

Minutes of the **Twenty Fourth meeting** of the **Approval Committee for the multi-product Dahej – Special Economic Zone** held on **22-10-2010**, at **11-00 hours** at Ahmedabad under the Chairmanship of **Shri Pravir Kumar IAS, Development Commissioner, Dahej Special Economic Zone**, in the Conference Room of DC Office, Ahmedabad.

List of Participants is annexed as Annexure -1.

24.1 Confirmation of minutes of 23rd Meeting :

As no comments /observations on the draft minutes of the 23rd meeting of the Approval Committee of the Dahej SEZ held on 22/09/2010 were received from any member, the same were confirmed.

24.2 Report on actions taken on the decisions of the 23rd Meeting of the Committee.

Following actions have been taken:

- A Letter of Approval (LOA) has been issued to
 - a. M/s. Tagros Chemicals India Ltd.
 - b. M/s. Shiva Pharmachem Pvt. Ltd.
 - c. M/s. Saraswati Industries Syndicate Ltd.
- An addendum to LOA has been issued to M/s. Torrent Energy Ltd.
- A letter along with list of approved services has been issued to:
 1. M/s. Meghmani Chemtech Ltd.
 2. M/s. Saphthagiri Hospitality Pvt. Ltd.
- A letter has been issued to M/s. DSL (The developer) regarding approval of list of goods.

24.3 Consideration of applications under SEZ Rules, 2006.

24.3.1 FRESH CASES : -

a) M/S. GUJARAT FLUOROCHEMICALS LTD.

Shri J.S. Bedi, Director and other officials on behalf of M/s. Gujarat Fluorochemicals Ltd. appeared before the Approval Committee for interview and put forth the following points:

- The error in the calculation of NFE, as pointed out by the Committee, was accepted by the unit. NFE earning for the first five years will be 108000 lacs and not 1080000 lacs, as mentioned in the application.

- Gujarat Fluorochemicals Limited (GFL) is a public limited company and listed on the BSE and NSE.
- The unit would produce Free flow grade PTFE & Fine cut PTFE at Dahej unit with Annual capacity of 3600 MT and 2400 MT respectively.
- Cost of the project would be Rs. 39.44 crore and total 120 persons would be employed.
- GFL has developed and established the Technology with the help of in-house Development, US & European Consultants.

Observations/Clarifications of the Committee :

- After detailed deliberation, the proposal was approved/ accepted. Further the proposal would be subject to standard terms and conditions.

b) M/S. VIJAY TANKS & VESSELS LTD.

Shri V.S. Sunderrajan, Director and other officials from M/s. Vijay Tanks & Vessels Ltd. appeared before the Approval Committee for interview and put forth the following points:

- Vijay Tanks & Vessels Ltd. is one of the leading storage tank & process equipment fabrication companies in the world.
- This is a public limited company, based at Vadodara and having branches at New Delhi, Chennai, Mumbai, Abu Dhabi and fabrication plants at Vadodara and Kandla.
- Proposed plant in Dahej would manufacture Storage Tanks and Process Equipments, with annual capacity of 2000 MT.
- Total cost of project would be Rs 1.30 crore with NFE earnings for the first five years would be 3367.09 lacs. Total 100 persons would be employed.

Observations/Clarifications of the Committee :

- The company is already having a successful unit in Kandla SEZ. After detailed deliberation, the proposal was approved/ accepted. Further the proposal would be subject to standard terms and conditions.

24.3.2 DEFERRED CASES : -

a) M/S. SAJJAN SPECIALTY LIMITED

Shri P.K. Srivastava, G.M.(Comm.) and other officials from M/s. Sajjan Specialty Limited appeared before the Approval Committee for interview and put forth the following points:

- The company has been promoted by M/s Sajjan India Limited, a leading manufacturer and exporter of intermediates for Specialty Dyes & Pigments, Agrochemicals, Polymers, Electronics and Photo chemicals.
- Proposed manufacturing facility at Dahej SEZ would manufacture specialty chemicals with total capacity of 3000 TPA.
- Total cost of project would be Rs 50 crore, NFE earnings for the first five years would be Rs. 75.45 crore and total employment would be 180.

Observations/Clarifications of the Committee :

- The company is having a successful EOU unit in Ankleshwar. After detailed deliberation, the proposal was approved/ accepted. Further the proposal would be subject to standard terms and conditions.

b) M/S. NEO BAGS OVERSEAS PVT. LTD.

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

- They have already given presentation about their project in the previous meeting of the Approval Committee.
- Shri Modi submitted that as applied in Form-F, there was a requirement of Rs. 840 lacs as promoters' contribution. He also submitted a letter showing the bifurcation of promoters' contribution.

Observations/Clarifications of the Committee :

The Approval Committee was satisfied with the assurance given by the family and friends of Shri Jajodia to him, regarding their investments in the proposed unit in Dahej SEZ. After detailed deliberation, the proposal was approved/ accepted. Further the proposal would be subject to standard terms and conditions.

c) M/S. CHEMORGE (JAIN)

Shri S.C. Damani, Proprietor of M/s. Chemorge (Jain) appeared before the Approval Committee for interview and put forth following points:



- The issue of the unit was to transfer the name of ownership i.e. from M/s.Chemorge (Jain) to M/s.Glomet Technologies Pvt. Ltd.
- M/s.Chemorge (Jain) is a proprietorship unit.

Observations/Clarifications of the Committee :

It was found that As per the Ministry Letter No.F.2/9/2003-EPZ dated 19.10.2010 to transfer the ownership at least 51% equity is held by the original owner of the unit. In the present unit it is 41%. The proposal was deferred to next meeting advising the firm to change the equity share holding pattern, for which the unit agreed.

24.3.3 Other cases

24.3.3.1 M/s. Neesa Infrastructure Ltd.

Mr. Shibu Pillai of the unit attended the meeting. Unit had submitted list of taxable services for approval in view to claim to refund. Approval committee scrutinized the list of total 48 services submitted by the unit. All the services which are in the default list of services were approved. Service of intellectual property service 65(105) (zzr) was not approved. Outdoor caterer including canteen contractor 65(105) (zze), Site Preparation 65(105) (zzza) Services were approved. Further, it was decided that these two services should also be included in the default list. The unit was given approval for the services, as per the default list.

24.3.3.2 M/s. Meghmani Industries Ltd.

Mr. Manohar Maheshwari, General Manager Commercial attended the meeting. Approval committee scrutinized the list of total 100 services submitted by the unit. All the services which were in the default list of services, were approved. Services which were not in the default list were not approved. It was advised to the unit that whenever they require the additional services, they could apply for the same, with proper justification and the committee would scrutinize again. The unit was given approval for the services, as per the default list.

24.3.3.3 M/s. Panama Petrochem Ltd.

Mr. Samir Rayani Director & Mr. Nikam General Manager attended the meeting. Approval committee scrutinized the list of total 24 services submitted by the unit. It was pointed out that the section codes submitted along with list were not correct.

The unit agreed to submit correct codes for the services. All the services, which were in the default list of services, were approved. In addition to these, services in respect of construction of residential complex, commercial or industrial buildings and civil structure construction as well as goods transport operators, were also

approved. Further, it was decided that these services should be included in the default list of services. The unit was given approval for the services, as per the default list.

24.3.3.4 M/s. Indofil Chemicals Company

Telecommunication services u/s65 (105) (zzzx) was approved by the approval committee.

24.3.3.5 M/s.Chemetall Lithium India Pvt. Limited.

Mr. Adhikari, Managing Director attended the meeting and explained that the capacity mentioned in the LOA was the plant handling capacity for the active ingredient (n-butyllithium-400 MT/annum). This ingredient is diluted further with hexane and the final volume of diluted product is 2400 MT / annum and requested that in the LOA total capacity should be amended to 2400 MT/annum. After deliberations, the Approval Committee approved the total capacity of the unit as 2400 MT/Annum.

24.3.4 TABLE AGENDA.

24.3.4.1. M/s.C S Specialty Chemicals Pvt.Ltd.

Mr. Uday Mehta, Financial Controller & Mr. Sunil Desai, General Manager of M/s. C. S. Specialty Chemicals Pvt. Ltd. appeared before the Approval Committee. M/s. C. S. Specialty Chemicals Pvt. Ltd. has requested to accord the LOA in the name of M/s. C S Performance Chemicals Private Limited, which is a wholly owned subsidiary of M/s. C S. Specialty Chemicals Pvt. Ltd. As per the Ministry Letter No.F.2/9/2003-EPZ dated 19.10.2010, change of ownership/name to the wholly owned subsidiary is permitted. Accordingly, the request of M/s. C S Specialty Chemicals Pvt. Ltd. for change of ownership/name was approved.

24.3.4.2 M/s. Oil & Natural Gas Corporation Ltd.

Ministry of Commerce & Industry has noted vide letter No.D.12/23/2009-SEZ dated 12.05.2010 that about 4.9 MMTPA of LNG, with customs classification 2711.11.00, would be brought into the SEZ by ONGC, out of which about 0.74 MMTPA of LNG would be used in the SEZ and the balance of 4.16 MMTPA, with the same customs classification i.e. 2711.11.00, would be returned to DTA. The Ministry has clarified that supply of LNG back to DTA is covered under proviso to Rule 49(3) of the SEZ Rules as the customs classification of the goods remains the same.

The Additional Commissioner (Technical), C. Ex. & Customs, Vadodara-II [Member of the Approval Committee, Dahej SEZ] vide his letter No.IV/16-133/Vad-2/T/10 dated 28.09.10 has submitted that a doubt is created about the Custom duty leviability on the product going out of the



SEZ into DTA, as prima facie they do not seem to be exempted. He further suggested that the DC, Dahej SEZ be requested to advise M/s. ONGC to get clarification from the Ministry of Finance with regard to the Custom duty leviability on the product moving out of the SEZ into DTA after processing.

After deliberations, Development Commissioner opined that there should be separate meeting with ONGC's C2-C3 officials and Customs authorities, to work out a suitable arrangement in this regard. Accordingly the item was deferred to next meeting.

Following additional points were discussed and approved;

1. Development Commissioner directed that the Developer should consider construction of a Jetty within Dahej SEZ for the use of all exporting units. The Developer was asked to prepare a proposal in this regard and obtain the necessary approvals at the earliest.
2. Default service list should be checked and updated as per the codes of Service Tax Department. DC office may be authorized to approve the services, as per the default list of Services. Any other service should be put up to Approval Committee for consideration.



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

Annexure-1

List of Participants in the Twenty Fourth meeting of the Approval Committee for the multi-product Dahej – Special Economic Zone held on 22-10-2010, at 11-00 hours at Ahmedabad under the Chairmanship of Shri Pravir Kumar IAS, Development Commissioner, Dahej Special Economic Zone, in the Conference Room of DC Office, Ahmedabad.

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 Vimal N. Shakwar, Jt. Commissioner of Central Excise & Customs, Vadodara-II.	Member
04.	Shri A.N. Mishra, Joint Director General of Foreign Trade Office, Vadodara.	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.	Director (Banking), Ministry of Finance, Banking Division, Government of India.
02.	District Collector of the Bharuch District or Additional District Collector or Deputy Collector as his nominee.
03.	Commissioner of Income-Tax having territorial jurisdiction over the SEZ or his nominee not below the rank of Joint Commissioner.
04.	Member Secretary, Gujarat Pollution Control Board, Gandhinagar

