

Minutes of the 26th meeting of the Approval Committee for the multi-product Dahej – Special Economic Zone held on 31-01-2011, at 11-00 hours 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.

- **Confirmation of minutes of 25th Meeting :**

As no comments /observations on the draft minutes of the 25th meeting of the Approval Committee of the Dahej SEZ held on 09/12/2010 were received from any member, the same were confirmed.

- **Report on actions taken on decision of the 25th Meeting of the Committee.**

Following actions were taken:

Letters were issued to :

1. M/s Chemorge Jain to transfer the ownership From M/s. Chemorge Jain to M/s. Glomet Technologies Pvt. Ltd.
2. M/s. DIC Fine Chemicals Pvt. Ltd to submit the revised project for consideration of Approval Committee.
3. M/s. The Saraswati Industrial Syndicate Ltd of rejection of their proposal for name change.
4. M/s. Neesa Infrastructure for the Approval of their proposal for trading.
5. M/s. Roxul Rockwool for the Approval of their proposal for increase in project cost.
6. M/s. ONGC Petro Addition Ltd. to expedite reply of SCN.
7. M/s. Torrent Energy Ltd. (Co-Developer) for the Approval of list of goods for their authorized operations.
8. M/s. Torrent Energy Ltd.(Unit) for Approval of their services.
9. M/s.Torrent Pharmaceuticals Ltd. for Approval of change of entrepreneur from M/s. Torrent Pharmaceutical Ltd to M/s. Torrent Pharmaceutical (Dahej).



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Consideration of applications under SEZ Rules, 2006.

26.1 FRESH CASES : -

✓ **26.1.1 M/s. APPL Industries Ltd.**

Shri Chirag Bhavsar President & Rakesh Gupta CS from M/s. APPL Industries Ltd appeared before the Approval Committee for interview and put forth following points.

- A presentation was shown of M/s. APPL Industries showing their manufacturing range of products, based on wide variety of resins, reinforcements, fillers and additives.
- The company has large diversified important customers like Tata, Suzuki, Maruti Udyog Etc.
- Company intends to produce Nylon, PBT, Polycarbonate, Advanced Polypropylene, Advanced Styrenic Compounds, Blends & Alloys., Advanced Colour Masterbatches, Speciality Additive Masterbatches at the DAHEJ SEZ Unit.
- Total cost of the project would be Rs. 75 crore and total employment would be 100.
- Total FOB Value of export would be Rs. 715.28 Crore in five years and NFE would be Rs. 218.35 Crore.
- The APPL has five manufacturing units located in various parts of countries.
- It was confirmed that there was no case against the company of Central Excise, Customs and Income-tax.

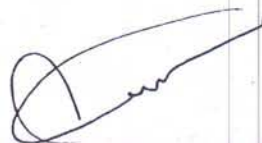
Observations/Clarifications of the Committee :

After detailed deliberation the proposal was approved and accepted, subject to standard terms & conditions.

✓ **26.1.2 M/s. Tega Industries.**

Shri Madan Mohanka chairman & MD of M/s. Tega Industries appeared before the Approval Committee for interview and put forth following points.

- A presentation was shown of M/s. Tega Industries showing their manufacturing range of products based on Mill Liners, Pump Parts, Chute & Hooper Liners.
- Company intends to produce Mill Liners, Pump Parts, Chute & Hooper Liners at the DAHEJ SEZ Unit.



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- Total cost of the project would be Rs. 65.52 crore for phase-1 and Rs. 9.21crores for phase-2 and total employment would be 365 persons.
- Total FOB Value of export would be Rs. 465 Crore in five years and NFE would be Rs. 325.05 Crore.
- It was stated that there were minor Central Excise cases against the company which would be settled in due course.

Observations/Clarifications of the Committee :

After detailed deliberation the proposal was approved and accepted, subject to standard terms & conditions.

✓ **26.1.3 M/s. Acme Telepower Ltd.**

Shri Jaimin Vasa Authorised representative of M/s. ACME Telepower appeared before the Approval Committee for interview and put forth following points.

- Company intends to produce Thin film Solar PV module. at the DAHEJ SEZ Unit.
- Total cost of the project would be Rs. 1100 crore and total employment would be 1100 persons.
- Total FOB Value of export would be Rs. 1607 Crore in five years and NFE would be Rs. 1001 Crore.
- It was stated that ACME Dahej plant would be the first of its kind in India.
- It was confirmed that there was no case of Central Excise, Customs and Income-tax against the company .

Observations/Clarifications of the Committee :

After detailed deliberation the proposal was approved and accepted, subject to standard terms & conditions.



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1. DEFERRED CASES :-

26.2.1 M/S. OIL AND NATURAL GAS CORPORATION (ONGC):

Shri V.K.Ramesh ED C2-C3 ONGC Plant attended the meeting and clarified the following issues.

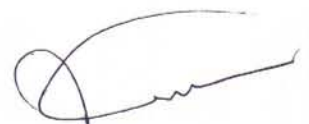
A. Methodology for assessment of custom duty on LNG feed to ONGC extraction unit in Dahej SEZ.

- i. PLL which would be supplying LNG to ONGC would execute a general bond in a sum equal to applicable duty for full LNG cargo.
- ii. Each LNG cargo would be cleared in SEZ on provisional assessment basis with applicable duty assessed only on 85% of the cargo and the balance 15 % corresponding to expected percentage consumption in SEZ being allowed to be cleared duty free.
- iii. Transfer of LNG to ONGC's extraction unit in SEZ would be under bond executed by PLL as per (i) above.
- iv. The return LNG stream is required to be cleared to PLL on duty free basis
- v. Monthly reconciliation would be carried out comparing the total of duty free quantity for LNG cargo cleared against each bill of entry during the month with the duly authenticated and SEZ customs certified consumption certificate indicating the quantity consumed in SEZ for the month.
- vi. Jurisdiction for the assessment of the total **customs duty** payable would be with Surat customs.
- vii. The bond executed by PLL as per (i) above being a general bond shall be automatically rolled over for covering future LNG cargo.

As per the above mechanism custom duty would eventually get paid on the total LNG quantity entering DTA only and the quantity consumed in SEZ for authorized operations would be duty free. Approval committee approved the above proposal and directed the unit that permission for entry and exit of Pipelines required for bringing LNG in SEZ and taking it back in to the DTA should be approved by BOA.

B. Exemption from payment of service tax on additional services to be availed in their project at Dahej SEZ.

Approval committee approved the services which were in the default list of services. It was intimated to the unit that it should submit the list of services required to be exempted with proper nomenclature and accounting code of service tax, as per the list published by Commissionerate of Service Tax.



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✓ 26.2.2 M/S. DIC Fine Chemicals:-

Shri Prashant Limay General Manager attended the meeting. M/s. DIC Fine Chemicals Pvt. Ltd. had submitted an application for Backward Integration to Beta Blue Project, which was discussed in the 25th meeting of the Approval Committee. Water requirement of the unit for this project was estimated at 4000 KL per day while the Developer stated that maximum 660KL water per day only could be supplied as per their entitlement. Mr. Limay stated that they had now made the provision for a desalination plant in their revised project and the water requirement would now be 1 MLD only, for which Developer has agreed.

After taking into account the proposed revisions, the Approval Committee approved the Beta Blue Project, which is backward integration of the existing unit.

26.3 Other cases

26.3.1 M/S.Shiva Pharmaceutical Pvt.Ltd.

Shri P. K. Mittal COO of the unit attended the meeting and explained the project. The unit requested to add formulation of Agro Chemicals viz. (1) Hexaconazole, (2) Pretilachlor, (3) Propiconazole and (4) Other Agro Chemicals, with annual capacity of 3000 TPA to their existing manufacturing activity.

It was clarified by the Unit that there would not be any additional effluent generated from this activity and there would not be any additional requirement of water for this activity.

After due deliberations, the Approval Committee approved the additional formulation of Agro Chemicals required by Unit.

26.3.2 M/S.C S Performance Chemical Pvt. Ltd.

Shri Sunil Desai attended the meeting.

M/s. CS Performance Chemicals Pvt. Ltd. has requested for exemption from payment of service tax on services to be availed by them for their project at Dahej SEZ.

Approval committee approved the services which were in the default list of services. It was intimated to the unit that it should submit the list of services required to be exempted with proper nomenclature and accounting code of service tax, as per the list published by Commissionerate of Service Tax.



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26.3.3 M/S. ROXUL-ROCKWOOL INSULATION INDIA PVT. LTD.

Shri Bartoz Stentfort of M/s. Roxul-Rockwool Insulation India Pvt. Ltd attended the meeting. M/s. Roxul-Rockwool has requested to include following services in their authorized operations and sought permission to provide the services from their SEZ unit to their group company outside SEZ:

1. Human resources services
2. Payroll
3. Professional services (excluding legal services and accounting)
4. Legal data bases
5. Revenue accounting
6. Financial services
7. Services auxiliary to all modes of transport
8. Other business services

Shri Bartoz Stentfort explained that these services would be rendered to other units of Roxul- Rockwool Company, located in DTA. Development Commissioner explained that the services which would be given in DTA would be taxable, which was agreed to by the Unit .

After deliberation Approval committee approved all the services except (7) and (8). It was intimated to the unit that it should submit the list of services required to be rendered to other Roxul units, with proper nomenclature and accounting code as per the list published by Commissionerate of Service Tax.

✓ 26.3.4 M/S. VIJAY TANKS & VESSELS LTD.

- i. Shri A V Jayaram of M/s.Vijay Tanks & Vessels Ltd. attended the meeting. Unit has requested for broad-banding of authorized operations in Dahej SEZ. LOA was issued to the unit on 09.11.2010 for manufacture of “Storage Tanks and Process Equipments”. Now the unit requested to add the following items in their authorized operations:

1. Spherical Storage Sphere
2. Mounded Storage Bullets
3. Silos
4. Gas Holder
5. Reactors
6. Columns and Towers
7. Pressure Vessels
8. Separators
9. Heat Exchangers
10. Skid Mounted Units
11. Modular Steel Structures
12. Pipe Spools.

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13. Engineering, Procurement and Construction Projects (EPC Projects)
14. Unit to Unit Intra-sale within the SEZ and also to another SEZ unit.

After deliberations, the Approval Committee decided that except for Sl. no (13) i.e. Engineering, Procurement and Construction Projects (EPC Projects) for OPAL, no separate approval was needed to be given for the above activities, as they were already covered in the existing LOA which was issued to the Unit,. Approval committee approved the activity.

Shri Jayaraman stated that unit wanted that the storage tanks and process equipment manufactured by them were very huge and could not be assembled in the plant. Therefore, Parts of the equipment were needed to be taken outside the processing zone and assembled near the Jetty (in the non-processing zone) before the dispatch.

The Approval Committee directed the unit to make fresh application with suitable details and nomenclature.

- ii. M/s.Vijay Tanks & Vessels Ltd. requested for exemption from payment of service tax on services to be availed by them for their project at Dahej SEZ.

Approval committee approved the services which were in the default list of services. It was intimated to the unit that it should submit the list of services, required to be exempted, with proper nomenclature and accounting code of service tax, as per the list published by Commissionerate of Service Tax.

26.3.5 M/S.TORRENT ENERGY LTD.

Shri Sudhir Shah ED from M/s. Torrent Energy Ltd.(As Co-Developer) attended the meeting. He requested for enhancement of their project capacity from 380 MW to 1600 MW as a Unit. Approval Committee directed the unit that since they had applied for the status of Co-Developer in Dahej SEZ (with the proposed plant in the processing area), the matter would be considered by Board of Approval.

26.3.6 M/S.TORRENT PHARMACEUTICALS (DAHEJ)

Shri Ketan Joshi GM from M/s.Torrent Pharmaceuticals (Dahej) attended the meeting.

Unit requested for exemption from payment of service tax on services to be availed by them for their project at Dahej SEZ.

Approval committee approved the services which were in the default list of services. It was intimated to the unit that it should submit the list of services required to be exempted with proper nomenclature and accounting code of service tax as per the list published by Commissionerate of Service Tax.



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26.3.7 M/S.GUJARAT STATE PETRONET LTD. (CO-DEVELOPER)

Approval Committee took a note of the quarterly progress report for the quarter October 2010 to December 2010, in Form-E submitted by M/s. Gujarat State Petronet Ltd.(Co-Developer) vide their Letter No.GSPL/F&A/22 dated 13.01.2011.

26.3.8 M/S.SAPTHAGIRI HOSPITALITY PVT. LTD. (CO-DEVELOPER)

Approval committee took a note of the half yearly progress report for the half year July 2010 to December 2010, in Form-E submitted by M/s. Sapthagiri Hospitality Pvt. Ltd.(Co-Developer), vide their letter Ref No. SHPL/135/2010-11 dated 08.01.2011.

26.3.9 M/S.DAHEJ HOSPITALITY PVT. LTD. (CO-DEVELOPER)

Approval Committee took a note of the quarterly progress report for the year October 2010 to December 2010 in Form-E submitted by M/s. Dahej Hospitality (Co-Developer) vide their letter Ref No.18/1/Corporate/DHPL dated 28/1/2011.

26.3.10 M/S.DAHEJ SEZ LTD

Approval Committee took a note of the quarterly progress report for the year October 2010 to December 2010 in Form-E submitted by M/s.Dahej SEZ Ltd. vide their letter Ref No. DSL/1397 dated 27/01/2011.

Chairman directed that exhaustive list of default services be prepared, with proper nomenclature and accounting code of service tax as per the list published by Commissionerate of Service Tax.



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

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List of Participants in the 26th meeting of the Approval Committee for the multi-product-Dahej-Special Economic Zone held on 31-01-2011, 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.

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 A.N. Mishra, Joint Director General of Foreign Trade Office, Vadodara.	Member
05.	Shri I.J.Mali, Deputy Collector, Bharuch.	Member
06.	Shri R.I. Chavda, G.M., District Industries Centre, Bharuch.	Member
07.	Shri R. J. Shah, CEO – Dahej SEZ Ltd. (Developer)	Special Invitee

Absent:-

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

