

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

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**Supplementary Agenda of the Unit Approval Committee for Sri City SEZ (Multi Product)
Meeting scheduled to be held on 10.09.2014**

Supl. AGENDA No. 1

M/s. Vermeiren India Rehab Pvt. Ltd., having its registered office at No. 1489, 29th Main Road, 5th 'C' Cross, BTM 2nd Stage, Bangalore – 560 076 have submitted their application for grant of Letter of Approval for setting up an unit in the Sri City SEZ.

The following are the details of the project.

(1) Name of the Unit	M/s. Vermeiren India Rehab Pvt. Ltd. , having its registered office at No. 1489, 29 th Main Road, 5 th 'C' Cross, BTM 2 nd Stage, Bangalore – 560 076.
(2) Proposal is for	Setting up an unit in Miscellaneous Sector
(3) Location of the Unit	Sri City SEZ at Chittoor District, Andhra Pradesh.
(4) Manufacturing/Trading/Services	Manufacturing – Manual Wheel Chairs in 1 st Phase. Electronic Wheel Chairs, Walkers, Hospital Beds, Scooters for handicapped/old age, Comfort and Commode Chairs in 2 nd phase.
(5) Investment	<u>Building – 1st Phase 1325 lakhs.</u> + 2 nd Phase 1600 lakhs. = Rs. 2925 lakhs. <u>Plant and Machinery: Rupees in Lakhs</u> In 1st Phase 2014-15 + 2nd Phase 2017-18 - Imported CIF – Rs. 300 + Rs. 300 - Indigenous CIF –Rs. 400 + Rs. 400 - Total - Rs. 700 + Rs. 700 = Rs.1400
(6) Import requirements	Capital Goods – Rs. 600 Lakhs Raw material, components, Consumables, packing Material fuel etc. for 5 years: Rs. 8000 lakhs. Other Foreign Exchange outgo : Nil Total Foreign Exchange out go: Rs. 8600 Lakhs.
(7) FOB value of Exports	US \$ 365 lakhs / Rs 219 Crores.
(8) Indigenous requirements	CG – Rs. 800 lakhs Raw material, components, Consumables, packing Material fuel etc. for 5 years: Rs. 11000 Lakhs
(9) Foreign Technology, if any	No
(10) NRI and FI	No
(11) NFE	US \$ 215 lakhs. /Rs 129 Crores.
(12) Requirement of Land	Land: Factory & Offices – 11850 Sq.Mtrs. Warehouse – 2700 Sq.Mtr. Others – 100 Sq. Mtrs. Built Up Area – 18850 Sq. Mtr.
(13) Requirement of water	20 KL per day
(14) Requirement of power	400 KVA
(15) Employment	Men: 60 + Women : 20 Total = 80 (1 st phase) Men:135 +Women: 45 Total = 180(with 2 nd phase)

Requirement of Space: Land: 9 Acres (36422 Sq.Mtr) & Built up area: 18850 Sq. Mtrs
Total Investment: The project cost is Rs. 4325 Lakhs (1st Ph. Rs. 2025 + 2nd Ph. Rs. 2300 lakhs)
Marketing: The Company does not envisage entering into a marketing collaboration agreement.
From Policy angle : NFE: Positive
ITC Classification: The proposed items are freely exportable and importable.

In case of this project, the FOB value of exports projected is Rs. 219 Cr / US \$ 365 lakhs and FE outgo of Rs. 90 Crs / US \$ 150 lakhs.. Hence it has positive NFE of Rs. 129 Cr / US \$ 215 lakhs.

In terms of Rule 17 (2) of SEZ rules, the applicant has submitted application along with fee. The unit is fulfilling the requirement of positive NFE.

In terms of Rule 18 (2) of SEZ rules, the unit has submitted (a) Copies of Pass Port for two foreign Directors and Indian Director (b) Affidavit regarding fulfilling of environmental norms (c) Copies of I.T. Returns of the Company for the last 2 years & Indian Director for the year 2013-14.

The Proposal of the Unit is placed before UAC for **approval** please.

Supl. AGENDA No. 2

M/s. A. S. Cargo Movers Pvt. Ltd., Co-Developer of Sri City SEZ vide letter dtd. 05.09.2014 have requested for approval for transfer of the Co-Developer status to their Joint Venture Company viz., M/s. Indo Space AS Industrial Park Private Limited, the same area of land and RBF developed and allotted to M/s. Control Components India Pvt. Ltd., a functional unit in Sri City SEZ. On scrutiny of the proposal the following are observed :

1. The monitoring of utilization and consumption of goods by the Co-Developer has been done i.e., latest upto the half yearly period October, 2011 – March, 2012 (OM-2012) in the UAC Meeting held on 19.10.2012 and decided to collect from the Co-Developer the duties on closing stock of Steel and Aluminium Doors/Windows. **(copy of Minutes enclosed)**
2. The Co-Developer vide letter dtd. 23.01.2014 submitted the proof of payment of Customs Duty with Interest as per assessment of Authorized Officer vide TR 6 Challan dtd.23.01.2014 of SBI, Srikalahasti Branch for Rs. 3,84,440(Duty Rs. 2,62,524 + Interest Rs.1,21,916) **(copy enclosed)** to comply with the decision of the UAC as mentioned above.
3. M/s. A S Cargo Pvt. Ltd., the Co-Developer has been advised vide e mail dtd. 15.04.2014 to follow the procedure as laid down in the Minutes of the earlier Meetings of the Board of Approval, No. 59.12 (iii) dtd. 30.08.2013 and 61.9 (xiii) dtd.10.03.2014. IN these meetings BoA has approved the transfer of Co-Developer status on following conditions:

- (i) Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered developer entity;
- (ii) Fulfillment of all eligibility criteria applicable to developers, including security clearances etc., by the altered developer entity and its constituents;
- (iii) Applicability of and compliance with all Revenue / Company Affairs /SEBI etc. rules which regulate issues like capital gains, equity change, transfer, taxability etc.
- (iv) Full financial details relating to the transfer of equity shall be furnished immediately to the Member (IT) CBDT, Department of Revenue.
- (v) The assessing officer under the Income Tax Act, 1961, shall have the right to assess the taxability of the amount arising out of the transfer of equity.
- (vi) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.

In addition to the above, the Co-Developer has also been advised to follow the procedure as given below:

1. The New Co-Developer has to enter into an agreement with the Developer.
2. The New Co-Developer has to apply to the DC as per Application form A-1 along with copy of agreement with the Developer. They shall also apply simultaneously for approval of BoA for Authorized Operations through DC.
3. M/s. A S Cargo Movers Pvt. Ltd., have to get No Objection Certificate from the Developer to the effect that Lease Hold rights on Assets and Liabilities as Co-Developer will be transferred to new Co-Developer.
4. M/s. A. S. Cargo Movers Pvt. Ltd., have to get No Due Certificate from Customs Wing of this office.

As there is no specific rule in SEZ Rules, 2006 for exit of a Co- Developer from the SEZ Scheme, the proposal of the Co-Developer is placed before the UAC for discussion before sending the request to the Board of Approval pl.

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Encl: as above.