



Minutes of the 3rd (third) meeting of the Approval Committee for the multi-product Dahej – Special Economic Zone held on 14-11-2008, at 1530 hours at Vadodara under the Chairmanship of Shri Ravi S Saxena, IAS, Development Commissioner, Dahej Special Economic Zone, in the conference room of hotel surya palace, opp. parsi agiari, sayajiganj, vadodara., 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, Rajkot.	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

The following were present:-

01.	Shri Ravi S. Saxena, Development Commissioner, Dahej Special Economic Zone.	Chairperson
02.	Shri B. K. Bansal, Commissioner of Central Excise & Customs, Vadodara-II.	Member.
03.	Smt . Arti Kanwar District collector, Bharuch	Member
04.	Shri S. N. Patil, Joint Development Commissioner, Dahej SEZ.	Nominee of Director, Department of Commerce.
05.	Shri Rajesh I. Chavda, General Manager, District Industries Centre, Bharuch.	Member

Absent:-

01	Commissioner of Income-Tax . Baroda-III.
02	Joint Director General of Foreign Trade, Rajkot.
03.	Director (Banking), Banking Division, Ministry of Finance, Government of India.
04	Representative of M/s. Dahej SEZ Ltd., (Developer).

**A) Old Case:-**

**01) Benzo Chem Industries Pvt. Ltd., Mumbai.**

Shri Surendra kumar Mohatta , Director of the company appeared before the Committee for personal interview, and explained about the proposed project proposal . The Approval Committee found that the application was very old( 10 th March 2008) and also representative of the applicant company could not present the project properly, it seems they are not seriously interested in the proposed project. Therefore, the Approval Committee decided to reject the current project application, with an advice to the applicant to apply afresh in case they are interested in setting up a new unit in Dahej – SEZ.



**A) Deferred Case:-****01) Ramdev Chemical Industries, Ankleshwar:-**

Shri Suresh Bhingaradia, Director of the company appeared before the Committee for personal interview, and explained about the proposed project proposal. The proposal of M/s. Ramdev Chemical Industries, Ankleshwar, a Partnership firm is for setting up a new unit in the Dahej-SEZ, manufacture and export of 1) Pigment Blue 15:3 2) Pigment Blue 15:4 3) Pigment Phthalocyanine Blue Crude (Pigment Blue 15:3). { under Chapter-32 of ITC (HS) }.

Promoters/partners of the Applicant Company are in the field of export of pigments to printing ink manufacturers worldwide, from the year 2004. Due to increase in demand from existing clients, they intend to invest in new capacity, thus the current project proposal. Therefore, there shall be no hitch in marketing their finished production from the proposed manufacturing unit in Dahej – SEZ. They do not intend to import any capital goods, however, they intend to procure indigenous capital goods worth Rs. 1651.00 Lakhs for the proposed project. FOB value of exports for the 5 years period is projected as Rs. 53500.00 Lakhs with NFE of Rs. 53500.00 Lakhs (100%). The Committee observed that the proposed project does not envisage any Domestic Tariff Area (DTA) sales. Thus, the proposal was approved by the Approval Committee subject to standard terms & conditions, and also to the facts/statements of the Director of the applicant company that there is no case pending against them.

**02) Sun Pharmaceutical Industries Ltd., Vadodara.**

Shri Shailesh Desai Director of the company appeared before the Committee for personal interview, and explained about the proposed project proposal. The proposal of Sun pharmaceuticals Industries Limited is for setting up a new unit in the Dahej-SEZ, Manufacturing of Various pharmaceuticals formulations viz. tables & Capsules and various pharmaceuticals Bulk Drugs falling under chapter 30 & 28 and 29 of ITC HS.

The company is engaged in the business of manufacturing, marketing, Selling and trading of export pharmaceutical products in Domestic & International Market. The specialty areas of this company are therapeutic segments like cardiology, Ophthalmology and pain management. The company has very wide marketing network all throughout the country. It is also an exporter of formulations and bulk drugs to various Asian, African and CIS (Former USSR) countries. The total turnover of about Rs. 806 (FOB Value) Crores during the year 2007-2008.

They intend to import raw material & Components, Consumable, Packing, Fuel etc. worth Rs. 24514 Lakhs for the proposed project. FOB value of exports for the 5 years period is projected as Rs. 106413311 Lakhs with NFE of Rs. 81900.00 Lakhs (76.96%). Director stated that there are some excise cases which are raised by audit teams and are related to other manufacturing units. Clarifications regarding these can be given. The proposal was approved by the Approval Committee subject to standard terms & conditions, and also to the facts/statements of the Director regarding pending cases.



**03) Torrent Pharmaceuticals Ltd., Ahmedabad:-**

Shri Sanjay Dalal Director of the applicant company appeared before the Approval Committee. The proposal of M/s. Torrent Pharmaceuticals Ltd., Ahmedabad, is for setting up a new unit in the Dahej-SEZ, manufacture and export of Active Pharmaceutical Ingredients (Bulk Drugs) {under Chapter-29 of ITC (HS)}. They intend to import and procure capital goods worth Rs. 4347.00 Lakhs for the proposed project; there shall very less import of raw materials. FOB value of exports for the 5 years period is projected as Rs. 87039.00 Lakhs with NFE of Rs. 86469.00 Lakhs (99.34%).

Promoters of the Applicant Company are from established Torrent group of companies, based in Ahmedabad. They intend to market their finished products to established international markets, where they have filed patents covering all major markets worldwide, like USA, Japan, Europe, Canada, Australia, China, etc. The Committee observed that the proposed project does not envisage any Domestic Tariff Area (DTA) sales. Thus, the proposal was approved by the Approval Committee subject to standard terms & conditions, and also to the facts/statements of the Director of the applicant company that there is no case pending against them.

**B) Fresh proposals for units in Dahej - SEZ:-****1) Gujarat Dyestuff Industries, Vadodara.**

Shri D.C.Sharma, Director of the company appeared before the Committee for personal interview, and explained about the proposed project proposal. The proposal of M/s. Gujarat dyestuff Industries is for setting up a new unit in the Dahej-SEZ, Manufacturing of 1) Vinyl Sulphone Ester 2) Hydrochloric Acid 3) Sulphuric Acid (Dilute) falling under chapters - 28, 29 of ITC HS

The GD Dyestuff Industries Limited was incorporated in the year 1987 and its having a manufacturing unit namely Gujarat Dyestuff Industries, Baroda. The unit is manufacturing Vinyl Sulphone and the capacity of the unit is about 2000 MT P.A. Presently, the company is exporting about 95% of the production manufactured at Nandesari to various countries like Germany, Indonesia, & Brazil.

The promoter of company Shri R.L.Goyal who is a qualified bachelors of Engineering and also having more than 30 years experience in the Chemical line. Shri R. L. Goyal has also promoted other chemical Industries viz. M/s. Luna Chemical Industries Pvt. Ltd. which is having three manufacturing units at Panoli, Oplad & Dahej and its annual turnover is about Rs. 250.00 Crores.

Since the company is already in the same line of business and its presently exporting not only its own manufactured finished goods but also exporting the same product manufactured by the other manufacturers. . They intend to import raw material & Components, Consumable, Packing, Fuel etc. worth Rs. 5589.00 Lakhs for the proposed project. FOB value of exports for the 5 years period is projected as Rs. 46010.00 Lakhs with NFE of Rs. 40421.00



Lakhs (87.85%). The Committee observed that the proposed project does not envisage any Domestic Tariff Area (DTA) sales. Thus, the proposal was approved by the Approval Committee subject to standard terms & conditions, and also to the facts/statements of the Director of the applicant company that there is no case pending against them.

## **2) Roxul – Rockwool Insulation India Pvt. Ltd., Ahmedabad**

Shri Subhash Dalmia country head of the company appeared before the Committee for personal interview, and explained about the proposed project proposal. The proposal, is for setting up a new unit in the Dahej-SEZ, manufacture and export of 1) Pipe Section; 2) Slabs; & 3) Wired Mats {under Chapter-68 of ITC (HS)}.

The proposal is a joint venture from Rockwool International A/S of Denmark, and KAEFER Punj Lloyd Limited India. KAEFER Isoliertechnik GMBH & Co is a German company it's headquarter in Bremen, Germany. They intend to market their finished products (which are insulation products) to established international markets viz Middle East(Qatar,Saudi Arabia,Kuwait,and other middle east countries),South Africa , Far east and Indian market through the principal Rockwool International of Denmark.

They intend to import and procure capital goods worth Rs. 11840.00 lakhs for the proposed project; there shall very less import of raw materials. FOB value of exports for the 5 years period is projected as Rs. 31761.00 lakhs with NFE of Rs. 18329.00 Lakhs (57.71%).It was stated that nearly 40% of production will be used for DTA sales. It was felt that firm is setting up unit to get benefits of SEZ but without aiming at export. However the proposal was approved by the Approval Committee with observation of keeping close watch on DTA Clearances .

## **C) Review of approval given by the DC, Dahej – SEZ.**

M/s. ABG Shipyard Ltd., Mumbai, were granted approval for setting up a unit in Dahej SEZ for manufacture and export of 1) Ships, Barges, Tugs, Floating, Platform & accessories; 2) Ship Repair; 3) Offshore Jack up Drilling Rigs & Accessories, 4) Main Engines & Other ancillary equipments for offshore facilities & all kind of vessels, vide Letter of Approval dated 23-05-2008, by the Development Commissioner. The approval was granted by DC in absence of Approval Committee, under Section-14 (2) of the SEZ Act, 2005, during the month of May, 2008.


Meanwhile, the Government of India in the Ministry of Commerce & Industry had constituted and notified an Approval Committee vide Notification No. S.O.993 (E) dated **25-04-2008**. The said notification was received by the office of the DC, Dahej – SEZ, during the month of August, 2008, thus this case of ABG Shipyard Ltd., and other cases were reported to the Approval Committee for post facto approval of the action taken by the DC, Dahej – SEZ, in its first meeting held on 19-08-2008.

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The Commissioner of Central Excise, Vadodara-II (member of the Approval Committee), vide his letter dated 30-09-2008 (copy enclosed) has reported that there is an allegation of duty evasion against this approval holder (ABG Shipyard Ltd).

It was decided to let the LOA continue. However it was also decided that notice to be given to the unit regarding duty evasion and director is to be called for giving explanation in this regard in the next UAC. Also performance of the unit has to be watched every 6 months and put up to UAC.

 21/12/11

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