Minutes of the 37th meeting of the Unit Approval Committee for the multi-product Dahej – Special Economic Zone held on 16-02-2012, at 16:30 hours under the Chairmanship of Shri Pravir Kumar (IAS), Development Commissioner, Dahej Special Economic Zone, in the DC Office, Dahej SEZ, Ahmedabad.

List of Participants is annexed as Annexure-A.

37.1 Confirmation of minutes of 36th Meeting :

As no comments/observations on the draft minutes of the 36th meeting of the Approval Committee of the Dahej SEZ held on 01/02/2012, were received from any member, the same were confirmed.

37.2 Report on actions taken on decisions of the 36th Meeting of the Committee.

Following actions were taken:

Letters were issued to:

1. M/s. Anushakti Specialties LLP to submit the fresh list of cases of Central Excise, Service Tax, Income Tax, Sales Tax etc. against both the companies directly to the concerned Central Excise and Income Tax Department under intimation to DC office.

2. M/s. Panama Petrochem Ltd. regarding approval of their proposal to import petroleum feeds as Gas Oils from International market.

3. M/s. Meghmani Industries Ltd. regarding approval of their proposal to pack the sales promotional material (T-Shirt) with the goods meant for export.

4. M/s. Fermenta Biotech Ltd. regarding approval of their proposal for trial batches for manufacture of Cholesterol.

5. M/s. Torrent Energy Ltd. regarding approval of additional list of goods required for carrying out authorized operations in Dahej SEZ.

6. M/s .Dahej SEZ Ltd. regarding approval of additional list of goods required for carrying out authorized operations in Dahej SEZ.

Consideration of applications under SEZ Rules, 2006.

37.3 <u>FRESH CASES :</u>

37.3.1 <u>M/S.AVALON AGRO PRODUCTS PVT. LTD.</u>

Shri Charukirti Shirsode, Director and Shri Ganpati Varute, Director of M/s. Avalon Agro Products Pvt. Ltd. appeared before the Approval Committee for interview and put forth the following points:

- The founder of the company is Shri Vinay Deshmane and he is the CEO of their group.
- Their product is Guar Gum and the Indian share in global production of Guar is 80%.
- Guar gum, also called Guaran, is primarily the ground endosperm of guar seeds. Guar splits are obtained after separation of the husk and germ. After heat treatment, the hull is easy to separate by either attrition milling or various types of impact mills. The endosperm is recovered by sieving from the finer germ and hull fractions, and then milled to obtain powdered Guar gum. Raw material is easily available in Rajasthan /Haryana and Gujarat. The entire manufactured product from Dahej SEZ unit would be exported.
- There is a huge demand of the product in USA in oil field application.
- The product is non-hazardous, non-toxic, not flammable and environment friendly.
- The cost of Capital Goods would be ₹ 15 Crore.
- NFE earnings for the period of five years was projected as ₹ 2336 Crore.

Observations/Clarifications of the Committee :

After detailed deliberation, the proposal was **approved** and accepted subject to standard terms & conditions. As the applicant had not submitted I.T. Returns of their Directors along with application, they were advised to submit the same urgently to DC office.

37.4 DEFERRED CASES :

37.4.1 M/S.INDOFIL INDUSTRIES LTD.

Shri R. Mishra, Executive Vice President of M/s. Indofil Industries Ltd. appeared before the Approval Committee for interview and put forth the following points:

- It is a Synthesis project to create manufacturing facility to produce various Herbicide, Fungicide and Insecticide products.
- The processes will have highly efficient solvent recovery and recycle system integrated into plant which would result in very low emission of solvent into atmosphere. Further, all solid waste will be incinerated at site to avoid transportation of hazardous waste. The plant will have automated control to avoid human exposure to pesticide by avoiding manual handling.
- Plant would be Zero Wastage discharge plant with no chemical contaminated water outlet thus it is environment friendly.
- Production capacity would be 3000 MT p.a.
- The project cost would be ₹ 100 Crore.
- NFE earnings would be ₹ 55.08 Crore for the period of five years.

Observations/Clarifications of the Committee :

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

37.4.2 M/S.ANUSHAKTI SPECIALTIES LLP

Shri Kirit Mehta, Director and Shri Kirit Shastri of M/s. Anushakti Specialties LLP appeared before the Approval Committee for interview and put forth following points:

- M/s. Anushakti Specialties LLP is a Limited Liability Partnership between M/s. Aarti Industries Ltd. and M/s. Aarti Healthcare Ltd.
- M/s. Aarti Industries Ltd. is a leading manufacturer of Specialty Chemicals with diversified end-uses into Pharmaceuticals, Agrochemicals, Polymer Additives, Surfactants, Pigments, Dyes etc.
- M/s. Anushakti Chemicals & Drugs Ltd. started unit in the year 2002-03 with manufacturing unit located at Bhachau, Kutch, Gujarat. Manufacturing activity of Anushakti got merged into M/s. Aarti Healthcare Ltd. w.e.f. 01.07.2010. Dahej unit would manufacture Ethylation products, Hydrogenation products and chlorination products in the plant and export to European market. Unit will have zero effluent discharge. The unit would require ethylene/chlorine which would be brought from M/s Reliance Chemical plant located in the vicinity, through a pipe line.
- As directed in the last meeting of Approval Committee they submitted the detail list of cases of Central Excise, Service Tax, Income Tax, Sales Tax etc. against both the companies to concerned departments and DC office. However, all the cases are matter of interpretation and there is not a single criminal case against the company or directors.
- Company has paid income tax of ₹ 27 crore last year.

Observations/Clarifications of the Committee :

Representative of Central excise and customs confirmed that he had received the list and all the cases mentioned in the list were matter of interpretation and company has appealed against these cases in the tribunal. There is no criminal case against the company. It was informed to the unit that permission for laying pipeline for bringing ethylene/chlorine from M/s Reliance Chemical would be granted by Board of Approval, for which unit has to apply separately.

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

37.5 OTHER CASES:

Annual Performance Reports for the year 2010-11 of the following units in Dahej SEZ, was put up before the Approval Committee:

- M/s. Indofil Industries Ltd.
- M/s. Firmenich Aromatics Production (I) Pvt. Ltd.
- M/s.DIC Fine Chemicals Pvt. Ltd.
- M/s. Rallis India Ltd.
- M/s. Vijay Tanks & Vessels Ltd.
- M/s. Panama Perochem Ltd.
- M/s. Tiong Woon Project & Contracting (India) Pvt. Ltd.

The Approval Committee took a note for the same and directed that units which have negative NFE should be issued notice.

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

Minutes of the 37th meeting of the Unit Approval Committee for the multi-product Dahej – Special Economic Zone held on 16-02-2012, at 16:30 hours under the Chairmanship of Shri Pravir Kumar (IAS), Development Commissioner, Dahej Special Economic Zone, in the DC Office, Dahej SEZ, Ahmedabad.

Annexure-A

List of Participants in the 37th meeting of the Approval Committee:-

The following were Present:-

01.	Shri Pravir Kumar (IAS), 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.P. Bunker, Joint DGFT, Vadodara **(Through Video Conference)**	Member
04.	Shri C.N. Patel, Dy.Commissioner of Central Excise & Customs, Div.Bharuch.	Member
05.	Shri P.S. Prajapati, Dy.Collector, MDM, Bharuch.	Member
05.	Shri H.K. Chaudhary, Manager(RM) Nominee of District Industries Centre, Bharuch.	Member
06.	Shri S.B. Parmar, DEE, Gujarat Pollution Control Board, 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.