

**Office of the Development Commissioner, Sri City SEZ (Multi Product),
Project Office, N. H. 5, Tada – 524 401, Nellore District, A.P.**

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

The Meeting of the Unit Approval Committee was held on **16.07.2014** at 02.30 PM at Business Centre, Sri City SEZ, Satyavedu Mandal, Chittoor District, A.P. Pin-517 588.

Members Present:

- 1) Shri S. B. S. Reddy, ITS, Jt. Director General of Foreign Trade, No. 302, C.G.O. Towers, Kavadi guda, Hyderabad – 500 080
- 2) Shri S. Tamil Vannan, IRS, Asst. Commissioner of Income Tax, O/o the Commissioner of Income Tax, Aayakar Bhavan, Tirupati-517502
- 3) Shri Md. Shafee Ahamed, Deputy Director (Inds), O/o the General Manager, District Industries Centre, Chittoor District, Chittoor-517 501 A.P.
- 4) Shri P. Narasing Rao, Environmental Engineer, A.P.P.C.B., Regl. Office, Narasimham Theertham Road, Tirupati.
- 5) Shri S. Y. Srinivas, Dy. Commissioner of Labour, Govt. of A.P., Department of Labour, AIR By Pass Road, Tirupati.
- 6) Shri K. V. Ramana, Specified Officer, O/o the DC, Sri City SEZ(Multi Product).
- 7) Shri R. Nagarajan, C.F.O., 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** 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 **28.03.2014**.

The Approval Committee **ratified** the Minutes of the Meeting of the Unit Approval Committee held on **28.03.2014**.

AGENDA: 2 (a)

Proposal from the Developer:- **NIL**

AGENDA: 3 (a)

Proposal of M/s. Sutures India Pvt. Ltd., an unit in Sri City SEZ for Further Enhancement in Production Capacity in respect of Item of Manufacture viz., Surgical Sutures USP from 18 lakhs Dozens to 30 lakhs Dozens Per Annum and projections on additional requirement of Imported and Indigenous Capital Goods / Raw Materials / Components / Consumables / Spares/ Packing Materials for 5 years and also construction materials required for creation of additional space for production, as under.

Additional Projections / Requirements :

- I.** Further enhancement in production capacity in respect of item of manufacture viz., **Surgical Sutures USP** from 18,00,000 Dozens Per Annum to 30,00,000 Dozens Per Annum as per Rule 19 (2) of SEZ Rules, 2006, with following additional projections required for enhanced capacity for 5 years.
 - A. **FOB value of Exports** – US \$ 24420 Thou/Rs. 14652 lakhs.
 - B. **Imports:** CG – Rs. 100 lakhs + RM etc. Rs. 2400 lakhs (Total Rs. 2500 lakhs / US \$ 4166 Thou).
 - C. **Indigenous:** Construction Materials required for providing Additional Factory Space/Expansion of Factory building – Rs. 208 lakhs. Capital Goods Rs. 325 lakhs. Raw Materials etc. – Rs. 3600 lakhs.

Approval for the above have been issued as per Rule 19(2) of SEZ Rules, 2006 vide letter dtd.30.05.2014

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

AGENDA: 3 (b)

The following three proposals of M/s. Kusakabe India Pvt.Ltd., an Unit in Sri City SEZ for approval :

- I.** Post- facto approval for excess Import of Capital Goods, Procurement of Indigenous Capital Goods and Indigenous Construction Materials viz., Cement & Steel as per Annexure –A attached to letter No. No. KIPL/FIN/2014-15/01 Dtd. 02.07.2014.

- II.** Amendment in the item of manufacture in the Letter of Approval – inclusion of Parts of Tube & Pipe Mill Equipment in the LoA as per list attached – Annexure ‘A. and revised projections as per Annexure – ‘B’ attached to the Unit’s letter No. KIPL/FIN/2014-15/02 Dtd. 02.07.2014.
- III.** Approval for Trading Activity for import in F.C. and export to Iran in Indian Rupees from the existing Unit after construction of building for trading. Letter No.KIPL/FIN/2014-15/03 Dtd. 02.07.2014.

The Unit Approval Committee discussed and **approved the Proposals I & II above.**

As far as proposal **III** above is concerned, the UAC after careful examination of proposal and DGFT Notifications No.105(RE-2010)/2009-2014 dtd. 05.03.2012, No.17(RE-2013)/2009-14 dtd.10.06.2013 and No.79(RE-2013)/2009-2014 dtd. 30.04.2014 submitted by the Unit during the meeting and deliberations, the UAC **decided to reject** the proposal on the following grounds :-

1. The proposed activity i. e., trading falls under the Provisions of Rule 18 (5), hence not allowed from the existing unit in the Processing Area of SEZ.
2. As per Rule 18 (5) of SEZ Rules, 2006, all the transactions of a Trading Unit in FTWZ area of SEZ shall be in convertible foreign currency only.
3. Exports in Indian Rupees to Iran by Trading Units in SEZ are not allowed notwithstanding that exports by a DTA Unit can do exports to Iran against realization of proceeds in Indian Rupees.
4. The unit has not submitted any other documentary evidence that allows Iran import from Japan and also goods originated from Japan.

AGENDA : 4. A :

Review of Annual Performance of the Units in Sri City SEZ for the year 2013-14.

The Unit Approval Committee **decided** to monitor the Annual Performance of the Units in the SEZ for the year 2013-14 in the next meeting as per revised Form – I which is under process by the Ministry of Commerce.

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

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