

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

**MINUTES OF THE MEETING OF THE UNIT APPROVAL COMMITTEE FOR  
M/S. SRI CITY (P) LIMITED, MULTI PRODUCT SEZ.**

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The Meeting of the Unit Approval Committee was held on **12-12-2014** at 02.30 p.m. at Office of the Commissioner of Customs, Central Excise & Service Tax, No. 7/86A, Amaravathi Nagar, West Church Compound, Tirupati – 517 502, A.P.

**Members Present:**

- 1) Shri R. Govindarajan, IRS, Commissioner of Income Tax, Aayakar Bhavan, 1<sup>st</sup> Floor, Tirupati- 517 501.
- 2) Shri S.B.S. Reddy, ITS, Joint Director General of Foreign Trade, C.G.O.Towers, No. 302, Kavadiguda, Hyderabad – 500 080.
- 3) Shri K. Rajendran, IRS, Asst. Commissioner of Central Excise, O/o Commissioner of Customs, C. E. & Service Tax, 7/86A, Amaravathi Nagar, West Church Compound, Tirupati – 517 502.
- 4) Shri R. Bhoopal, IRS, Asst. Commissioner of Central Excise, O/o Commissioner of Customs, C. E. & Service Tax, 7/86A, Amaravathi Nagar, West Church Compound, Tirupati – 517 502.
- 5) Shri Ramalingeswara Raju, G.M. GoAP, Deptt. of Industries, District Industries Centre, , Kongareddy Palem, Industrial Estate, Puttoor Road, Chittoor, A.P. Pin – 517 001.
- 6) Shri K. Vidya Sagar, Dy. Commissioner of Labour, Chittoor Dist.,AIR By Pass Road, M.R.Palli Circle,Tirupati – 517 502.
- 7) Shri P. V. Kishore Reddy, Asst. Environmental Engineer, A.P.P.C.B., Narasimha Teertham Road, Manchineella Gunta, Tirupati – 517 501, A.P.
- 8) Shri K. V. Ramana, Specified Officer, O/o DC, Sri City SEZ.
- 9) Shri A. S. Rao, General Manager (Co-Ordination) M/s. Sri City Pvt. Ltd., (Rep. of the Developer)

**Shri A. K. Choudhary, ITS, Development Commissioner, Sri City SEZ (Multi Product) and Chairperson,** Unit Approval Committee welcomed the Members and apprised them briefly about the proposals placed before the Committee for their consideration. The items listed in the **Agenda, Supplementary Agenda and Table Agenda** were discussed and following decisions were taken.

**AGENDA Item No. 1:** Ratification of the Minutes of the Meeting of the Unit Approval Committee held on **08-10-2014**.

The Approval Committee **ratified** the Minutes of the Meeting of the Unit Approval Committee held on **08-10-2014**.

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**AGENDA Item No. 2 (a):**

Proposal of M/s. Sri City Pvt. Ltd., Developer vide letter No. 084/DC/UAC dtd.18.11.2014 for procurement of duty free material lying in the RBF 3, No.680, R1 Road North, Sri City SEZ from M/s. Amphenol Mobile Communication Products India Pvt. Ltd., on transfer.

The Unit Approval Committee discussed and **approved** the proposal.

**AGENDA Item No. 2 (b):**

Proposal of M/s. A. S. Cargo Movers Pvt. Ltd., Co-Developer for approval for transfer of the Co-Developer status to their joint venture company viz., M/s. Indo Space AS Industrial Park Pvt. Ltd., Mumbai.

The Unit Approval Committee discussed the proposal and after deliberations, made the following observations : -

1. There is no closing stock of duty exempted material with the Co – Developer as per QPR for July – Sept., 2014 and Half Year Return for the period April-Sept., 2014 submitted. However, '**No Dues Certificate**' from Customs Wing of DC's office has not been furnished.
2. '**No Objection Certificate**' from the Developer viz., M/s. Sri City Pvt. Ltd., for transfer of Co-Developer Status has not been furnished, as called for vide this office letter No.22/Sri City-8/SSEZ/2009 dtd. 23.09.2014.
3. '**No Objection Certificate**' from M/s. Control Components India Pvt. Ltd., for transfer of Co-Developer Status to M/s. Indo Space AS Industrial Park Pvt. Ltd., Mumbai has not been furnished, as called for vide letter No.22/Sri City-8/SSEZ/2009 dtd. 23.09.2014.
4. So far no application from proposed new Co-Developer viz., M/s. Indo Space AS Industrial Park Pvt. Ltd., has been received in this office.

The UAC **decided** to advise the Co-Developer to;

- i. Submit full financial details relating to the transfer of lease hold rights immediately to the Income Tax Commissioner, Tirupati under intimation to this office.
- ii. Submit copies of audited financial reports with Income Tax Returns for the period from 2009-10 to till date to the Commissioner of Income Tax, Tirupati under intimation to this office.
- iii. Submit the documents as mentioned at Sl. No. 1 to 3 above.

The UAC **also decided** to advise the Developer to submit a status report on MoU with proposed new co-developer viz., M/s. Indo Space AS Industrial Park Pvt. Ltd., Mumbai.

**AGENDA Item No. 3 (a) and Supplementary Agenda No.1:**

No Proposal has been received for setting up an unit in Sri City SEZ at the time of preparation of Agenda. However, proposal received through SEZ Online System on 06.12.2014 from M/s. Golden Photo & Warehousing Private Ltd., New Delhi – 110 020 has been included in the Supplementary Agenda as Item No.1.

M/s. Golden Photo & Warehousing Pvt. Ltd., applied for grant of Letter of Approval for setting up an unit in FTWZ area of Sri City SEZ for the following operations:-

“As third party Logistic company for international and domestic suppliers of Alcohol Beverages, providing the following services:-

1. Inbound Customer Clearance
2. Storage Space Lease Out for both Pallet and ODC Storage.
3. VAS(Value Added Services) such as packing, labeling etc.
4. Inventory Report Charge: Physical Stock Counting (Monthly).
5. Outbound Custom Clearance
6. Customs Duty Paid Clearances.
7. Clearance under SFIS

The Unit Approval Committee discussed and **approved** the proposal.

**AGENDA Item No. 3 (b):**

Proposal of M/s. Vermeiren India Rehab Pvt. Ltd., vide letter dtd. 03.12.2014 for approval of specified services for claiming exemption from payment of Service Tax. The unit has applied for all 66 default list of services approved by Department of Commerce.

The Unit Approval Committee discussed and **approved** the proposal with following conditions:

1. Terms and Conditions of Service Tax Notification No.12/2013-Service Tax Dtd.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 Contracts or POs/Service Orders wherever applicable.

**AGENDA Item No. 4 ( a ):**

Units, which have completed one year of operation as on 31.03.2014 (for 2013-14) from the date of commencement of commercial production, have been monitored as per Rule 54 of SEZ Rules, 2006.

The following units have submitted APR for 2013-14 in Form-I duly certified by Chartered Accountant.

1. M/s. Rockworth Systems Furniture (India) P Ltd – **Positive NFE achieved for 2013-14 and Cumulative period of 2 Years and 6 Months.**
  - The UAC **reviewed** and noted the performance of the Unit.
2. M/s. Nui Pulp & Paper Industries Pvt. Ltd - **Positive NFE achieved for 2013-14 and Cumulative period of 1 year 11 months.**
  - The UAC **reviewed** and noted the performance of the Unit.
3. M/s. Pals Plush India Private Limited – **Positive NFE achieved for 2013-14 and Cumulative period of 1 year 11 months.**
  - The UAC **reviewed** and noted the performance of the Unit.

#### **Supl. AGENDA No. 2**

Proposals of M/s. R N Photo Coatings Pvt. Ltd., vide letter dtd.08.12.2014 for approvals for (1)Ratification of excess import of CG and Imported RM etc. & Indigenous CG procured, (2)Enhancement in production capacity and (3)Revision of projections on Imports & DTA Procurement for the first five year period, as per details given below:-

- (1) Ratification of excess import of indigenous CG and Imported raw material as per **Annexure – A** attached.
  - (i) Excess Imported CG Rs. 4.88 lakhs.(but within the projections as per Appln.)
  - (ii) Imported RM etc. Rs. 51.05 lakhs per quarter on average as against BLUT value of Rs. 16.78 per quarter.(but within the projections as per Appln.)
  - (iii) Excess Indigenous Capital Goods Rs. 10.57 lakhs procured.
- (2) Enhancement in production capacity from 1 Million Mugs to 5 Million Mugs per annum.
- (3) The revised projections for the five year period are as under :
  - i. Total fob value of exports for 5 years Rs. 7695.00 lakhs.
  - ii. Imported Capital Goods for 5 years Rs. 201 lakhs
  - iii. Imported Raw Materials etc. for 5 years: Rs. 4100 lakhs.
  - iv. Indigenous Capital Goods: 75 lakhs.
  - v. Indigenous Raw Materials etc. for 5 years Rs. 4318 lakhs (Raw Materials etc. Rs.4218 lakhs and Construction Material - Rs. 100 lakhs)

The Unit Approval Committee discussed and **approved** the above three proposals.

**Supl. AGENDA No. 3:-**

Proposal of M/s. Kusakabe India Private Limited vide letter dtd.18.11.2014(received on 05.12.2014) for approval of three additional specified services viz., **(1) Business Auxiliary Services (2)Management, Maintenance or Repair Services and (3) Management, Maintenance or Repair Services for Utilities**, for exemption from payment of Service Tax, for their Unit in Sri City SEZ.

The Unit Approval Committee discussed and **approved** the proposal as under:-

- (1) Business Auxiliary Services - **Exempted by way of Refund procedure.**
- (2) Management, Maintenance or Repair Services for **Landscaping** within the factory – **ab initio exempted from payment of Service Tax.**

**Conditions :**

1. Terms and Conditions of Service Tax Notification No.12/2013-Service Tax Dtd.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 Contracts or POs/Service Orders wherever applicable.

**Table Agenda:-** Performance of two Units viz., , M/s. Saakar Printing, Design & Engineering Pvt. Ltd., M/s. Lovepac Converting Pvt. Ltd., which are under exit, have also been reviewed with the prior approval of DC and placed before the UAC as Table Agenda.

The UAC **reviewed** and noted the performance of the units as under:

**Table Agenda No. 1 :** M/s. Saakar Printing, Design & Engg. Pvt. Ltd.,

1. The Unit has achieved Positive NFE of Rs. 382.62 lakhs for entire period of 5 Y 2 M as per Calculation of NFE sheet attached.
2. The request of the Unit for Exit letter from SEZ Scheme may be considered on file subject to the following conditions duly fulfilled :-
  - (i) The Unit shall produce Waiver Certificate from RBI for short fall in realization of F.E. for U S \$ 11,512.50, failing which penalty shall be imposed as per Rule 54 of SEZ Rules, 2006 read with Provisions of the FT (Development & Regulation) Act, 1992, as amended.
  - (ii) The Unit shall submit documentary evidence to the Authorized Officer of this office to establish that no duty exemption has been availed on goods exported vide S.Bill No. 338 dtd. 29.06.2012 for US \$ 20084.92, failing which applicable/notional duties have to be paid by the unit.

- (iii) The Unit may be advised to submit copies of audited financial statements with Income Tax Returns for the years from 2009-10 to 2014-15 to the Commissioner of Income Tax, Tirupati under intimation to this office.

**Table Agenda No. 2:** M/s. Lovepac Converting Pvt. Ltd.,

- (i) The Unit has achieved positive NFE i.e., Rs. 19.38 Cr. for the cumulative period of 4 years 11 months of five year period, as per Calculation of NFE sheet attached.
- (ii) The request of the Unit for Exit letter from SEZ Scheme may be considered on file subject to following condition:
- (a) The Unit may be advised to submit copies of audited financial statements with Income Tax Returns for the years from 2009-10 to 2014-15 to the Commissioner of Income Tax, Tirupati under intimation to this office.

**Table Agenda No.3**

Shri Boby Rahman, G.M. of M/s. Nui Pulp & Paper Industries Pvt. Ltd., attended during the review of Annual Performance of their Unit. He requested vide letter dtd. 12.12.2014 to approve additional specified services viz., (1) Business Auxiliary Services, (2) Business Support Services (3) Cleaning Services and (4) Steamer Agent Services.

With the approval of Chairperson the proposal has been discussed by UAC and **approved** as under:-

- (1) Business Auxiliary Services – **Exempted by way of refund procedure.**
- (2) Business Support Services – **ab-initio exempted from payment of Service Tax.**
- (3) Cleaning Activity Services (ab-initio exemption already approved vide letter dtd.22.10.2012). However fumigation for export containers and Pest Control Services within the Factory are **ab initio exempted from payment of Service Tax.**
- (4) Steamer Agent's Services for terminal handling etc. for Export & Import – **Exempted by way of refund procedure.**

**Conditions :**

1. Terms and Conditions of Service Tax Notification No.12/2013-Service Tax Dtd.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 Contracts or POs/Service Orders wherever applicable.

This issues with the approval of **the Development Commissioner, Sri City SEZ and Chairperson, Unit Approval Committee.**

( P. S. B. SASTRY )  
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**Encl: as above.**