



Government of India
Ministry of Commerce & Industry
Department of Commerce
Office of the Development Commissioner
Indore Special Economic Zone
207, 2nd Floor, Atulya IT Park, Near Crystal IT Park
Khandwa Road, Indore - 452001, Ph. 0731-2971128, 2971129
E-mail: dcisezind-mp@gov.in, Website: www.indoresez.gov.in

F. No. D-3/ISEZ/2006-07/2454

Dated: 24.06.2020

OFFICE – MEMORANDUM

Sub: First Meeting (2020-21 series) of the Approval Committee for Indore SEZ to be held on 29.06.2020 at 3:30 p.m. – Reg.

The undersigned is directed to inform you that the First Meeting (2020-21 series) of the Approval Committee constituted by the Govt. of India vide Notification dated 07.02.2007 has been scheduled to be held at 3:30 p.m. on 29.06.2020 through Video Conferencing (Google meet) under the chairmanship of the Development Commissioner, Indore SEZ in this office. Agenda Items for the same are enclosed as Annx. A.

2. You are requested to kindly make it convenient to attend the meeting through video conference.

(Ravi Chhangani)

Asstt. Development Commissioner
For Development Commissioner

To

1. The Commissioner, Indore Division, Moti Bungalow, Indore (**Member representing Govt. of Madhya Pradesh**) or his nominee of suitable seniority.
2. The Managing Director, MPIDC, Cedmap Bhawan, 16-A, Jail Road, Arera Hills Bhopal (**Member representing Govt. of Madhya Pradesh**) or his nominee of suitable seniority.
3. The Commissioner, Customs, Office of the Commissioner of Customs, Manik Bagh Palace, Indore (**Member representing Deptt. of Revenue, Govt. of India**) or his nominee of suitable seniority.
4. The Commissioner of Income Tax (CIT-I), Office of the Chief Commissioner of Income Tax, Aayakar Bhawan Annexe, Opp. White Church, Indore-1 (**Member representing Deptt. of Revenue, Govt. of India**) or his nominee of suitable seniority.
5. The Jt. Director General of Foreign Trade, Nirman Sadan, Arera Hills, Hoshangabad Road, Bhopal (**Member**) or his nominee.

6. The Executive Director, MPIDC Regional Office, 1st Floor, Atulya IT Park, Near Crystal IT Park, Khandwa Road, Indore or his representative (**Special Invitee**).
7. The Dy. Secretary to the Govt. of India, Ministry of Commerce & Industry, Deptt. of Commerce, SEZ, Udyog Bhawan, New Delhi (**Member**) or his nominee.
8. The Dy. Secretary (IF-I), Ministry of Finance, Department of Financial Services, Jeevan Deep Building, Parliament Street, New Delhi (**Member**) or his nominee.
9. The Specified Officer, Indore SEZ (**Special Invitee**).

Copy for information to concerned units (without annexure) with the request to provide their g-mail ids by 25.06.2020.

INDORE SPECIAL ECONOMIC ZONE**AGENDA FOR THE FIRST MEETING OF UNIT APPROVAL COMMITTEE
(2020-21 series) TO BE HELD AT 3:30 p.m. ON 29.06.2020**

Venue: Office of the Development Commissioner, Indore SEZ
207, 2nd Floor, Atulya IT Park, Near Crystal IT Park, Khandwa
Road, Indore

Time: 3:30 p.m.

ITEM NO - 1

Ratification of the Minutes of the Fifth Meeting (2019-20 series) held on 11.03.2020 as at Appendix 'X'.

ITEM NO- 2**PROPOSALS FOR NEW UNITS**

PROPOSAL NO. 2(i): M/s Shree Mahaveer Home Décor Pvt. Ltd.

| <u>I. COMPANY/UNIT PROFILE</u> | | | | | | | | | | |
|---|--|-------------------------|--------|------|-----------------|-----------------------|---------|---|---|---|
| (a) Name and address, telephone/fax/email id | <p>M/s Shree Mahaveer Home Décor Pvt. Ltd. Address: 1801-D, Sudama Nagar, Indore – 452 009 Telephone No.: 0731-6500109 E-mail id: mahaveercotton@gmail.com</p> | | | | | | | | | |
| (b) Status of the company i.e. Proprietorship / Partnership / Private Limited / Limited and statute under which registered with registration no. & year of registration | <p>Proprietorship / Partnership / Private Limited / Limited / Limited Liability Partnership</p> <table border="1"> <thead> <tr> <th>Registration</th> <th>Number</th> <th>Year</th> </tr> </thead> <tbody> <tr> <td>Private Limited</td> <td>U17299MP2019PTC050446</td> <td>2019</td> </tr> </tbody> </table> | Registration | Number | Year | Private Limited | U17299MP2019PTC050446 | 2019 | | | |
| Registration | Number | Year | | | | | | | | |
| Private Limited | U17299MP2019PTC050446 | 2019 | | | | | | | | |
| (c) Financial capability of the company | <table border="1"> <thead> <tr> <th colspan="3">Accounts of the company</th> </tr> <tr> <th>2016-17</th> <th>2017-18</th> <th>2018-19</th> </tr> </thead> <tbody> <tr> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>Newly incorporated in December 2019. Promoters have submitted their ITRs of last three years including balance sheet of sister concern.</p> | Accounts of the company | | | 2016-17 | 2017-18 | 2018-19 | - | - | - |
| Accounts of the company | | | | | | | | | | |
| 2016-17 | 2017-18 | 2018-19 | | | | | | | | |
| - | - | - | | | | | | | | |
| (d) IEC No / date/ issued by | <p>Number: ABDCS1242B Date: 10.01.2020 Issued by: DGFT, Bhopal</p> | | | | | | | | | |

| | |
|--|---|
| (e) Whether manufacturer / trader/ company warehouse/Service provider | Status - Manufacturing unit |
| <p>II. <u>PROJECT PROFILE</u></p> <p>(i) Product to be manufactured/trading/services to be rendered</p> <p>(ii) Brief detail of the project</p> | <p>Manufacturing of (i) Baby Garments; (ii) Women's Garments; (iii) Swaddle Blanket; (iv) Curtains; (v) Bed Skirt; (vi) Sheet Set; (vii) Mattress Cover; (viii) Chair Cover; (ix) Mattress Protector; (x) Memory Foam Mattress; and (xi) Comforter.</p> <p>M/s Shree Mahaveer Home Décor Pvt. Ltd. incorporated on 23.12.2019 is a newly established company proposing to manufacture various clothing items, bedding items and memory foam mattress. The promoters of the company are engaged in the said business activities since 2013 and are having various firms / associate concerns either in the form of Private Limited Company, proprietorship concern or partnership concern. The details of associate concerns managed by the instant promoters are (i) M/s Mahaveer Home Furnish Expo Pvt. Ltd.; (ii) M/s Mahaveer Cotton; (iii) M/s Shantunu Enterprises; (iv) M/s Shri Salem Industry; and (v) M/s Orion Corporation. All these entities are engaged into manufacturing, trading and supply both to domestic and export market through e-commerce of home furnishing, orthopedic and related products.</p> <p>According to the applicant company, the basic raw material required for manufacturing of proposed product is fabric, which will be procured from various mills/dealers located in Ahemdabad, Surat and Coimbatore. The other raw material like threads, consumables and packing materials will be procured from local suppliers and vendors. It has been stated that the promoters are into same line of business since past 8-10 years and have good marketing network and are enjoying market reputation. They are selling products on different platforms like Amazon, Ebay and local market, and with the help of these platforms, the company will be able to cover most parts of the work. It has been further stated that the company sells its product to Amazon companies in different countries from where Amazon further sells the products.</p> <p>The promoters submit that they have received very welcoming and overwhelming response from their prospective clients and have been assured of hassle free and consisting orders and therefore, the company is assured that it will not face any problem in finding the customers and satisfying their demands as per their needs and specifications. The company proposes to set up the new manufacturing unit for manufacturing with an investment of Rs. 4.00 crores wherein, investment in indigenous plant and</p> |

machinery would be Rs. 1.40 crores, land and building of Rs. 1.35 crores and other investment in the form of furniture and fixtures, electrical installations, computers etc. of Rs. 1.25 crores.

(iii) Whether confirmation regarding land allotted or proposed to be allotted or an assurance for allotment of land obtained

| Yes | No |
|-----|----|
| √ | - |

PROJECTIONS - YEAR-WISE

1. Investment

| S. No. | Plant & Machinery | Rs. In Laacs |
|--------|------------------------------------|--|
| (a) | Indigenous | 140.00 |
| | Imported (CIF Value) | 0.00 |
| | Total (i) + (ii) | 140.00 |
| (b) | Details of Source(s) of finance | Share Capital – 10.00 Unsecured Loans – 180.00 Term Loan from Bank – 210.00 Total – 400.00 |

2. Import & indigenous requirement of materials and other inputs

| | | Import | Indigenous |
|-----|--|-----------|--------------|
| (a) | Capital Goods | 0.00 lacs | 365.00 lacs |
| (b) | Raw Material, components, consumables, packing material, fuel etc. | 0.00 lacs | 5525.00 lacs |
| | Total | 0.00 lacs | 5890.00 lacs |

3. Requirement of Land/ built-up area
(Area in Sq. Mtrs.)

| | | |
|-------|-------------------------|-----------------|
| i. | Factory & Offices | 1500.00 sq.mtr. |
| ii. | Warehousing/ Storage | 1500.00 |
| iii. | Others, Specify | 600.00 |
| Total | | 3600.00 sq.mtr. |

4. Total employment

| Men | Women |
|-----|-------|
| 35 | 20 |

5. Foreign Exchange Balance Sheet

(Rs. in lacs)

| | 1 st Year | 2 nd Year | 3 rd Year | 4 th Year | 5 th Year | Total |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------|
| FOB Value | 108.0 | 1890.0 | 2160.0 | 2450.0 | 2600.0 | 9208.00 |
| Exports | 0 | 0 | 0 | 0 | 0 | 00 |
| Foreign Exchange Outgo for the first five years | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Foreign Exchange Earning | 108.00 | 1890.00 | 2160.00 | 2450.00 | 2600.00 | 9208.00 |

6. Effluent Treatment

| | |
|--|----|
| Quantum & Nature of effluent | No |
| Mode of disposal | - |
| Specify whether own Effluent Treatment Plant will be created | No |

7. Whether Foreign Technology Agreement is Envisaged

| | |
|-----|----|
| Yes | No |
| - | √ |

III. DOCUMENTATION

- (i) Copy of the draft of Rs. 5000/- towards fees
- (ii) Application in Form F
- (iii) Copy of Project Report
- (iv) Copy of Board Resolution
- (v) Copy of Certificate of Incorporation
- (vi) Copy of IEC
- (vii) Copy of PAN Card, Passport and Aadhaar Card of all the Directors
- (viii) Undertaking for Pollution Control Board
- (ix) Memorandum and Articles of Association

Request of the company

Approval for setting up of a manufacturing unit in Indore SEZ.

Rule provision w.r.t SEZ Rules, 2006

Rule No. 18 read with Rule 17 of SEZ Rules 2006 applies to the issue.

Decision required from UAC

Permission for setting up of a manufacturing unit.

DECISION OF THE UAC

ITEM NO- 3

PROPOSAL RECEIVED FROM EXISTING UNIT

PROPOSAL NO. 3(i): M/s Shankar Soya Concepts

| <u>I. COMPANY/UNIT PROFILE</u> | |
|--|---|
| (a) Name and address, telephone/fax/email id | M/s Shankar Soya Concepts Address: Plot No. M-48, Misc. Zone, Indore SEZ, Phase – II, Sector 3, Pithampur, Distt. Dhar – (M.P.) |
| (b) Issue | <p>Request for change in item of manufacture and increase in annual capacity thereof and further broad-banding of LoA by addition of new item of manufacture:-</p> <p>M/s Shankar Soya Concepts is holding LoA dated 01.03.2011 for manufacturing of Soya Lecithin Powder, Soya Phosphotidyl Choline - 35/70, Soya Lecithin Liquid / Modified Soya Lecithin, Soya Lecithin Oil, Crude Soya Oil, Sunflower Standard Lecithin, Sunflower Lecithin Powder, Soya Lecithin Granules and Standard Mustard Lecithin. The approved cumulative Annual Production Capacity of all these approved items is 3960 Tonness. The unit is operational from 03.09.2013 on Plot No. M-48 & M-49A in SEZ.</p> <p>The unit has submitted the captioned request for change in item of manufacture by way of clubbing all the existing authorized products approved in the LoA under a single classification of “Lecithin and its derivative products” alongwith inclusion of one new product namely “Poultry Feed Supplement” by way of broad-banding of the LoA.</p> <p>The details submitted by the unit for the instant proposal are as under:-</p> <p>(i) The unit is presently manufacturing the following Lecithin and its derivative products: Soya Lecithin Powder/ Granules/ Liquid, Soya Lecithin Oil, Soya PC 35/70, Standard Mustard Lecithin, Sunflower Standard Lecithin, Sunflower Lecithin Powder/ Granules/Liquid, etc. With regard to the proposed new item of manufacture i.e. Poultry Feed Supplement, it has been submitted that the same can be manufactured by processing the by products derived from Powder Lecithin.</p> <p>“Lecithin & its Derivative products” are used in Pharma preparations for Liver, Heart, Cholesterol and Process ingredient. There is wide application of Lecithin Powder, Lecithin Oil and its derivatives in Natural Emulsifying, Anti-wetting Agent, Release</p> |

Agent, Stabilizing, Conditioning, Anti-Oxidant, Nutrition, Source of Choline and Phospholipids. The scope of their products, their variations and applications has become very diverse in international markets such as European countries and in CIS countries, and the unit is receiving encouraging response from its overseas customers and is also exploring new International Markets and has good growth prospects for its products in future. There is an increasing demand of value added products like of Powder, Granules, Lecithin Oil, Soya PC- 35 & 70 derived out of lecithin of Sunflower, Mustard, and Liquid Lecithin and further derivatives as per the requirements of the customers.

Furthermore, recently the unit has been receiving various enquiries from prospective & existing customers for manufacturing the existing Lecithin derivative products with specific customisations and specifications as per their product requirement. The prospective customers have enquired about the above products based on different purity standards. The products enquired are also different based on colour/decoloured or in different state like liquid or powder or granules.

At times, the unit had received orders of derivatives with specifications with a 'distinct name', but the unit faced administrative hurdles and roadblocks in exporting such derivatives as the 'distinct name' was not mentioned in the Letter of Approval. However, there are no specific trade names for every customisation and nor can the quantity of the yearly production of each and every customised product be estimated with clear precision.

In view of the above, the unit has requested for change in name of the items of manufacture by way of clubbing all the existing authorized products under a single classification of "Lecithin and its derivative products" alongwith inclusion of one new product namely "Poultry Feed Supplement" as for the details below:

| ITC HS Code | Item Description | Unit | New Annual Production Capacity |
|-------------|--------------------------------------|--------|--------------------------------|
| 29232010 | Lecithin and its Derivative Products | Tonnes | 30000 |
| 23099090 | Poultry Feed Supplement | Tonnes | 600 |

(ii) Regarding the proposed enhancement in the annual production capacity from the presently approved 3960 Tonnes to 30000 Tonnes for the item i.e. "Lecithin and its derivative

products”, the unit has submitted that the promoters have planned and are confident to increase the annual production of ‘Lecithin and its derivative products’ to 30000 TPA with the existing set up of Plant & Machinery by making major modifications and automation in processes. The unit proposes to operate the plant on 3 shift basis to increase the output from the current single shift. This will also help in optimum utilization of the existing production capacity. The unit has planned to get various fabrication work done at the plant site and procure a few ancillary support machines/parts indigenously.

Further, the unit is introducing automation in the potential business processes and has stated that learning from experience and under technical guidance, the unit is working to remove major bottlenecks in various stages of the production process which had been limiting the production capacity of the unit. Removing major bottlenecks at various stages of the production process will give a major boost to the Production Capacity of the unit. The unit has proposed an approx. investment of Rs. 5 crores in ancillary machineries/parts which will be procured indigenously along with additional capital expenditure of approx. Rs. 1 crore in civil construction and modification. Thus, the total capital investment will be approx. Rs. 6 crores.

The unit has also submitted that till last year they had a severe space constraint to store its finished products at the Factory Premises because of which the unit was under constant pressure to manufacture only that much quantity which can be stored. The space constraint also contributed as a bottleneck for the unit to underutilise its manufacturing capacity. However, the unit has now been allotted an adjoining Plot No. M-49-A upon which a new bigger Storage Building is under construction. Upon operationalizing the new storage area, the unit will be eliminating a major bottleneck and will be able to produce more to optimally utilise its manufacturing capacity.

(iii) With regard to the ITC(HS) Code, it has been stated that the HS Code 292320 stands for ‘HS Codes of Lecithins and other phosphoaminolipids’ under which the entry as ‘HS Code 29232010’ which stands for ‘HS Codes Classification of Lecithins’. Thus, as the ‘HS Code 20232010’ stands for ‘all classification of Lecithins’, therefore ‘HS Code 29232010’ includes in itself: Lecithin and all the types/variations/classifications of Lecithin. Further, in the export market, globally, Lecithin and its derivatives such as Phosphatidyl Choline & Lecithin Powder/Liquid/Granules form are traded and sold in same HS code of 29232010. Even though their scientific name could be different but for the sake of uniformity for Global Trade & Customs, their commercial name is Lecithin and its

derivative products which are traded globally.

(iv) The unit has enclosed manufacturing process flow chart of the various products manufactured by it at its facility in the SEZ, having different nomenclatures. The manufactured products get different nomenclatures based on specific customisations and specifications as per the customer requirement. The product nomenclatures also vary based on different purity standard, colour/decoloured, or in different state like liquid or powder or granules.

The unit will continue to manufacture the authorized products as per the existing manufacturing process. The derivatives are being manufactured and any further derivative can be manufactured in the existing setup of Plant & Machinery with slight modification like change in compositions or temperature/pressure setting. The manufacturing process flow chart of the various products manufactured by the unit explain & justify the stance that a variety of Lecithin Derivatives can be manufactured as per order, but then there are no specific trade names for every customisation and nor can the quantity of the yearly production of each and every customised product be estimated with clear precision. Hence, the unit has made the request for change in product name to 'Lecithin and its Derivative products'.

(v) With regard to the additional item proposed for broad-banding by inclusion in the LoA, the unit requests for the production capacity of "Poultry Feed Supplement" for 600 MT per annum. The product 'Poultry Feed Supplement' is used for maintaining general animal health. Poultry Feed Supplements are nourishment-added substances for the poultry birds, added to ensure that they get adequate supplements from their meals. These supplements can be added to poultry feed or offered as separate additions. This product will be used by Poultry Feed Manufactures in manufacturing their final product i.e. 'Poultry Feed'. The unit will supply "Poultry Feed Supplement" to major Poultry Feed Manufactures in Domestic market and in various European and CIS Countries.

(vi) The presently used raw material such as soya crude lecithin, sunflower crude lecithin, refined glycerine, crude/refined oil, hexane, acetone, hydrogen peroxides and solvents will be used to manufacture the requested product i.e. 'Lecithin and its derivative products'. The raw material may be imported or procured indigenously, as per the availability and cost effectiveness.

(vii) An additional employment of 45 persons is proposed to be generated.

In view of the above submissions, the unit has requested for

change in name of the items of manufacture by way of clubbing all the existing authorized products under a single classification of "Lecithin and its derivative products" alongwith inclusion of one new product namely "Poultry Feed Supplement"

The comments of the Specified Officer were sought on the proposal submitted by the unit considering that each of the items presently approved in the LoA are falling under different ITC(HS) Code(s), whereas, pursuant to change in name by clubbing all the approved items there would be a common ITC(HS) Code i.e. 29232010, which pertains only to Lecithin and therefore, the classification may have effect on the rates of duties for different items. The Specified Officer vide letter dated 24.06.2020 has forwarded his comments as under:-

"In this context, it is to submit that Sub-Rule (2) of Rule 19 of Special Economic Zone Rules 2006 provides that 'the Letter of Approval shall specify the items of manufacture alongwith corresponding Indian Trade Classification (Harmonized System) of export and imports, 2017' including trading or warehousing, projected annual export and Net Foreign Exchange Earning for the first five years of operations.

M/s Shankar Soya Concepts, Phase II, SEZ, Pithampur is manufacturing following products alongwith generated waste/scrap:-

- | | | |
|---|---|----------|
| (i) Soya / Mustard Lecithin Powder / Liquid / Granules | - | 29232010 |
| (ii) Soya Phosphotidyl Choline 35 & 70 | - | 29231000 |
| (iii) Soya Lecithin Oil | - | 29232010 |
| (iv) Sunflower Standard Lecithin / Powder | - | 29232010 |
| (v) Soya Crude Oil | - | 15071000 |

Since, their said manufacturing products are classified under different ITC(HS) Code, therefore, in view of the said Rule 19(2) of Special Economic Zone 2006, the said products cannot be allowed to classify under common Code i.e. 29232010 with the name Lecithin.

New Product "Poultry Feed Supplement" may be included in the LoA."

The proposal of the unit is placed before the Committee for consideration.

Decision required from UAC

Request for change in item of manufacture by way of clubbing all the existing authorized products approved in the LoA under a

| | |
|---------------------|---|
| | single classification of "Lecithin and its derivative products" alongwith inclusion of one new product namely "Poultry Feed Supplement" by way of broad-banding of the LoA. |
| DECISION OF THE UAC | |

ITEM NO - 4

Any other proposal, if received.