



Government of India
Ministry of Commerce & Industry
Office of the Development Commissioner
SRI CITY SEZ (MULTI PRODUCT)
115, Peepul Boulevard, Opp. Business Centre,
Satyavedu Mandal, Chittoor District, Andhra Pradesh- 517 588.
Tele : 08576 -399922, email: dcsrcitysez@gmail.com

F. No. 9/SEZ/UAC/14/2009/Vol.III/

Date: 13.07.2016

To

- 1) The Director & Member, UAC Ministry of Commerce & Industry, Department of Commerce (SEZ-Division), Udyog Bhavan, New Delhi 110 107.
- 2) The Commissioner of Customs and Central Excise & Service Tax, 7/86A, Amaravathi Nagar, West Church Compound, Tirupati – 517 502.
- 3) The Commissioner of Income Tax, Aayakar Bhavan, 1st Floor, Tirupati – 517 501.
- 4) The Member Secretary, A.P.P.C.B., Sanathnagar, Hyderabad – 500 018.
- 5) The Joint Director General of Foreign Trade, C.G.O. Towers, No. 302, Kavadiguda, Hyderabad – 500 080.
- 6) The Deputy Secretary (IF-I), Department of Financial Services, Jeevan Deep Building, Parliament Street, New Delhi -110 001.
- 7) The General Manager, Govt. of AP, Department of Industries, District Industries Centre, Kongareddy Palem, Industrial Estate, Puttoor Road, Chittoor, A.P. Pin – 517 001.
- 8) The Environmental Engineer, A.P.P.C.B., Narasimha Teertham Road, Manchineella Gunta, Tirupati -517 501. A.P.
- 9) The Dy. Commissioner of Labour, Chittoor District, AIR By Pass Road, M. R. Palli Circle, Tirupati – 517 502.

Dear Sir /Madam,

Sub: Meeting No.2 of 2016-17 of the Unit Approval Committee for Sri City SEZ (Multi Product) – Reg.

I am directed to refer to this office letter dated 05.07.2016 on the subject cited above and to forward the agenda for the meeting of UAC to be held on 19.07.2016 at 2.30 p.m., at Board Room, Business Centre, Sri City SEZ.

I am further directed to request you to kindly make it convenient to attend the meeting.

Yours faithfully,

(G.S.R. Murty)

Asst. Development Commissioner

E. Mail: adcsrcitysez@gmail.com

Encls: As above.

Copy to:

1. The Specified Officer, O/o the DC, Sri City SEZ
2. The M.D., Sri City Private Limited, Chennai – 600 004.

Office of the Development Commissioner, Sri City SEZ(Multi Product),
Sathyavedu Mandal, Chittoor District, A.P. Pin : 517 588.

AGENDA OF THE UNIT APPROVAL COMMITTEE for Sri City SEZ (Multi Product) MEETING
No. 2/2016-17 TO BE HELD ON 19th July, 2016

INDEX

1.	Agenda Item – 1	Ratification of the Minutes of the Meeting of the Unit Approval Committee held on 23.05.2016 .
2.	Agenda Item – 2 (a)	No Proposal has been received from the Developer M/s. Sri City Pvt. Ltd.,
3.	Agenda Item – 3 (a)	Proposal of M/s. Lerri Solar Technology (India) Private Limited, for approval of setting up of manufacturing unit for Solar Cell /Module .
	Agenda Item – 3 (b)	Proposal of M/s. KMS Health Center Private Limited, Chennai for cancellation of LOA dated 20.05.2013.
	Agenda Item – 3 (c)	Proposal of M/s. Storeit Services LLP for approval of list of services for exemption from payment of Service Tax for authorized operations.
	Agenda Item – 3 (d)	Proposal of M/s. Zen Linen International Private Limited for approval of list of services for exemption from payment of Service Tax for authorized operations.
	Agenda Item – 3 (e)	Proposal of M/s. Zen Linen International Private Limited for approval of list of services for exemption from payment of Service Tax for authorized operations.
	Agenda Item – 3 (f)	Proposal of M/s. UNP for approval of list of services for exemption from payment of Service Tax for authorized operations.
	Agenda Item – 3 (g)	Proposal of M/s. Amar Houseware Private Limited for cancellation of LOA dated 11.01.2011.
	Agenda Item – 3 (h)	Proposal of M/s. Shan Solar Private Limited for Review of performance of the Unit and issue of Show Cause Notice Under FT (D&R) Act, 1992.
4	Agenda Item – 4	Review of Performance of Units in SEZ for 2014-15: (i) M/s. Premium Ingredients Food Services India Private Limited. (ii) M/s. Pina Abrasives India Private Limited (iii) M/s. Shan Solar Private Limited

Contd....P/2.

UNIT APPROVAL COMMITTEE FOR M/S. SRI CITY (P) LIMITED,
MULTI-PRODUCT SPECIAL ECONOMIC ZONE AT SATYAVEDU MANDAL,
CHITTOOR DISTRICT, A.P.

AGENDA: 1

Ratification of the Minutes of the Meeting of the Unit Approval Committee held on 23.5.2016.

AGENDA: 2 (a): No Proposal has been received from the Developer viz., M/s. Sri City Private Limited.

AGENDA: 3 (a): Proposal of M/s. LERRI SOLAR TECHNOLOGY (INDIA) PRIVATE LIMITED; for setting up of a manufacturing unit for Solar Cell / Module :

1. Proposal : Proposal for setting up of a unit in M/s. Sri City Private Limited, Multi Product SEZ.
2. Name and address of the unit: M/s. Lerri Solar Technology (India) Private Limited,
Second Floor, 305 North, 2nd Street, Sector-3, Thonduru Village,
Varadaiahpalem Mandal, Chittoor Dist. A.P -517541.
3. Constitution of the company: Private Limited Company.
(Memorandum of Association, Articles of Association and ROC)
4. Item of Manufacture activity : Solar Cell / Module : Annual capacity in MT
 - (i) Solar Cell - 500 MW - ITC /HS – 85414011
 - (ii) Solar Module – 500 MW – ITC/HS - 85414019
5. Import requirements for five years: Capital goods to be imported Rs.687.42 crores
RM/Inputs to be imported Rs.2965.86 crores
6. FOB Value of Exports : Rs.4374.68 crores.
7. Indigenous requirements : Capital goods for Rs. 102.28 crores
RM/ Inputs for Rs. 2254.52 crores.
8. Total Investment : Rs. 1516.19 crores
 - (i) Total Bank Loan (from China EXIM Bank) – Rs. 1122.61 crores – Letter of Interest from Bank is attached.
 - (ii) Own Fund of Lerri Solar (as per Mem. Of Association)
Rs. 393.58 cr

9. Foreign Technology if any : Imported Capital Goods.
10. NRI & Foreign Investment : Foreign Investment
11. Net Foreign Exchange (NFE) : USD 96.37 million (Rs. 642.44 crores) proposed in five Years (Cumulatively).
12. Requirement of Space : Land : 61799 Sq. Mtrs. For Factory, warehouse etc .
Build up area – 60330 sq.mtrs.
30 acres of land, as per MOU between Proposed Unit & Developer
13. Requirement of Water : 1800 Kilolitre per day .
14. Requirement of Power : 10000 KVA.
15. Employment : Men – 600, Women -400

Brief profile of the Company:

This Private Limited Company was incorporated on 27th April, 2016. The unit has submitted Memorandum of Association, Articles of Association and Certificate of Incorporation issued by Asst. Registrar of Companies. The company has two Directors viz., Mr. Zhong Baoshen and Mr Rahul Kapil. The residence proof of the Directors is submitted as required under Rules. The Unit has submitted project report. The Income Tax returns of the one Director namely Mr. Rahul Kapil for the years 2013-14, 2014-15 and 2015-16 are furnished.

In terms of the Rule 17(2) of the SEZ Rules, the above proposal is submitted before the Approval Committee for consideration, subject to furnishing of following documents:

1. Proof of registered office of the company.
2. Copy of Bank letter indicating the amount of loan has been sanctioned by them to the company.

AGENDA : 3 (b) Request for cancellation of LOA No. 22/Sri City-46/SSEZ/2013 dated – Reg. .

M/s. KMS Health Center Private Limited was issued LOA bearing No. 22/Sri City-46/SS EZ/2013 dated 20.05.2013 for establishment of a SEZ unit in the Sri City Multi Product SEZ for manufacture and export of Soft Gelatin Capsules. The validity of LOA was extended up to 19.05.2015 vide DC, Sri City SEZ letter dated 06.06.2014. The unit has not implemented the project. The LOA has expired on 19.05.2015.

The above proposal for cancellation of LOA is submitted before UAC in terms of 19 (5) of SEZ Rules, 2006 read with Section 16 of SEZ Act, 2005.

Submitted for approval.

AGENDA: 3 (c): M/s. Storeit Services LLP has requested for approval of ab-initio exemption of list of following specified services for claiming exemption from payment of Service Tax for authorized operations:

S.No	Name of Service	Sl. No. of Default
1	Airport Authority Services	1
2	Architect Services	2
3	Asset Management Services	3
4	Advertising Agency Services	4
5	Airport Services	5
6	Banking and other financial services	6
7	Business Exhibition services	7
8	Cargo Handling Services	8
9	Chartered Accountant Services	9
10	Cleaning Activity Services	10
11	Cleaning And Forwarding Agents Services	11
12	Commercial or Industrial Construction Services	12
13	Company Secretary Services	13
14	Company Secretary Services	14
15	Consulting Engineer's Services	15
16	Cost Accountant Services	16
17	Courier Services	17
18	Credit rating agency services	18
19	Custom House Agent Services	19
20	Commercial training & coaching services	20
21	Convention Services	21
22	Copyright services	22
23	Design Services	23
24	Development & supply of content services	24
25	Erection, Commission And Installation Services	25
26	General Insurance Business Services	26
27	Goods Transport Agency Services	27
28	Information Technology Software Services	28
29	Interior Decorator Services	29
30	Internet Communication Services	30
31	Intellectual Property Services	31
32	Legal Consultancy Services	32
33	Management, Maintenance or Repair Services	33
34	Manpower Recruitment and Supply Agency	34

35	Market research agency service	35
36	Other Port Services	36
37	Outdoor caterer services	37
38	Packaging activity services	38
39	Port Services	39
40	Processing & Cleaning House Services	40
41	Renting of immovable property service	41
42	Security Agency Services	42
43	Site Formation & Clearance, Excavation Earth Moving	43
44	Storage & Warehousing Services	44
45	Supply of Tangible Goods	45
46	Survey and map making service	46
47	Scientific or Technical Consultancy Services	47
48	Sound Recording Studio or Agency Services	48
49	Technical Inspection and Certification Services	49
50	Technical Testing & Analysis Service	50
51	Telecommunication Service	51
52	Transport of goods By Air Services	52
53	Transport of goods By Rail Services	53
54	Transport of goods By Road Services	54
55	Works Contract Services	55
56	Transport Of goods Services	56
57	Construction Services	57
58	On-line information and database access Services	58
59	Rent-a-cab scheme operators services	59
60	SEZ Online services	60
61	Air Travel Agent services	61
62	Rail Travel Agent's Services	62
63	Travel Agent's Services	63
64	Business Support Service	64
65	Transport of Passengers by Air	65
66	Accommodation Services	66

The above service are falling under the Default List of Services approved / conveyed by Department of Commerce.

The above proposal was considered / approved by DC, Sri City SEZ and conveyed to the unit vide letter No. 22/Sri City-57/SSEZ/2016 dated 03.06.2016, subject to approval of the Unit Approval Committee, in terms of Notification No. 12/2013-Service Tax dated 01.07.2013, subject to following conditions:

1. Terms and Conditions of Service Tax Notification No. 12/2013-Service Tax dated 01.07.2013 are applicable, as amended from time to time.
2. Specified Officer to verify the association of Services with authorized operations.
3. Specified Officer to verify Service Contacts or Pos / Service Orders wherever applicable.

The above proposal is submitted for ratification.

AGENDA : 3 (d) : M/s. Zen Linen International Private Limited has requested for approval of ab-initio exemption of list of following specified services for claiming exemption from payment of Service Tax for authorized operations:

S/No	Name of Service	Sl. No. of Default
1	Air Travel Agents Services	61
2	Rail Travel Agents Services	62
3	Travel Agents Services	63
4	Business Support Services	64
5	Transport Passengers by Air Services	65
6	Accommodation Services	66

The above services are falling under the Default List of Services approved / conveyed by Department of Commerce.

The above proposal may be considered / approved, subject to approval of the Unit Approval Committee, in terms of Notification No. 12/2013-Service Tax dated 01.07.2013, subject to following conditions:

1. Terms and Conditions of Service Tax Notification No. 12/2013-Service Tax dated 01.07.2013 are applicable, as amended from time to time.
2. Specified Officer to verify the association of Services with authorized operations.
3. Specified Officer to verify Service Contacts or Pos / Service Orders wherever applicable.

The above proposal is submitted for approval.

AGENDA : 3 (e) : M/s. Zen Linen International Private Limited has requested for approval of ab-initio exemption of list of following specified services for claiming exemption from payment of Service Tax for authorized operations:

S/No	Name of Service	Sl. No. of Default
1	Bill of Landing Service	-
2	Terminal Handling Service	-
3	Business Auxiliary Service	-
4	Business Social Compliance Initiative Service	-

The above services are not falling under the Default List of Services approved / conveyed by Department of Commerce.

The above proposal is submitted before the UAC. The above proposal of services may be examined and it may be decided by UAC whether to consider the above services, in terms of Notification No. 12/2013-Service Tax dated 01.07.2013, subject to following conditions or to reject proposal

1. Terms and Conditions of Service Tax Notification No. 12/2013-Service Tax dated 01.07.2013 are applicable, as amended from time to time.
2. Specified Officer to verify the association of Services with authorized operations.
3. Specified Officer to verify Service Contacts or Pos / Service Orders wherever applicable.

AGENDA : 3 (f) : M/s. UNP has requested for approval of ab-initio exemption of list of following specified services for claiming exemption from payment of Service Tax for authorized operations:

S/No	Name of Service	Sl. No. of Default
1	Management or Business Consultant service	-

The above service is not falling under the Default List of Services approved / conveyed by Department of Commerce.

The above proposal is submitted before the UAC. The above proposal of services may be examined and it may be decided by UAC whether to consider the above services, in terms of Notification No. 12/2013-Service Tax dated 01.07.2013, subject to following conditions or to reject proposal

1. Terms and Conditions of Service Tax Notification No. 12/2013-Service Tax dated 01.07.2013 are applicable, as amended from time to time.
2. Specified Officer to verify the association of Services with authorized operations.
3. Specified Officer to verify Service Contacts or Pos / Service Orders wherever applicable.

AGENDA : 3 (g) : Proposal for cancellation of LOA No. 22/Sricity-26/VSEZ/2010 dated 11.01.2011 issued to M/s. Amar Houseware Private Limited – Reg.

M/s. Amar House Ware Private Limited was issued LOA vide No. 22/Sricity-26/VSEZ/2010 dated 11.01.2011 for manufacture and export of FOLDABLE IRONING BOARD with an annual capacity of 547500 Nos.

The unit has imported capital goods, raw materials and procured indigenous capital and raw materials under duty free. The unit declared commencement operations on 06.01.2014, but the unit has not made exports, therefore the unit is under negative NFE.

Now the unit has requested to clear the following raw materials in DTA:

1. M. S. Coil - 11 Tons
2. M. S. Pipes - 9 Tons
3. M. S. Rods - 2.5 Tons.

Further, the unit has also requested to removal of leased equipment of LPG, brought on leases basis.

In terms of the Section 16 of SEZ Act, 2005, the Approval Committee may, at any time, if it has any reason or cause to believe that the entrepreneur has persistently contravened any of the terms and conditions or its obligations subject to which the Letter of Approval was granted to the entrepreneur, cancel the Letter of Approval.

In terms of the Rule 54 of SEZ Rules, 2006 the performance of the unit shall be monitored by the Approval Committee as per the guidelines given in Annexure appended to these rules.

AGENDA : 3 (f) : M/s. UNP has requested for approval of ab-initio exemption of list of following specified services for claiming exemption from payment of Service Tax for authorized operations:

S/No	Name of Service	Sl. No. of Default
1	Management or Business Consultant service	-

The above service is not falling under the Default List of Services approved / conveyed by Department of Commerce.

The above proposal is submitted before the UAC. The above proposal of services may be examined and it may be decided by UAC whether to consider the above services, in terms of Notification No. 12/2013-Service Tax dated 01.07.2013, subject to following conditions or to reject proposal

1. Terms and Conditions of Service Tax Notification No. 12/2013-Service Tax dated 01.07.2013 are applicable, as amended from time to time.
2. Specified Officer to verify the association of Services with authorized operations.
3. Specified Officer to verify Service Contacts or Pos / Service Orders wherever applicable.

AGENDA : 3 (g) : Proposal for cancellation of LOA No. 22/Sricity-26/VSEZ/2010 dated 11.01.2011 issued to M/s. Amar Houseware Private Limited – Reg.

M/s. Amar House Ware Private Limited was issued LOA vide No. 22/Sricity-26/VSEZ/2010 dated 11.01.2011 for manufacture and export of FOLDABLE IRONING BOARD with an annual capacity of 547500 Nos.

The unit has imported capital goods, raw materials and procured indigenous capital and raw materials under duty free. The unit declared commencement operations on 06.01.2014, but the unit has not made exports, therefore the unit is under negative NFE.

Now the unit has requested to clear the following raw materials in DTA:

1. M. S. Coil - 11 Tons
2. M. S. Pipes - 9 Tons
3. M. S. Rods - 2.5 Tons.

Further, the unit has also requested to removal of leased equipment of LPG, brought on leases basis.

In terms of the Section 16 of SEZ Act, 2005, the Approval Committee may, at any time, if it has any reason or cause to believe that the entrepreneur has persistently contravened any of the terms and conditions or its obligations subject to which the Letter of Approval was granted to the entrepreneur, cancel the Letter of Approval.

In terms of the Rule 54 of SEZ Rules, 2006 the performance of the unit shall be monitored by the Approval Committee as per the guidelines given in Annexure appended to these rules.

In case the Approval Committee come to the conclusion that a Unit has not achieved Positive Net Foreign Exchange or failed to abide by any of the terms and conditions of the Letter of Approval or Bond – cum – Legal Undertaking, without prejudice to the action that may be taken under any other law for the time being in force, the said Unit shall be liable for penal action under the provisions of the Foreign Trade (Development & Regulation) Act, 1992.

It is proposed to issue a Show Cause Notice to the unit under Foreign Trade (Development & Regulation) Act, 1992, in terms of Rule 54 of SEZ Rules, 2006 for non effecting of exports after declaration of production, non achievement of NFE and non submission of APRs. The case may be adjudicated for imposing penalty for non effecting of exports.

It is also proposed to cancel the LOA, in terms of Section 16 of SEZ Act, 2005 read with Rule 54 of SEZ Rules, 2006 for not abide the conditions of the SEZ Act and Rules there under and for recovery duty foregone, availed by the unit under the SEZ Rules, with interest as proposed by Customs authorities of SEZ.

AGENDA : 3 (h) : Proposed for review of performance of the Unit and issue of Show Cause Notice Under FT(D&R) Act, 1992 – Reg.

M/s. Shan Solar Private Limited was issued LOA vide No. 22/Sricity-20/VSEZ/2010 dated 28.09.2010 for manufacture and export of Solar Photovoltaic Modules with annual capacity of 30 MW.

The unit has commenced its operation / production on 01.07.2011 and has completed 4 years 9 months of operation by 31.3.2016. During the cumulative period the unit has made exports for Rs. 2020.30 lakhs and effected imports / total out go foreign exchange for Rs.7238.50 lakhs, as per the APR submitted by the unit. **The unit is running Negative Foreign Exchange for Rs. 5218.20 lakhs.**


The unit has completed 5 years of operation by 30.6.2016. The unit was already given warning letter on 28.03.2016 by the then DC, Sri City SEZ by the performance up to 31.3.2015.

It is proposed to issue Show Cause Notice to the Unit under FT(D&R) Act, 1992, in terms of Rule, 54 of SEZ Rules, 2006. The case may be adjudicated for imposing of fiscal penalty.

AGENDA : 4(a) : Review of Annual Performance of the Units in SEZ for 2014-15.

- (i) M/s. Premium Ingredients Food Services India Private Limited – **NFE achieved Positive.**
- (ii) M/s. Pina Abrasives India Private Limited - **NFE achieved Positive.**
- (iii) M/s. Shan Solar Private Limited _ **NFE acheived Negative.**

The above is submitted before UAC for approval please.


(G.S.R. MURTY)
Asst. Development Commissioner

Encls: As above.