



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
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F. No. D-3/ISEZ/2006-07/ 1753

Dated: 17.03.2022

OFFICE – MEMORANDUM

Sub: Tenth Meeting (2021-22 series) of the Approval Committee for Indore SEZ to be held on 23.03.2022 at 3:00 p.m. – Reg.

The undersigned is directed to inform you that the Tenth Meeting (2021-22 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 23.03.2022 under the chairmanship of the Development Commissioner, Indore SEZ through Video Conference (webex). Agenda Items for the same are enclosed as Annexure A.

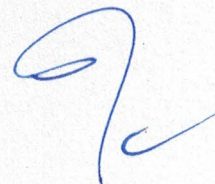
2. You are requested to kindly make it convenient to attend the meeting through Video Conference. A weblink for the meeting shall be shared by this office shortly.


(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, B-Zone, Business Space, 3rd Floor, 12/27 & 12/28 Village Pipliakumar, Nipania, Indore-452010 (M.P.) (**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 Addl. 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**).

INDORE SPECIAL ECONOMIC ZONE**AGENDA FOR THE TENTH MEETING OF UNIT APPROVAL COMMITTEE
(2021-22 series) TO BE HELD AT 3:00 p.m. ON 23.03.2022**

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 Ninth Meeting (2021-22 series) held on 23.02.2022 as at Appendix 'X'.

ITEM NO- 2**PROPOSAL RECEIVED FROM DEVELOPER**

PROPOSAL NO. 2(i):

MPIDC Ltd., Regional Office, Indore – Developer, Indore SEZ

<u>DEVELOPER PROFILE</u>	
(a) Name and address, telephone/fax/email id	MPIDC Ltd., Regional Office, Indore – Developer, Indore SEZ Address: 1 st Floor, Atulya IT Park, Near Crystal IT Park, Khandwa Road, Indore - 452001
(b) Issue	<p>Requisition for activity approval for construction of new boundary wall and repairing of existing boundary wall at Phase-I & II, SEZ Pithampur, Distt. Dhar (M.P.) by the Developer MPIDC Ltd., RO, Indore in terms of Rule 12 read with Rule 10 of SEZ Rules 2006 and Instruction No. 50 dated 15.03.2010 of the Department of Commerce:-</p> <p>MPIDC Ltd. Regional Office, Indore, Developer of Indore SEZ has submitted the captioned request stating that they intend to start construction of new boundary wall and repairing of existing boundary wall at SEZ Phase-I & II, Pithampur, Distt. Dhar duly availing the eligible exemptions or benefits under SEZ Act & Rules and GST Act. The request has been submitted by the Developer for approval of the Approval Committee in terms of Rule 12 of SEZ Rules 2006 read with Rule 10 and Instruction No. 50 dated 15.03.2010 of the Department of Commerce. The estimated cost of the proposed activity is Rs. 1.47 crores.</p>

The Developer has submitted a Chartered Engineer Certificate issued by Er. Aditya Jain, Bhopal certifying the list of duty free items including their quantity, unit and value required for the proposed activity, which shall be procured through the contractor. A layout plan of the boundary wall of SEZ Phase I & II duly demarcating the location for construction of new boundary wall as well as repairing of existing wall has also been enclosed. The Chartered Engineer, in his certificate, has stated that the listed items will be procured through the appointed contractor or since the concrete mixer plant established is big, costly and typical in process and many contractors are unable to afford the establishment cost and its arrangements within the Zone, and therefore in view of such practical problem it may be an option for the contractor to bring readymade concrete for the work. The Developer has informed that the appointed agency/contractor shall require entering the machineries, vehicles and construction equipments into the SEZ on returnable basis. All the requisite documents are duly certified by an independent Chartered Engineer and the Executive Engineer, MPIDC, RO, Indore, as per the requirements of Rule 12 of SEZ Rules, 2006. A copy of the application filed in Form C7 has also been enclosed.

Rule 12 of the SEZ Rules, 2006 stipulates that the Developer may import or procure goods and services from the DTA without payment of duty, taxes and cess for the authorized operations, subject to the provisions contained in the sub rules (2) to (8). Rule 12 (2), further states that the Developer shall make an application, after obtaining approval for the authorized operations under rule 9, to the Development Commissioner along with the list of goods and services, including machinery, equipments and construction materials required for the authorized operations, duly certified by a Chartered Engineer for approval by the Approval Committee. As per the provisions of Rule 10, the Approval Committee may permit goods and services to carry on the operations authorized under Rule 9.

The Deptt. of Commerce has issued Instruction No. 50 dated 15.03.2010 circulating therein, a consolidated list of default authorized operations, which can be undertaken by the Developer/Co-Developer by default from the date of Notification. According to the Instruction, UACs may allow Developer/approved Co-Developers duty free goods and services for these default authorized operations from the date of Notification of the SEZ. These authorized operations will, however, continue to be subject to the various guidelines issued from Govt. from time to time. UACs while approving goods and services for such default operations may look into the actual requirements of the SEZ for such operations.

In the consolidated list of default authorized operations under Instruction No. 50 dated 15.03.2010 which can be undertaken by the Developer/Co-Developer by default from the date of Notification, at S.No. A(9) of the instruction inter-alia the default authorized operation of 'Boundary wall' has been listed, and therefore the activity proposed by the Developer i.e. construction of new boundary wall and repairing of existing boundary wall falls within the aforementioned S.No. of the list of permitted default authorized operations.

Rule 27 deals with import and procurement by unit or Developer. In terms of fourth proviso to Rule 27(1) of SEZ Rules, 2006, the procurement of restricted items from DTA shall be subject to prior approval of the Board of Approval. In the lists of material for the proposed activities, the Developer has proposed to procure sand (500 cubic meter) from DTA, a restricted item under ITC(HS) Code 2505 10 11.

The details of export policy for such items is as below:-

ITC(HS), 2018

S. No.	Tariff Item	Unit	Item Description	Export Policy	Policy conditions
98	2505 10 11 2505 10 12 2505 10 19 2505 10 20 2505 90 00 2505 90 99	Kg	Sand and Soil	Restricted	Exports permitted under license

The DoC vide letter No. K-43022/7/2020-SEZ Part(1) dated 18.05.2020 referring to fourth proviso to Rule 27(1) of SEZ Rules, 2006 has inter-alia in order to facilitate the stake holders decided to delegate the powers to the Development Commissioner to allow procurement of sand and soil from DTA for construction activities, subject to the following conditions:-

- (i) Items allowed are actually used by the unit only.
- (ii) Fulfillment of safeguards and Standard Operating Procedures imposed by MHA.
- (iii) Environmental obligations prescribed by the MoEF & CC/State Pollution Control Board are met; and
- (iv) Post ratification by BoA, whenever the next meeting is convened.

Accordingly, the Developer has been advised to submit the following documents / information w.r.t. their request prior to the instant meeting and accordingly, the same would be placed before the Approval Committee in the meeting:-

Rule provision w.r.t SEZ Rules, 2006	<p>(i) Undertaking to the effect that items requested for procurement from DTA will actually be used by the Developer only for authorized operations;</p> <p>(ii) Undertaking to the effect that the Developer shall ensure fulfillment of safeguards and Standard Operating Procedures imposed by MHA;</p> <p>(iii) Undertaking to the effect that environmental obligations prescribed by the MoEF & CC/State Pollution Control Board will be met.</p> <p>Since the proposal is in connection with the upkeep of the Zone and the Developer has justified that the boundarywall work is required to be done to strengthen the security of the Zone, the proposal is placed before the Committee for consideration under Rule 10 read with Rule 12 and Instruction No. 50 of Deptt. of Commerce.</p> <p>The provisions of Rule 10 read with Rule 12 and Instruction No. 50 of Deptt. of Commerce along with fourth proviso to Rule 27(1) of SEZ Rules, 2006 applies to the issue.</p>
Decision required from UAC	Activity approval for construction of new boundary wall and repairing of existing boundary wall at Phase-I & II, SEZ Pithampur, Distt. Dhar (M.P.) by the Developer MPIDC Ltd., RO, Indore in terms of Rule 12 read with Rule 10 of SEZ Rules 2006 and Instruction No. 50 dated 15.03.2010 of the Department of Commerce.
DECISION OF THE UAC	

PROPOSAL NO. 2(ii):

MPIDC Ltd., Regional Office, Indore – Developer, Indore SEZ

<p><u>DEVELOPER PROFILE</u></p> <p>(a) Name and address, telephone/fax/email id</p> <p>(b) Issue</p>	<p>MPIDC Ltd., Regional Office, Indore – Developer, Indore SEZ Address: 1st Floor, Atulya IT Park, Near Crystal IT Park, Khandwa Road, Indore - 452001</p> <p>Requisition for activity approval for construction of Storm Water Drain at Phase-II, SEZ Pithampur, Distt. Dhar (M.P.) by the Developer MPIDC Ltd., RO, Indore in terms of Rule 10 read with Rule 12 of SEZ Rules 2006 and Instruction No. 50 dated 15.03.2010 of the Department of Commerce:-</p> <p>MPIDC Ltd. Regional Office, Indore, Developer of Indore SEZ has submitted the captioned request stating that they intend to start</p>
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construction of Storm water drain of 60000 sq. mtrs. area at SEZ Phase II, Pithampur, Distt. Dhar duly availing the eligible exemptions or benefits under SEZ Act & Rules and GST Act. The request has been submitted by the Developer for approval of the Approval Committee in terms of Rule 12 of SEZ Rules 2006 read with Rule 10 and Instruction No. 50 dated 15.03.2010 of the Department of Commerce. The estimated cost of the proposed activity is Rs. 17.43 crores and the material procurement cost will be around Rs. 15.87 - 16.69 crores.

The Developer has submitted a Chartered Engineer Certificate issued by Er. Aditya Jain, Bhopal certifying the list of duty free items including their quantity, unit and value required for the proposed activity, which shall be procured through the contractor. A layout plan depicting the Storm water drain location in SEZ PhaseII has also been enclosed. The Chartered Engineer, in his certificate, has stated that the listed items will be procured through the appointed contractor or since the concrete mixer plant established is big, costly and typical in process and many contractors are unable to afford the establishment cost and its arrangements within the Zone, and therefore in view of such practical problem it may be an option for the contractor to bring readymade concrete for the work. The Developer has informed that the appointed agency/contractor shall require entering the machineries, vehicles and construction equipments into the SEZ on returnable basis. All the requisite documents are duly certified by an independent Chartered Engineer and the Executive Engineer, MPIDC, RO,Indore, as per the requirements of Rule 12 of SEZ Rules, 2006. A copy of the application filed in Form C7 has also been enclosed.

Rule 12 of the SEZ Rules, 2006 stipulates that the Developer may import or procure goods and services from the DTA without payment of duty, taxes and cess for the authorized operations, subject to the provisions contained in the sub rules (2) to (8). Rule 12 (2), further states that the Developer shall make an application, after obtaining approval for the authorized operations under rule 9, to the Development Commissioner along with the list of goods and services, including machinery, equipments and construction materials required for the authorized operations, duly certified by a Chartered Engineer for approval by the Approval Committee. As per the provisions of Rule 10, the Approval Committee may permit goods and services to carry on the operations authorized under Rule 9.

The Deptt. of Commerce has issued Instruction No. 50 dated 15.03.2010 circulating therein, a consolidated list of default authorized operations, which can be undertaken by the Developer/Co-Developer by default from the date of Notification.

According to the Instruction, UACs may allow Developer/approved Co-Developers duty free goods and services for these default authorized operations from the date of Notification of the SEZ. These authorized operations will, however, continue to be subject to the various guidelines issued from Govt. from time to time. UACs while approving goods and services for such default operations may look into the actual requirements of the SEZ for such operations.

In the consolidated list of default authorized operations under Instruction No. 50 dated 15.03.2010 which can be undertaken by the Developer/Co-Developer by default from the date of Notification, at S.No. A(2) of the instruction inter-alia the default authorized operation of 'Storm water drain' has been listed, and therefore the activity proposed by the Developer i.e. construction of Storm water drain falls within the aforementioned S.No. of the list of permitted default authorized operations.

Rule 27 deals with import and procurement by unit or Developer. In terms of fourth proviso to Rule 27(1) of SEZ Rules, 2006, the procurement of restricted items from DTA shall be subject to prior approval of the Board of Approval. In the lists of material for the proposed activities, the Developer has proposed to procure sand (7300 cubic meter) from DTA, a restricted item under ITC(HS) Code 2505 10 11.

The details of export policy for such items is as below:-
ITC(HS), 2018

S. No.	Tariff Item	Unit	Item Description	Export Policy	Policy conditions
98	2505 10 11 2505 10 12 2505 10 19 2505 10 20 2505 90 00 2505 90 99	Kg	Sand and Soil	Restricted	Exports permitted under license

The DoC vide letter No. K-43022/7/2020-SEZ Part(1) dated 18.05.2020 referring to fourth proviso to Rule 27(1) of SEZ Rules, 2006 has inter-alia in order to facilitate the stake holders decided to delegate the powers to the Development Commissioner to allow procurement of sand and soil from DTA for construction activities, subject to the following conditions:-

- (i) Items allowed are actually used by the unit only.
- (ii) Fulfillment of safeguards and Standard Operating Procedures imposed by MHA.
- (iii) Environmental obligations prescribed by the MoEF & CC/State Pollution Control Board are met; and

<p>Rule provision w.r.t SEZ Rules, 2006</p>	<p>(iv) Post ratification by BoA, whenever the next meeting is convened.</p> <p>Accordingly, the Developer has been advised to submit the following documents / information w.r.t. their request prior to the instant meeting and accordingly, the same would be placed before the Approval Committee in the meeting:-</p> <ul style="list-style-type: none"> (i) Undertaking to the effect that items requested for procurement from DTA will actually be used by the Developer only for authorized operations; (ii) Undertaking to the effect that the Developer shall ensure fulfillment of safeguards and Standard Operating Procedures imposed by MHA; (iii) Undertaking to the effect that environmental obligations prescribed by the MoEF & CC/State Pollution Control Board will be met. <p>Since the proposal is in connection with the upkeep of the Zone and the Developer has justified that the Storm water drain construction work is required to be done for the purpose of safe drainage of the rainy water and for the safety of the SEZ units to ensure their operations without obstruction and damages, the proposal is placed before the Committee for consideration under Rule 12 read with Rule 10 and Instruction No. 50 of Deptt. of Commerce.</p> <p>The provisions of Rule 10 read with Rule 12 and Instruction No. 50 of Deptt. of Commerce along with fourth proviso to Rule 27(1) of SEZ Rules, 2006 applied to the issue.</p>
<p>Decision required from UAC</p>	<p>Activity approval for construction of Storm Water Drain at Phase-II, SEZ Pithampur, Distt. Dhar (M.P.) by the Developer MPIDC Ltd., RO, Indore in terms of Rule 10 read with Rule 12 of SEZ Rules 2006 and Instruction No. 50 dated 15.03.2010 of the Department of Commerce.</p>
<p>DECISION OF THE UAC</p>	

PROPOSAL NO. 2(iii):

MPIDC Ltd., Regional Office, Indore – Developer, Indore SEZ

<u>DEVELOPER PROFILE</u>	
(a) Name and address, telephone/fax/email id	MPIDC Ltd., Regional Office, Indore – Developer, Indore SEZ Address: 1 st Floor, Atulya IT Park, Near Crystal IT Park, Khandwa Road, Indore - 452001
(b) Issue	<p>Verification report of Quarterly/Half-Yearly returns from the period October 2015 - December 2015 to April 2017 - June 2017 submitted by the Developer of Indore SEZ, MPIDC Ltd., RO, Indore in terms of Rule 12 read with Rule 22 of SEZ Rules, 2006:-</p> <p>In terms of the provisions laid down in Rule 12(6) of SEZ Rules, 2006, the Developer shall maintain a proper account of the import or procurement, consumption and utilisation of goods and services and submit quarterly and half yearly returns to the Development Commissioner in Form E for placing the same before the Approval Committee for consideration. Rule 12(7) of SEZ Rules, 2006 provides inter-alia that, the Developer shall submit a half-yearly certificate for the period ending 31st March and 30th September of every financial year regarding utilisation of goods and services from an independent Chartered Engineer or independent chartered accountant or cost accountant as the case may be to the Development Commissioner and Specified Officer. Further, Rule 22(4) provides that the Developer shall submit Quarterly Report on import and procurement of goods from the Domestic Tariff Area, utilisation of the same and the stock in hand, in Form E to the Development commissioner and the Specified Officer and the Development Commissioner shall place the same before the Approval Committee. Furthermore, Rule 15 provides that the utilisation of goods imported or procured from Domestic Tariff Area by the Developer shall be monitored by the Approval Committee.</p> <p>Having regard to the above laid down Rule provisions, the pending quarterly and half yearly returns and utilization certificates submitted by the Developer from October 2015 to December 2015 onwards and presently up to the quarter October to December 2021 and half-yearly period April to September 2021 have been forwarded to the Specified Officer through various letters and reminders from time to time for verification purpose and submission of a report regarding verification of goods imported/procured and admitted in the SEZ, consumption of the goods and the balance lying in stock etc.</p>

	<p>The Specified Officer vide letter No. ISEZ/CUS/08-23/Misc/AKVN/2020/600 dated 23.02.2022 has now forwarded a verification report informing that the scrutiny process of the Quarterly and Half-yearly returns for the period October 2015 - December 2015 to April 2017 - June 2017 has been done at their end. The Developer, MPIDC Ltd., Indore, had deputed their representative for getting necessary verification of the said Quarterly and Half-yearly returns and Utilisation Certificate in prescribed format Form E and also that the Developer has submitted relevant chain documents i.e. Tax invoices (acknowledged by the Preventive Officer at the time of receipt of goods in SEZ), re-warehousing certificates/letters issued by Appraiser (Customs), as the goods have been admitted in full into Indore SEZ, Pithampur etc. for verification of goods procured, used and balance lying in stock.</p> <p>The Specified Officer in the said report has further stated that all these procured material has been consumed within SEZ for authorised work and same has been verified with the records made available by the Developer with the returns. The Half-yearly returns of the said period has also been certified by Independent Chartered Engineer according to SEZ Rules, 2006.</p> <p>Accordingly, in view of the above, the verification report of the Specified Officer regarding verification of Quarterly/Half-Yearly returns and Utilization certificates from the period October 2015 - December 2015 to April 2017 - June 2017 are placed for consideration of the Approval Committee in terms of Rule 12(6) of SEZ Rule, 2006 read with Rule 22(4) and for the purpose of monitoring under Rule 15 of SEZ Rules, 2006.</p>
Decision required from UAC	Verification report of Quarterly/Half-Yearly returns from the period October 2015 - December 2015 to April 2017 - June 2017 submitted by the Developer of Indore SEZ, MPIDC Ltd., RO, Indore in terms of Rule 12 read with Rule 22 of SEZ Rules, 2006 and monitoring under Rule 15.
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 received from M/s Shankar Soya Concepts for merger of Unit-II holding LoA NO. C-122/ISEZ/Proj./2017-18/340 dated 30.05.2017 with their Unit-I holding LoA NO. C-59/ISEZ/Proj./2010-11/1947 dated 01.03.2011:-</p> <p>M/s Shankar Soya concepts, a partnership firm, is having two units in Indore SEZ, Pithampur under LoA No. C-59/ISEZ/Proj./2010-11/1947 dated 01.03.2011 (Unit-I) and LoA No. C-122/ISEZ/Proj./2017-18/340 dated 30.05.2017 (Unit-II). The firm has submitted the captioned request for merger of the aforesaid Letters of Approval. The firm has requested for merger of its second LoA No. C-122/ISEZ/Proj./2017-18/340 dated 30.05.2017 (Unit-II) into its first LoA No. C-59/ISEZ/Proj./2010-11/1947 dated 01.03.2011 (Unit-I).</p> <p>The gist of the request of the unit is summarized below:</p>																
	<table border="1"> <thead> <tr> <th>Name of the Unit</th> <th>M/s Shankar Soya Concepts (Unit-I)</th> <th>M/s Shankar Soya Concepts (Unit-II)</th> </tr> </thead> <tbody> <tr> <td>LoA No. & date</td> <td>C-59/ISEZ/Proj./2010-11/1947 dated 01.03.2011</td> <td>C-122/ISEZ/Proj./2017-18/340 dated 30.05.2017</td> </tr> <tr> <td>Authorized operations approved</td> <td>(i) Lecithin & its derivative products; (ii) Phosphotidyl Cholin; and (iii) Poultry Feed Supplement</td> <td>(i) Sunflower Lecithin Powder; (ii) Sunflower Lecithin 35; (iii) Sunflower Liquid Lecithin; (iv) Liquid Lecithin Non-edible; (v) Sunflower PC 50/70/90; (vi) Egg Lecithin; (vii) Egg oil; (viii) Egg Powder/Shells; and (ix) Soya Sunflower Tocophrols/Vitamin E</td> </tr> <tr> <td>Approved Annual Capacity</td> <td>30600 MT</td> <td>3820 MT</td> </tr> <tr> <td>Location of</td> <td>Plot No. M-48 &</td> <td>Plot No. M-47, SEZ Phase II</td> </tr> </tbody> </table>	Name of the Unit	M/s Shankar Soya Concepts (Unit-I)	M/s Shankar Soya Concepts (Unit-II)	LoA No. & date	C-59/ISEZ/Proj./2010-11/1947 dated 01.03.2011	C-122/ISEZ/Proj./2017-18/340 dated 30.05.2017	Authorized operations approved	(i) Lecithin & its derivative products; (ii) Phosphotidyl Cholin; and (iii) Poultry Feed Supplement	(i) Sunflower Lecithin Powder; (ii) Sunflower Lecithin 35; (iii) Sunflower Liquid Lecithin; (iv) Liquid Lecithin Non-edible; (v) Sunflower PC 50/70/90; (vi) Egg Lecithin; (vii) Egg oil; (viii) Egg Powder/Shells; and (ix) Soya Sunflower Tocophrols/Vitamin E	Approved Annual Capacity	30600 MT	3820 MT	Location of	Plot No. M-48 &	Plot No. M-47, SEZ Phase II	
Name of the Unit	M/s Shankar Soya Concepts (Unit-I)	M/s Shankar Soya Concepts (Unit-II)															
LoA No. & date	C-59/ISEZ/Proj./2010-11/1947 dated 01.03.2011	C-122/ISEZ/Proj./2017-18/340 dated 30.05.2017															
Authorized operations approved	(i) Lecithin & its derivative products; (ii) Phosphotidyl Cholin; and (iii) Poultry Feed Supplement	(i) Sunflower Lecithin Powder; (ii) Sunflower Lecithin 35; (iii) Sunflower Liquid Lecithin; (iv) Liquid Lecithin Non-edible; (v) Sunflower PC 50/70/90; (vi) Egg Lecithin; (vii) Egg oil; (viii) Egg Powder/Shells; and (ix) Soya Sunflower Tocophrols/Vitamin E															
Approved Annual Capacity	30600 MT	3820 MT															
Location of	Plot No. M-48 &	Plot No. M-47, SEZ Phase II															

	the unit	M-49A, SEZ Phase II	
	Date of commencement of production	03.09.2013	N.A. as Project * under implementation. <u>Major Approvals:</u> <ul style="list-style-type: none"> • Building construction permission & maps • Consent to Establish from MP Pollution Board • Factory drawing • Permanent power of 100 KVA • Major Plant & Machinery installed <p>The LoA was extended thrice by this office beyond the original validity and thereafter by the BoA for SEZs with the last extension granted by the BoA (SEZs) for a further period up to 29.11.2021.</p>
	Investment made in the project	Rs. 31.16 crores (till 31.03.2021)	Rs. 4.53 crores (till 31.10.2021)
	Employment generated	198 persons	18 (direct + indirect)
	Total Exports since commencement of production (2013-14 to 2019-20 - audited) and 2020-21 (unaudited) - CA certificate enclosed	Rs. 545.92 crores	N.A.
	NFE Earnings for the above period - CA certificate enclosed	Rs. 329.87 crores	N.A.
	Status of NFE	Positive	N.A.

Reason stated for merger of Letters of Approval:

- (i) The unit has inter-alia stated that their management had planned for manufacturing of similar items in their Unit-II in the year 2017-18. Thereafter, during 3-4 years the business scenario in the world market has changed drastically due to Covid-19, due to change in eating habits of the public at large and accordingly the demand in export market of the products permitted under LoA dated 30.05.2017 has gone down substantially and the management find it difficult to achieve the estimated NFE in Unit-II. Therefore, after detailed deliberation done between the management and export market staff it was decided to merge the LoA of unit-II in the LoA of Unit-I.
- (ii) According to the management, the plant and machinery installed in Unit-II is compatible for manufacturing of products authorized under Unit-I being of similar nature. Therefore, Unit-I will manufacture its products on the machinery procured in Unit-II under LoA dated 30.05.2017. A separate list of plant & machinery installed in Unit-I and Unit-II has been enclosed.
- (iii) The firm will dismantle the present boundary wall between Unit-I and Unit-II.
- (iv) Products of Unit-I are having good demand in export market and the firm is exporting the same items from 2013-14 and the management is quite confident to achieve better NFE by merging the LoA of Unit-II in Unit-I.
- (v) The products under Unit-I are having good demand in international market and the firm has created its strong existence in overseas market in USA, France, Germany, Italy, Russia, Ukrain, South Korea, Australia etc.

Rule provision w.r.t SEZ Rules, 2006

Rule 19 of SEZ Rules, 2006 deals with Letter of Approval to a Unit and 4th proviso to Rule 19(2) states as under:

" PROVIDED ALSO that the Approval Committee may also approve proposals for merger of Letters of Approval of two or more Units of the same company or firm subject to the condition that these Units fall within the same Special Economic Zone and after merger, block period for calculation of Net Foreign Exchange shall be from the date of commencement of production of the Unit which commenced operation first and the Income tax exemption period shall be considered from the date of start of operation of the first Unit".

Having regard to the above submissions made by the firm and considering that the matter relating to extension of validity of LoA of Unit-II of the firm up to 29.11.2021 was granted at the level of the BoA (SEZs), and that the unit was still under implementation

	<p>and yet to commence production, accordingly, prior to taking up the matter before the UAC, the matter was forwarded to the Department of Commerce for necessary guidance.</p> <p>The Department of Commerce vide letter No. K-43022/64/2021-SEZ dated 16.02.2022 has advised that the proposal may be placed before the Approval Committee in terms of 4th proviso under Rule 19(2) of the SEZ Rules, 2006 with the condition that after merger, block period for calculation of Net Foreign Exchange shall be from the date of commencement of production of the Unit which commenced operation first and the Income Tax exemption period shall be considered from the date of start of operation of the first Unit.</p> <p>In view of the above and in terms of 4th proviso under Rule 19(2) of the SEZ Rules, 2006, the proposal of M/s Shankar Soya Concepts for merger of its Unit-II holding LoA dated 30.05.2017 with its Unit-I holding LoA dated 01.03.2011 is placed before the Committee for consideration.</p>
Decision required from UAC	Request for for merger of Unit-II holding LoA NO. C-122/ISEZ/Proj./2017-18/340 dated 30.05.2017 with their Unit-I holding LoA NO. C-59/ISEZ/Proj./2010-11/1947 dated 01.03.2011.
DECISION OF THE UAC	

ITEM NO- 4

Monitoring of APRs – Monitoring of performance of the units (APR) for the period 2018-19 to 2020-21 in terms of Rule 54 of SEZ Rules, 2006 in case of units which have completed one year or more of operations:

1	2	3
S. No.	Name of the unit	Period of Monitoring
1.	M/s Lupin Ltd. (Unit-I)	2018-19 to 2020-21

ITEM NO - 5

Any other proposal, if received.