assistant Project Manager of M/s. Sapthagiri Hospitality Pvt. Ltd. appeared before the Approval Committee and put forth following points:

- They submitted a list of goods and services required for office, godown and related activities of their authorized operations in Dahej SEZ.

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**Observations/Clarifications of the Committee :**

The list submitted by the Co-Developer was not specific i.e. for which authorized operations the listed material is required and the period was also not clarified. They were directed to provide all the details to Central Excise office at Vadodara as well as to the DC office at Ahmedabad. The proposal was accepted subject to the scrutiny and Approval from Central Excise Commissioner.

**3. M/S. OIL AND NATURAL GAS CORPORATION LTD.(ONGC)**

Shri S.K. Sharma, SE of M/s. Oil and Natural Gas Corporation Ltd. (ONGC), C2C3 Plant appeared before the Approval Committee and put forth the following points:

- Confirmation/ cognizance of letter No.D.12/23/2009-SEZ dated 12.05.2010 issued by MoCI was requested by them.

A copy of the letter was given to all the members of Unit Approval Committee and was taken on record.

**4. DAHEJ SEZ LTD.**

Shri R.J. Shah, CEO of M/s. Dahej SEZ Ltd. submitted the list of goods for necessary approval in the meeting of UAC.

Shri Shah stated that as advised in the last meeting, the proposal submitted was for purchase of CC TV cameras with necessary supporting system for Dahej SEZ.

After deliberation, the committee approved the list.

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(Pravir Kumar)  
Chairman of Approval Committee,  
& Development Commissioner,  
Dahej Special Economic Zone.

*S.N. Patil*  
(S.N.PATIL)

Joint Development Commissioner  
Dahej Special Economic Zone