



Government of India
Ministry of Commerce & Industry
Department of Commerce
Office of the Development Commissioner
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F. No. D-3/ISEZ/2006-07/ 2776

Dated: 25.08.2020

OFFICE – MEMORANDUM

Sub: Second Meeting (2020-21 series) of the Approval Committee for Indore SEZ to be held on 31.08.2020 at 3:00 p.m. – Reg.

The undersigned is directed to inform you that the Second 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 3:00 p.m. on 31.08.2020 under the chairmanship of the Development Commissioner, Indore SEZ through Video Conference (webex). Agenda Items for the same are enclosed as Annxure A.

2. You are requested to kindly make it convenient to attend the meeting through Video Conference. A weblink for the meeting shall be shared by this office shortly.

(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).

INDORE SPECIAL ECONOMIC ZONE**AGENDA FOR THE SECOND MEETING OF UNIT APPROVAL
COMMITTEE (2020-21 series) TO BE HELD AT 3:00 p.m. ON 31.08.2020**

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

Time: 3:00 p.m.

ITEM NO - 1

Ratification of the Minutes of the First Meeting (2020-21 series) held on 29.06.2020 as at Appendix 'X'.

ITEM NO- 2**PROPOSAL RECEIVED FROM EXISTING UNIT**

PROPOSAL NO. 2(i): M/s Shankar Soya Concepts

<u>I COMPANY/UNIT PROFILE</u>				
(a) Name and address, telephone/fax/email id	<p>M/s Shankar Soya Concepts Address: Plot No. M-48, Misc. Zone, Indore SEZ, Phase – II, Sector 3, Pithampur, Distt. Dhar – (M.P.)</p>			
(b) Issue	<p>Request for re-classification of the products approved in the LoA and enhancement in capacity of the products thereof including deletion of one of the approved product – LoA No. C-59/ISEZ/Proj./2010-11/1947 dated 01.03.2011:-</p> <p>M/s Shankar Soya Concepts is holding LoA dated 01.03.2011 for manufacturing of the following products:</p>			
	S. No.	ITC HS Code	Item Description	Approved Annual Production Capacity
	1.	29232010	Soya Lecithin Powder / Liquid / Granules	3960 Tonnes
	2.	29232010	Standard Mustard Lecithin	

3.	29231000	Soya Phosphotidyl Choline 35 & 70	
4.	29232010	Soya Lecithin Oil	
5.	29232010	Sunflower Standard Lecithin / Powder	
6.	15071000	Soya Crude Oil	

The unit is operational from 03.09.2013 on Plot No. M-48 and M-49A in SEZ Phase-II.

The unit had earlier submitted a 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.

In view of the request, the Approval Committee in its meeting held on 29.06.2020 had approved inclusion of additional item of manufacture viz., "Poultry Feed Supplement" with annual production capacity as 600 Tonnes. The request for clubbing all the existing authorized products approved in the LoA under a single classification of "Lecithin and its derivative products", was deferred by the Approval Committee.

The decision of the Committee is reiterated below:

"The Committee deliberated in detail on the contents of the Agenda. The Committee noted that the unit is holding LoA dated 01.03.2011 for manufacturing of various items viz. 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 having different ITC(HS) codes. The Committee further noted that the unit has submitted the instant request for change in item of manufacture by way of clubbing of all the existing authorised products approved in the LoA under a single classification of "Lecithin and its derivative products" having ITC(HS) code as 29232010. The unit also requested for enhancement of annual production capacity after clubbing of all the items to 30000 Tonnes from the presently approved cumulative annual production capacity of 3960 tonnes. It was further noted that the unit has also requested for inclusion of one new product namely "Poultry Feed Supplement" by way of broad-banding of the LoA.

The Specified Officer informed the Committee that Rule 19(2) of SEZ Rules, 2006 requires inter-alia that the LoA shall specify the items of manufacture along with corresponding Indian Trade Classification (Harmonised System) of export and imports, 2017 and in the instant case whereas the manufactured products viz. Soya / Mustard Lecithin Powder / Liquid / Granules, Soya Lecithin Oil, Sunflower Standard Lecithin / Powder are falling under ITC(HS) Code as 29232010, the other products namely, Soya Phosphotidyl Choline – 35/70 and Crude Soya Oil are falling under ITC(HS) Code as 29231000 and 15071000, respectively. Therefore, in view of the stipulated rule provisions, the said products cannot be allowed to classify under common Code i.e. 29232010 with the name 'Lecithin'. With regard to the new product namely "Poultry Feed Supplement" the Specified Officer informed that the same may be included in the LoA considering that same can be manufactured by processing the by-products derived from Powder Lecithin, which is being manufactured by the unit. The representative of the unit stated that all the products being manufactured by them could be clubbed as per the explanations submitted by them.

After deliberations, the Committee decided that in order to avoid any ambiguity, it would be appropriate to call comments from the Administrative Ministry for correct classification of the products and therefore deferred the proposal. As regard the proposal for broad-banding of LoA by way of adding new item of manufacture namely 'Poultry Feed Supplement' with annual production capacity of 600 MT, the Committee decided to approve the same in terms of the provisions of Rule 19(2) of SEZ Rules, 2006."

Considering the above decision of the Approval Committee, the unit has now submitted a fresh proposal vide which it has requested to club all the approved items having common ITC(HS) code under single classification i.e.

- (i) the items mentioned at S.No. (1), (2), (4) and (5) above may be clubbed under a single classification "Lecithin and its derivative products" with an annual capacity of 25000 tons having ITC(HS) Code as 29232010; and
- (ii) the item mentioned at S.No. (3) under the classification "Phosphatidyl Choline" with an annual capacity of 5000 tons having ITC(HS) Code as 29231000.
- (iii) The unit has further requested for deletion of the approved product at S.No. (6) i.e. Crude Soya Oil from the LoA.

With regard to reasons for clubbing of the approved products having common ITC(HS) Code, the unit has submitted as under :

- (i) Recently the unit has been receiving various enquiries from prospective and existing customers for manufacturing the existing Lecithin derivative products with specific customizations 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 the colour / decoloured or in different state like liquid or powder or granules and are called by different names in different countries.
- (ii) At times, the unit had received orders of derivatives with specifications with a distinct name but the unit faced administrative hurdles and operational difficulty in exporting such derivatives as the distinct name was not mentioned in the LoA. However, no specific trade names for every customisation and nor can the quantity of the early production of each and every customized product be estimated with clear precision.
- (iii) The unit has therefore submitted that understanding the needs of the ever-changing market and to reduce the undue hardships faced by the unit, it has requested for change in name of the items of manufacture by way of clubbing the existing authorised products having common ITC HS code under a single classification along with enhancement in their production capacity, as under:

ITC HS Code	Item Description	Unit	New Annual Production Capacity
29232010	Lecithin and its Derivative Products	Tons	25000
29231000	Phosphatidyl Choline	Tons	5000

- (iv) The unit submits that the promoters have planned and are confident to increase the annual production of the manufactured products to 30000 TPA with the existing setup of plant and machinery by making major modifications in automation in the plant process. 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 utilisation of the existing production capacity. The unit has planned to get various fabrication work done at the plant site and prepare a few ancillary support machines / parts indigenously.

- (v) 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. 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. 5.00 crores in ancillary machineries / parts which will be procured indigenously along with the additional capital expenditure of approx. Rs. 1.00 crore in civil construction and modification. Thus, the total capital investment will be approx. Rs. 6.00 crores.
- (vi) 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 capacity is in final stage of completion. Upon operationalisation of the new storage area, the unit will be eliminating a major bottleneck and will be able to produce more to optimally utilize its manufacturing capacity.
- (vii) The unit will continue to manufacture the authorised products as per the existing manufacturing process. The derivatives can be manufactured in the existing setup of plant and machinery with slight modification like change in compositions or temperature / pressure setting. The Manufacturing flow charts of all the products had been submitted by the unit in its earlier request vide which the unit had explained and justified the stance that a variety of lecithin derivatives can be manufactured as per order but since there are no specific trade names for every customisation and nor can the quantity of the early production of each and every customized product be estimated with clear precision, hence, the unit made the request for change in product name to lecithin and its derivative products.
- (viii) The presently used raw material such as soya crude lecithin, sunflower crude lecithin, refined glycerine, hexane, actone, and solvents etc. will be used to manufacture the requested product. The raw material may be imported or procured indigenously. as per availability and cost-effectiveness.
- (ix) An additional employment of 45 persons is proposed to be generated.

	<p>After clubbing and enhancement in the production capacity of the approved items including the recently approved item i.e. 'poultry feed supplement', the revised foreign exchange balance sheet, as submitted by the unit, is as under:</p> <p>FoB value of Exports : Rs. 600.00 crores Foreign exchange outgo : Rs. 183.00 crores NFE earnings : Rs. 417.00 crores.</p> <p>In view of the above submissions, the unit has now proposed to club the approved items of manufacture having common ITC(HS) Code under single classification and for deletion of the approved product namely Crude Soya Oil from the LoA.</p> <p>The proposal of the unit is placed before the Committee for consideration.</p>
Decision required from UAC	Request for re-classification of the products approved in the LoA and enhancement in capacity of the products thereof including deletion of one of the approved product.
DECISION OF THE UAC	

PROPOSAL NO. 2(ii): M/s Alkem Laboratories Ltd.

II. <u>COMPANY/UNIT PROFILE</u>	
(a) Name and address, telephone/fax/email id	<p>M/s Alkem Laboratories Ltd. Address: 'Alkem House', Senapati Bapat Marg, Lower Parel, Mumbai - 400 013</p>
(b) Issue	<p>Request for broad-banding of LoA by addition of new item of manufacture - LoA No. C-113/ISEZ/Proj./2016-17/1531 dated 02.12.2016:-</p> <p>M/s Alkem Laboratories Ltd. has submitted the captioned request for addition of new item of manufacture in the existing LoA. The unit was granted LoA dated 02.12.2016 for manufacturing of Pharmaceuticals Formulations i.e. Tablets, Capsules, Dry Syrups and Drops. Subsequently, the LoA was broad-banded by addition of new items of manufacture i.e. Dermatological products in the form of Creams, Gels and Ointments. The unit has commenced production w.e.f 24.02.2020 as per the intimation submitted to this office on the allocated plot No. A-17, SEZ Phase II.</p>

In the instant request, the unit has proposed for addition of new item of manufacturing in the LoA namely 'Liquid Orals' (ITC(HS) code – 30049099) with annual production capacity as 90000 units per annum. The unit submits that Liquid Orals are homogenous liquid pharmaceutical preparations better than tablets and other solid drugs for patients that have difficulty in swallowing and are preferred in medical treatments as they are good choice for children and elderly patients. The formulations under Liquid Orals can be manufactured in the form of Solutions, Syrups, Pediatric drops etc. The unit states that the first 'Liquid Oral' medication planned to be introduced from the facility in the SEZ is 'immuno suppressant' medications used to make the body less likely to reject a transplanted organ such as liver, heart or kidney.

The unit has stated that the manufacturing line for the new product will be commissioned in the unoccupied portion of the existing factory building. The unit intends to have an additional CAPEX investment of Rs. 101.75 lacs for the broad-banded products, wherein the cost of indigenous plant & machinery, Lab/QC/IPQC/Analytical equipments will be amounting to approx. Rs. 88.00 lacs. The unit has submitted the following documents/information for its proposed manufacturing activities: (i) List of indigenous plant & machinery and Lab/QC/IPQC/Analytical equipments; (ii) manufacturing process flow chart of Liquid Orals; (iii) details of raw material required; (iv) details of additional employment i.e. of 30-35 persons; and (v) utilization of already installed power of 1500 KVA and production lay out plan of the ground floor in the existing building mentioning the location of the proposed machines.

The unit further submits that they have obtained the requisite drug manufacturing license in Form-25 and Form-28 from the Controller Food and Drugs Administration, M.P. for manufacturing of Tablets and Oral Suspension Dry Syrups. The license for the items being proposed now would be obtained before starting trial run. The unit also proposes to obtain GMP license for its facility stating that the Company follows good manufacturing practices at all its manufacturing facilities as a Company policy.

The revised foreign exchange balance sheet after inclusion of the requested product, as submitted by the unit, is as under:

FoB value of Exports	: Rs. 2844.81 crores
Foreign exchange outgo	: Rs. 558.59 crores
NFE earnings	: Rs. 2286.22 crores

	The proposal is therefore placed before the Committee for consideration in terms of provisions of Rule 19(2) of SEZ Rules, 2006.
Decision required from UAC	Request for broad-banding of LoA by addition of new items of manufacture.
DECISION OF THE UAC	

PROPOSAL NO. 2(iii): M/s Jash Engineering Ltd. (Unit-I)

III. COMPANY/UNIT PROFILE

(a) Name and address, telephone/fax/email id

M/s Jash Engineering Ltd. (Unit-I)

Address: 'Plot No. M-11, SEZ Phase-II, Indore SEZ, Sector 3, Pithampur, Distt. Dhar'

(b) Issue

Request for broad-banding of LoA by addition of new item of manufacture and enhancement in annual production capacity of one of the approved item of manufacture - LoA No. C-9/ISEZ/Proj./2007-08/742 dated 30.10.2007:-

M/s Jash Engineering Ltd. (Unit-I) is holding LoA dated 30.10.2007 for manufacturing of the following products:

S. No.	ITC HS Code	Item Description	Approved Annual Production Capacity
1.	73089090	Sluice Gates	500 Nos.
2.	84818030	Industrial Valves	20000 Nos.
3.	84798999	Screens	100 Nos.

The unit is operational from 08.10.2010 on Plot No. M-11 in SEZ Phase-II.

Brief Background:

Jash Engineering Limited is an ISO-9001:2008 company dedicated to offering varied products for use in water and waste water pumping stations and treatment plants, stormwater pumping stations, water transmission lines, power, steel, cement, paper and pulp, petrochemicals, chemicals, fertilizers and other process plants. Headquartered at Indore, the company has four well integrated state-of-art manufacturing facilities in India and one in USA. The company offers a single stop solution under one roof including design, casting, fabrication, assembly and testing and provides the most varied range of these products in largest

possible sizes. To ensure this, the company is continuously investing in its manufacturing capability as well as in development of new products and technologies either on its own or through collaboration with suitable technology partners and leaders in the trade.

With over 60 decades of excellent engineering and manufacturing experience, the company is today an industry leader in India for most of these products and also exports these products to over 35 countries worldwide. The company has entered into technical collaboration agreements with the companies in other countries like Germany, Norway, Austria, USA etc. With the quality and the variety of products manufactured, it has expanded its export market to USA, Australia, UK, Germany, Italy, Belgium, Netherlands, Hong Kong, Malaysia, Indonesia, Thailand etc.

The unit has submitted the captioned request for addition of new items of manufacture in the existing LoA along with enhancement of one of the approved items of manufacture, as under:

S. No.	Approved Item(s) of Manufacture in LoA	Amended Item(s) of Manufacture with present product description	Approved Annual Capacity	Revised Annual Capacity	ITC (HS) Code
1.	Sluice Gates	No change	500 Nos.	10000 Nos.	73089090
2.	Industrial Valves	No change	20000 Nos.	No change	84818030
3.	Screens	No change	100 Nos.	No change	84798999
4.	--	Machined Fabricated Products (Parts of Sluice Gate)	--	500 Ton	73089090
5.	--	Machined Castings Products	--	1000 Ton	73259999

With regard to the the rational for huge increase in the proposed enhancement of annual capacity of Sluice Gates, the unit has informed that they have now entered into new market segment of supplying to housing projects and roadside stormwater drains in European market which comprise of small sizes of gates of 100x100, 150x150, 200x200, 250x250 and 300x300 mm size

ranging in value from Rs. 4000/- to Rs. 20000/-. The unit generally gets orders from the stockists for 75-100 gates at a time and as the market grows over the next five years, its expects to eventually supply over 5000 Nos. of such small gates per year annually. In addition to this, the unit will be still doing large projects needing bigger sized gates and this business should also grow to over 1000 gates per year in five years time. Therefore, looking too to the growing export market for the next five to ten years, the unit has proposed to enhanced total annual capacity of Sluice Gates from the existing 500 Nos. to 10000 numbers.

The unit has proposed expansion of its existing unit for manufacturing of new products including expansion in capacity for which the unit has constructed 8400 sq.ft. of shed in first phase and 15000 sq.ft. in second phase adjoining to the existing shed in their unit at Plot No. M-11. The unit intends to have an additional CAPEX investment of Rs. 582.91 lacs, out of which 145.73 lacs will be through internal accruals and Rs. 437.18 lacs through bank loan. The unit has submitted the following documents/information for its proposed manufacturing activities and capacity expansion: (i) Project report alongwith manufacturing process flow chart of the approved items; (ii) cost of project including details of plant and machinery to be imported/indigenously procured alongwith the civil work proposed; (iii) with regard to raw material, the major raw material is casting and will be procured from India and only 5-10% of raw material and some bought out components that are not easily available in India will be imported; (iv) details of additional employment i.e. of 50 persons; and (v) utilization of power of 160 KVA and production lay out plan of the ground floor in the existing building mentioning the location of the proposed machines.

The revised foreign exchange balance sheet after inclusion of new item of manufacture and enhancement of one of the approved items of manufacture, as submitted by the unit, is as under:

FoB value of Exports : Rs. 185.00 crores
 Foreign exchange outgo : Rs. 25.00 crores
 NFE earnings : Rs. 160.00 crores

The proposal is therefore placed before the Committee for consideration in terms of provisions of Rule 19(2) of SEZ Rules, 2006.

Decision required from UAC

Request for broad-banding of LoA by addition of new items of manufacture.

DECISION OF THE UAC

PROPOSAL NO. 2(iv): M/s Shree Tirupati Balajee FIBC Ltd.

IV. COMPANY/UNIT PROFILE

(a) Name and address, telephone/fax/email id

M/s Shree Tirupati Balajee FIBC Ltd.
Address: Plot No. A.P.-14, Apparel Park, SEZ Phase II, Industrial Area, Pithampur, Distt. Dhar

(b) Issue

Request for enhancement of annual capacity of the quantity of approved items of trading received from M/s Shree Tirupati Balajee FIBC Ltd.:-

M/s Shree Tirupati Balajee FIBC Ltd. is holding LoA No. C-36/ISEZ/Proj./2009-10/970 dated 13.11.2009 for manufacturing and export of Jumbo Bags (FIBCs). The unit had requested to accord permission for Trading of plastic granules i.e. PP / LDPE / LLDPE and Master Batches granules and the same was granted by the Approval Committee in its meeting held on 06.01.2020.

At the time of applying for the afore-stated request for trading, the unit had informed that they have got orders for the afore-stated products to be traded and therefore proposed to include the said items in the LoA. The unit submitted that they will procure the goods to be traded from indigenous / imported sources viz. M/s Reliance Industries Ltd., Gujarat & Maharashtra, M/s Borouge Pte. Ltd., Abu Dhabhi, UAE, M/s Basell International Trading FZE, Dubai, M/s Hanwa Chemical Corporation, South Korea etc., and such other sources depending on availability of material and based on quality and price. The unit stated that it would supply the goods proposed for trading to other SEZ units and is also expecting export orders for supply of the said goods. The unit undertook to pay appropriate customs duty and all other taxes in case of clearance of the afore-said goods in domestic tariff area (DTA). The unit also stated that it would maintain separate records for the proposed trading activities.

The unit has now requested for enhancement of annual capacity of the quantity of approved items of trading as under:-

S. No.	ITC(HS) Code	Item of Trading	Approved Annual Capacity (Qty. in M.T.)	Proposed enhancement in Annual Capacity (Qty. in M.T.)
1.	39021000	PP granules	1200.00	7800.00
2.	39011090 /	LDPE/LLDPE granules	300.00	2000.00

3.	39079990	<u>Master Batches:</u>		
		(i) Colour Master Batch	60.00	No change
		(ii) UV Stabilizer	60.00	No change
		(iii) Additive Master Batch	60.00	No change

The unit has inter-alia submitted the following reasons for the proposed enhancement:

- (i) the trading permission granted earlier has nearly been achieved in the last four months and therefore, they are finding difficulty in dispatching the goods under the present trading permission;
- (ii) the unit is looking forward for more clients of PP/LDPE/LLDPE granules and Master Batches and have already procured orders for the supply of PP/LDPE/LLDPE granules to the other SEZ units. The unit is very sure to generate foreign exchange from these activities;
- (iii) the unit has enclosed the details of purchase made during the period April to July 2020 from M/s Reliance Industries Ltd. under the earlier granted trading permission. The unit submits that they are procuring the goods from indigenous/ imported sources and also maintaining separate record for trading activities;
- (iv) according to the unit, as of now, one of their clients has shared the monthly requirement of 800-900 MT of polymer granules (copy of order received from another SEZ unit, M/s Flexituff Ventures International Ltd. has been enclosed) and they are in touch with some more clients and expecting additional orders from all its existing and new clients.

The foreign exchange balance sheet with reference to the proposed enhancement of trading activities has been called from the unit and will be placed before the Committee during the meeting.

The proposal is therefore placed before the Committee for consideration in terms of provisions of Rule 18 and 19(2) of SEZ Rules, 2006.

Decision required from UAC	Permission for enhancement of annual capacity of the quantity of permitted items of trading i.e. PP granules – 7800 MT, LDPE/LLDPE – 2000 MT.
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DECISION OF THE UAC	
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ITEM NO - 3

Any other proposal, if received.