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Minutes of the 8th (Eight) meeting of the Approval Committee for the multi-product Dahej – Special Economic Zone held on 07-07-2009, at 10-30 hours at Vadodara under the Chairmanship of Shri S. N. Patil, IOFS , Development Commissioner, Dahej Special Economic Zone, in the conference room of OPAL, VCCI Complex, 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

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The following were present:-

01.	Shri S. N. Patil Development Commissioner, Dahej Special Economic Zone.	Chairman
02.	Shri V. K. Agrawal, Addl. Commissioner of Central Excise & Customs, Vadodra-II.	Member.
03.	Shri S. C. Rajan Additional Commissioner of Income Tax, Bharuch	Member
04.	Mrs. Lata Shukla, Joint DGFT, Vadodara.	Member
05.	Mrs. Arti Kanwar, Collector- Bharuch	Member
06.	Shri S. T. Hathila, Manager (Mktg.), Dist. Investment Center, Bharuch.	Member
07.	Shri N. C. Modi, Representative of M/s. Dahej SEZ Ltd. (Developer)	Special Invitee

Absent:-

01	Director or Deputy Secretary to the Government of India, Ministry of Commerce & Industry, Department of Commerce or nominee.
02	Director (Banking), Ministry of Finance, Banking Division, Government of India.

DEFERRED CASES :

1. Amendment / Broadbanding of Letter of Approval to include additional products of M/s. Firmenich Aromatics Production (India) Pvt. Ltd.

As per the directives of the Approval Committee during the last meeting, Shri Sudhir N. Rao, Director of M/s. Firmenich Aromatics Production (India) Pvt. Ltd. appeared before the Committee & explained about their proposal of Broadbanding of Letter of Approval. Shri Sudhir N. Rao explained that under their new Proposal, the total Investments towards the Imported Capital Equipments would be reduced from Rs. 25 Crore to Rs. 20 Crore. He further informed that quantum of Imported Capital Equipments would now be less compared to their earlier projection & they will procure more Capital Equipments from the local market. Thus, the total Investments towards Capital Equipments will remain the same. The Approval Committee satisfied with the explanation of the Unit & approved their Broadbanding of the Letter of Approval, requested by the Unit.

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2. Request of M/s. ONGC Petro Additions Ltd. for issuance of NOC for construction of HSD Filling Station within the Unit premise

The Committee deliberated on the issue. The Development Commissioner informed the Approval Committee that the similar permission for setting up HSD filling station has been given to M/s. Essar SEZ Ltd. (The Developer) in the processing area. Shri Rajkumar Gupta , Chief Engineer of M/s. ONGC Petro Additions Ltd. explained the objective of setting up HSD filling station within their Unit in Dahej SEZ. The Approval Committee approved the request of the Unit subject to the condition that the Imported Raw- Material for setting up the HSD filling station as well as HSD will be procured by the Unit on payment of applicable Customs Duty.

M/s. ONGC Petro Additions Ltd. raised the point for HSD to be used for Vehicles for fetching the soil from outside SEZ should be allowed to be obtained Duty free. The Approval Committee rejected the Proposal as it is not possible to monitor the consumption of HSD in Vehicles which are going out of SEZ for the purpose of fetching soil.

3. Proposal for availability of draw back and benefit under rule 49(3) of SEZ rules for ONGC 's C2 plant in Dahej SEZ

ONGC is setting up C2unit in Dahej SEZ for removing C2,C3,and C4 fractions from the imported LNG which will be supplied by Petronet LNG Ltd.

The aforesaid ONGC plant would be handling 4.9 MMTPA (approx) of LNG imported and supplied by Petronet LNG ltd. after paying applicable custom duty. The SEZ unit of ONGC would consume approx 0.74 MMTPA of LNG for removal of C2+ components and remaining stream of LNG of approx 4.16 MMTPA would be supplied back to PLL in DTA. Though custody of this LNG stream (of 4.16 MMTPA) is temporarily with ONGC, title to the same continues to be with PLL . The title to 0.74 MMTPA (approx) of LNG consumed by ONGC's SEZ Unit will get transferred to ONGC in the SEZ

ONGC vide their letter no BD&JV/C2-C3/CD/08 dt 27th may 2009 (enclosed in Annex) has proposed following proposals

1. The duty paid LNG stream of 4.16 MMTPA (approx) remaining after netting out consumption in ONGC's SEZ unit is to be cleared to PLL in DTA without payment of further duty .
2. The quantity of LNG (approx 0.74 MMTPA) consumed in ONGC 's SEZ Unit due to removal of C2+ components also remains duty paid though the same has been used for the authorized operations of the SEZ Unit . It is therefore proposed to claim duty drawback /refund on the same in terms of Sec 26(1)(d) of the SEZ act 2005 .

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The Committee deliberated in detail on the matter. Shri V. K. Ramesh , Executive Director & Head of C2-C3 Project – Dahej of M/s. ONGC Ltd. gave the presentation on the above subject. On being asked , whether ONGC would file Bill of Entry for 4.9 MMTPA of LNG imported and supplied from M/s. Petronet LNG to M/s. ONGC , it was replied that ONGC has not finalize these issues with M/s. Petronet LNG. The draft agreement is not yet finalized. The representative of ONGC informed the members of U.A.C. that they want exemption from the customs procedures to be followed at SEZ for filing Bill of Entry of 4.9 MMTPA LNG , proposal for which will be submitted by them shortly and they requested to forward the proposal to Board of Approval for the approval.

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