

**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 12.12.2014**

**Supl. AGENDA No. 1**

**M/s. Golden Photo and Warehousing Private Limited** having its registered office at No.B-118, Okhla Industrial Area, Phase I, New Delhi-110 020 have submitted their application through SEZ Online System for grant of Letter of Approval for setting up an unit in FTWZ of Sri City SEZ. **Hard copy of online Agenda** is enclosed for kind information of UAC.

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

**Supl. AGENDA No. 2**

M/s. R N Photo Coatings Pvt. Ltd., an existing unit in Sri City SEZ vide letter dtd. 08.12.2014 have made requests for approvals for (1) ratification of excess import of indigenous CG and Imported raw material, (2) Enhancement in production capacity and (3) revision of projections on Imports & DTA Procurement for the first five year period. On scrutiny of the proposals and information available the following are observed and submitted:

1. The Unit had been issued Letter of Approval vide No.22/Sri City-33/SSEZ/2011 dated 31.10.2011 and extensions/amendments vide this office Letters dtd.14.09.2012, 8.11.2012 and 22.11.2013 for manufacture Ceramic Mugs includes activities/processes viz., HVLP Spray Coating of Ceramic Mugs, Ceramic Tiles and Aluminum Drinking Bottles and Other Products make them suitable for Over Printing by a printing process called Dye Sublimation, with a capacity of 1 Million Nos.
2. The unit had been allowed to operate from FTWZ area of SEZ from October, 2012 pending construction of RBF (Ready Build Factory) by the Developer.
3. The Unit had executed BLUT dtd. 24.11.2011(accepted on 16.02.2014) for their initial requirements instead of full projected values for a 5 year period, as per application as required.
4. They made trial production and trail exports worth **Rs 44 lakhs during 2012-13**. They stopped their operations during 2013-14 for a shorter period due to changing over of management and made exports of finished goods **Rs 87 lakhs during 2013-14** operating from temporary premises in FTWZ.
5. After construction of their factory building (RBF 7) shifted existing machinery from FTWZ to RBF 7 during March, 2014 and after further trials, declared commencement of commercial production **w.e.f. 08.08.2014**.

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6. The Unit has made exports worth Rs. **479 lakhs** during the current year i.e., 2014-15(up to 30.11.2014).
7. During the period of operation from July, 2012 to November, 2014 (**29 Months**) they made the following imports, indigenous procurement of CG & RM etc.:
  - i. Imported Capital Goods : Rs. 61.76 lakhs.
  - ii. Imported Raw Material etc: Rs. 493.44 lakhs
  - iii. Indigenous Capital Goods : Rs. 35.57 lakhs.
  - iv. Indigenous Raw Material etc: Rs. 12.00 lakhs (Duty paid construction material for alterations).
8. The Unit has made the following excess Import/DTA procurement for the entire period of 29 months (**including 4 months commercial production period from 08.08.2014 to 08.12.2014**):
  - i. Excess Imported capital goods Rs. 4.88 lakhs (but within the projections as per application).
  - ii. Imported RM etc. Rs. 51.05 lakhs per quarter on average as against BLUT value of Rs. 16.78 per quarter. **However, total imports are within the projections as per application.**
  - iii. Excess Indigenous Capital Goods Rs. 10.57 lakhs procured.
9. A comparative statement showing the values as per Application-As per BLUT-Actual Utilization is submitted by the unit may kindly be seen (Annexure –A to letter dtd.8.12.2014).
10. The Unit proposed to enhance the production capacity from 1 Million Mugs to 5 Million Mugs per annum to meet their projected Exports of Rs. 7692.57 lakhs for the 1<sup>st</sup> five year period.
11. The revised projections submitted by the unit are as under :
  - i. Total fob value of exports for 5 years Rs. 7695.00 lakhs (No change – rounded off)
  - ii. Imported Capital Goods for 5 years Rs. 201 lakhs (No Change)
  - iii. Imported Raw Materials etc. for 5 years : Rs. 4100 lakhs (Increase from Rs. 817 lakhs to Rs.1200 lacs).
  - iv. Indigenous Capital Goods : 75 lakhs (Increase from Rs. 25 lakhs to Rs. 75 lakhs)
  - v. Indigenous Raw Materials etc. for 5 years Rs. 4318 lakhs (No Change). However re-allocation of values under Raw Materials etc. and Construction Material as RM etc.- Rs.4218 lakhs and provision for Construction of additional space etc. Rs. 100 lakhs in future, within the over value of Rs. 4318 lakhs.

In view of the above, due to change of management (the promoters are from U.K.), the requests and proposals of the unit for delay in applying for approvals may be considered on merits and as trade facilitation measure.

Accordingly the following three proposals are placed before UAC for **ratification and approval** pl.

1. Ratification of excess Import/DTA Procurement of CG and RM etc. as per **Annexure-A**.
2. Enhancement of production Capacity from 1 Million Mugs to 5 Million Mugs per annum.
3. Revised Projections for 5 years as mentioned **at Para 11 above**.

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

M/s. Kusakabe India Private Limited an existing unit in Sri City SEZ vide letter dtd.18.11.2014(received on 05.12.2014)(**copy enclosed**) have requested 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, with justification.

These services are over and above the 66 default services as mentioned in Department of Commerce letter No. D.12/19/2013-SEZ dtd. 09.07.2014 (**copy enclosed**).

The Proposal is placed before the UAC for **discussion and approval** please.

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Encl: as above.