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Minutes of 32nd (Thirty-Second) meeting of the Approval Committee for sector specific Ahmedabad Apparel Park – Special Economic Zone developed by Gujarat Industrial Development Corporation (GIDC) held on 11-05-2018, at 1100 hours under Chairmanship of Shri Upendra Vasishth, nde Zonal Development Commissioner, Kandla Special Economic Zone, in the O/o The Development Commissioner, Kandla Special Economic Zone, 1 NBCC House, Panjra Pole, Ambawadi, Ahmedabad.

List of participants is annexed as Annexure-1

Approved minutes of the previous meeting were confirmed by the Approval Committee.

32-A-01 Proposal of M/s. Texaco Synthetics Pvt. Ltd., Ahmedabad for setting-up a new unit in GIDC Apparel Park, Ahmedabad.

Shri Pradeep Kumar Agarwal, Managing Director of the applicant firm M/s. Texaco Synthetics Pvt. Ltd., appeared before the Approval Committee for personal interview. He explained their proposal for setting-up of a new manufacturing and export unit in GIDC Apparel Park, Ahmedabad.

As stated in agenda as well as in proposal of the said unit, Shri Pradeep Kumar Agarwal, MD of the applicant unit was asked by the committee to explain their Manufacturing Process. Shri Pradeep Kumar Agarwal, MD of the applicant company told that they will import/ procure different types of Yarns in their proposed unit and will send the same outside SEZ for weaving and Dying on Sub Contracting basis.

The Hon'ble Chairman of the Approval Committee apprised them about Rule 18 (3)(b) and Rule 41(1)(f) of the SEZ Rules, 2006 which are reproduced below:-

Rule 18 (3) (b) of the SEZ Rules, 2006-

"no sub contracting or job work of polyester yarn shall be permitted in Domestic Tariff area or in Export Oriented Unit or units in other Special Economic Zone."

The manufacturing process of the proposed unit is to procure yarn and to send it for sub contracting which is not admissible as per the Rule 18 (3)(b) of SEZ Rules, 2006, particularly for polyester yarn.

Secondly, Rule 41(1)(f) of the SEZ Rules, 2006-

"the value of sub-contracted production of a unit in any financial year shall not exceed the value of goods produced by the unit within its own premises in the immediate preceding financial year:"

The above said condition of the sub contracting can not be fulfilled by the unit as their basic process of getting fabric from yarn is proposed completely on Sub Contracting.

Further, one of the member of the Approval Committee, Shri G.C. Daxini, Additional Commissioner, Income Tax (exemptions) also informed that some dues of Income Tax are still pending from M/s Texaco Synthetics Pvt. Ltd..

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After scrutiny of the manufacturing process of the proposed unit, the Approval Committee concluded that the proposed manufacturing process of the said unit does not qualify the conditions of Rule 41 (1)(f) of SEZ Rules, 2006 and is in violation of the provisions of the Rule 18(3)(b) of SEZ Rules, 2006 and accordingly, rejected the said proposal of M/s Texaco Synthetics Pvt. Ltd. for setting up of new unit in Ahmedabad Apparel Park SEZ, Khokhra.

32 -A-02) Monitoring of 'Annual Performance Reports' of SEZ units under the SEZ Rules:-

The Approval Committee reviewed the export performance of M/s Mahavir Tax Fab and based on the CA certified APRs, The Approval Committee noted Positive Net Foreign Exchange of the unit.

(Upendra Vasishth ndc)
Chairman of Approval Committee,
& Zonal Development Commissioner,
Gujarat SEZs
(HQ: Kandla-SEZ)

ANNEXURE-I

The following members were present:-

01.	Shri Upendra Vasishth, ndc Zonal Development Commissioner, KASEZ.	Chairman
02.	Shri S. D. Shende, JDC, KASEZ, Ahmedabad	Nominee for the Director-SEZ, DOC, MOC&I, New Delhi
03.	Ms. S. G. Rana, AM, GIDC, Ahmedabad Apparel Park.	Nominee of the GM, GIDC
04.	Smt. Krati Nigan, Assistant Commissioner, O/o The Principal Commissioner of CGST, Ahmedabad South.	Nominee of the Principal Commissioner of Central Excise, Ahmedabad-I.
05	Mr. Mansi R Mevadu,, Manager(EI), DIC, Ahmedabad	Nominee of the GM, DIC, Ahmedabad