

Minutes of the UAC meeting on 26.02.2021

Minutes of the 19th Meeting of Unit Approval Committee (2020-21 Series) in respect of SEZs & EOUs of Tamil Nadu, Puducherry and Andaman & Nicobar Islands held on 26.02.2021

The 19th Meeting of the UAC in respect of SEZs & EOUs of Tamil Nadu, Puducherry and Andaman & Nicobar Islands was held on 26.02.2021 through Video Conferencing.

The following members were present:

Sl. No.	Name (Shri/Smt.)	Designation	Position
1	Dr. M.K. Shanmuga Sundaram, IAS	Development Commissioner, MEPZ SEZ	Chairperson
2	D. Anandan, IAS	Jt. Development Commissioner, MEPZ SEZ	Member
3	Balasubramanian. P	Dy. Development Commissioner, MEPZ SEZ	Member
4	Vikas Pal, IRS	Dy. Commissioner, Customs, MEPZ SEZ	Member
5	N. Vaidyanathan, ITS	Dy. Director General of Foreign Trade, O/o Addl. DGFT, Chennai.	Member
6	T.E.Srikanth, IRS	Asst. Commissioner (Export Promotion), Chennai Customs, Chennai	Member
7	P. Gowri, IRS	Asst. Commissioner (Customs), Tiruchirapalli Commissionerate	Member
8	Y. Vijaya Murthy, IRS	Asst. Commissioner (Customs), Air Cargo Complex, Meenambakkam, Chennai	Member
9	N. Kannan	Deputy General Manager, Guidance Tamil Nadu.	Member

17.1 Request from M/s. Flextronics Technologies India Private Limited for broadbanding

M/s. **Flextronics Technologies India Private Limited**, having an SEZ Unit in Flextronics SEZ, Sriperumbudur was issued LOA on 01.08.2006 for manufacture, export and trading of Telecom Products, Consumer Products, PCBAs, Mobile Charger and Transformers.

As per Ministry's Notification dated 17.12.2019, Sl.No.2d, all existing notified SEZs shall be deemed to be a Multi-sector SEZs. Hence, the Unit had applied for broadbanding their authorised operations for manufacture and export of the following items:-

Sl.No.	Product	HSN Code	Capacity in lakhs pieces per annum
1	Vacuum Cleaner	85086000	15
2	Memory Modules	85235100	100
3	Laptops, Desktops	84713010	20
4	Computer Work Stations	84715000	5
5	Solar Power/Converters/Inverters	85044010	30

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The Unit has furnished the revised projections of Exports/NFEE accordingly.

The request of the Unit for manufacture and export of the above items under broadbanding was examined by the Unit Approval Committee. After deliberations, the Committee approved the request of the Unit in terms of provisions contained in Rule 19(2) of SEZ Rules, 2006.

19.2 Request of M/s. Flextronics Technologies India Private Limited for capacity enhancement

M/s. Flextronics Technologies India Private Limited, having an SEZ Unit in Flextronics SEZ, Sriperumbudur was issued on 01.08.2006 for manufacture, export and trading of Telecom products, Consumer products, PCBAs, Mobile Chargers and Transformers.

As per Ministry's Notification dated 17.12.2019, Sl.No.2d, all existing notified SEZs shall be deemed to be a Multi-sector SEZs. Hence, the Unit's request for broadbanding for manufacture of Surgical 2 Ply, 3 Ply masks with an annual capacity of 10 lakh pieces per annum to cater their employees working in SEZ/DTA and for CSR activities was ratified in the UAC held on 15.05.2020. The Unit has now proposed to enhance the production capacity of Masks from 80 lakh pieces to 160 lakh pieces per annum. The Unit has furnished the revised projections of Exports/NFEE.

The request of the Unit for enhancement was examined by the Unit Approval Committee. After deliberations, the Committee approved the same in terms of the provisions contained in Rule 19(2) of SEZ Rules, 2006.

19.3 Request of M/s. Micro Focus Software Solutions India Private Limited for surrender of space in TRIL Info Park SEZ

The request for approval for surrender of 18,865 Sq.ft by **M/s. Micro Focus Software Solutions India Private Limited**, having an SEZ Unit in TRIL Info Park SEZ, Taramani was examined by the Unit Approval Committee. After deliberations, the Committee decided to defer the same for want of clarifications.

19.4 Monitoring the performance of 6 Units in TRIL Info Park SEZ, Chennai.

The performance of the following 6 Units in TRIL Info Park SEZ, Chennai for the year 2019-20 was reviewed by the Unit Approval Committee on the basis of the APRs filed by them, in terms of Rule 54 of SEZ Rules, 2006.

Sl. No.	Name of the Unit	Year & Block	NFEE (₹ in Lakh)
1	Micro Focus Software Solutions India Pvt Ltd	3 rd Year in the 1 st Five Year Block	3,378
2	Bright Star India Shared Services LLP	3 rd Year in the 1 st Five Year Block	1,641

3	Mindtree Limited	3 rd Year in the 2 nd Five Year Block	20,407
4	Hewlett Packard Enterprise Global Soft P Ltd	3 rd Year in the 1 st Five Year Block	1,406
5	Thryve Digital Health LLP	4 th Year in the 1 st Five Year Block	13,424
6	Sirius Computer Solutions India Pvt. Ltd	1 st Year in the 2 nd Five Year Block	3,830

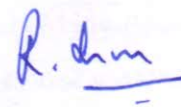
While the Committee noted that the cumulative NFEF of the Units was positive, M/s. Bright Star India Shared Services LLP has attributed the shortfall in achievement to the structural changes in their entity during 2019-20 which has resulted in deferment of projects. M/s. Hewlett Packard Enterprise have informed that since a Project/Business was moved out from their Company, there was a shortfall in achievement of projections given by them. M/s. Thryve Digital Health LLP have informed that they had given projections based on their recruitment plan of 1278 employees for their Chennai Unit. However, due to Covid-19 pandemic which imposed travel restrictions, their recruitment plan went awry resulting in shortfall in achievement of projections.

19.5 Approval for change in the name of the Implementing Agency and Business Transfer Agreement of M/s. Caterpillar India Private Limited, a Unit in Perungudi Real Estates SEZ

M/s. Caterpillar India Private Limited, having an SEZ Unit located in Perungudi Real Estates Private Limited SEZ was issued LOA No.8/05/2019-Perungudi SEZ dated 03.02.2020 for service activities **“Digital Solutions, Engineering, R & D Services, Product compliance and support, Support services including Tax, Accounting, IT compliance, HR and Technical Information Solutions”**. The Unit is yet to start their operations. The validity of LOA was extended up to 02.08.2021 by this office vide letter dated 18.02.2021.

Now, the company **M/s. Caterpillar India Private Limited (CIPL)** has informed that they have started a subsidiary company in the name of **M/s. Caterpillar India Engineering Solutions Private Limited** for carrying out the activities of the SEZ Unit. They have also proposed to transfer the activities permitted by this office for the SEZ Unit to M/s. Caterpillar India Engineering Solutions Private Limited by way of business transfer agreement.

The request of **M/s. Caterpillar India Private Limited** for change in the Implementing Agency to **M/s. Caterpillar India Engineering Solutions Private Limited** and the proposal for Business Transfer Agreement was examined by the Unit Approval Committee. After deliberations, the Committee approved the same in terms of the provisions contained in Rule 19(2) of SEZ Rules, 2006.



19.6 Request from M/s. Cheyyar SEZ Developers Private Limited, Tiruvannamalai for procurement of materials and monitoring Quarterly Report for the period up to December 2020 and Half Yearly Report up to September 2020

M/s. Cheyyar SEZ Developers Private Limited, Developer of the SEZ at Tiruvannamalai, have submitted for approval of Unit Approval Committee, a list of indigenous materials for an estimated value of ₹ 12.65 lakh with a duty forgone value of ₹ 1.93 lakh for its authorised operations, viz Telecom and other communication facilities including Internet connectivity. The list of materials has been certified by a Chartered Engineer. The request was examined by the Unit Approval Committee. After deliberations, the Committee approved the same in terms of provisions contained in Rule 12(2) of SEZ Rules, 2006. The Committee also noted the submission of Quarterly Report for the period up to December 2020 and Half Yearly Report for the period ending September 2020 by the Developer.

19.7 Request from M/s. Cheyyar SEZ Developers Private Limited, Bargur for procurement of materials and monitoring Quarterly Report for the period up to December 2020 and Half Yearly Report up to September 2020

M/s. Cheyyar SEZ Developers Private Limited, Developer of the SEZ at Bargur, have submitted for approval of Unit Approval Committee, a list of indigenous materials for an estimated value of ₹ 2.39 lakh with a duty forgone value of ₹ 0.36 lakh for its authorised operations, viz Telecom and other communication facilities including Internet connectivity. The list of materials has been certified by a Chartered Engineer. The request was examined by the Unit Approval Committee. After deliberations, the Committee approved the same in terms of provisions contained in Rule 12(2) of SEZ Rules, 2006. The Committee also noted the submission of Quarterly Report for the period up to December 2020 and Half Yearly Report for the period ending September 2020 by the Developer.

19.8 Monitoring the performance of 12 Units in IG3 Infra SEZ, Chennai.

The performance of the following 12 Units in IG3 Infra SEZ, Chennai for the year 2019-20 was reviewed by the Unit Approval Committee on the basis of the APRs filed by them, in terms of Rule 54 of SEZ Rules, 2006.

Sl. No	Name of the Unit	Year & Block	NFEE (₹ in Lakh)
1	Statestreet HCL Services	4 th Year in the 1 st Five Year Block	62
2	CloudIQ Solutions Private Limited	1 st Year in the 1 st Five Year Block	38
3	OEC India Services Private Limited	1 st Year in the 1 st Five Year Block	331
4	Omega Healthcare Management Services P Ltd	1 st Year in the 1 st Five Year Block	186
5	Tata Consultancy Services Limited – Unit-I	4 th Year in the 3 rd Five Year Block	3,40,280

6	Tata Consultancy Services Limited – Unit-II	5 th Year in the 2 nd Five Year Block	56,393
7	Tata Consultancy Services Limited – Unit-III	3 rd Year in the 1 st Five Year Block	2,28,371
8	Prodapt Solutions Private Limited	1 st Year in the 2 nd Five Year Block	18,236
9	IG3 Infra Limited – Power Unit	4 th Year in the 1 st Five Year Block	59
10	Vembu Technologies Private Limited	2 nd Year in the 2 nd Five Year Block	725
11	Avaap IT Solutions Private Limited	2 nd Year in the 2 nd Five Year Block	495
12	Integra Software Services Private Limited	5 th Year in the 1 st Five Year Block	1,763

While the Committee noted that the cumulative NFEE of the Units was positive, the ADC was asked to ascertain the reasons for the shortfall in achievement of exports, NFEE and employment from M/s. Statestreet HCL Services, M/s. CloudIQ Solutions Private Limited, M/s. Omega Healthcare Management Services Private Limited, M/s. Vembu Technologies Private Limited and M/s. Avaap IT Solutions Private Limited and apprise the Committee in the next meeting.

19.9 Request from M/s. Estancia IT Park Private Limited for procurement of materials

M/s. Estancia IT Park Private Limited, Developer of the SEZ at Potheri, have submitted for approval of Unit Approval Committee, a list of indigenous materials for an estimated value of ₹ 139.89 lakh with a duty forgone value of ₹ 25.30 lakh for its authorised operations, viz Employee Welfare facilities like Creche, Medical Centre and other such facilities. The list of materials has been certified by a Chartered Engineer. The request was examined by the Unit Approval Committee. After deliberations, the Committee approved the same in terms of provisions contained in Rule 12(2) of SEZ Rules, 2006.

19.10 Monitoring the performance of 10 Units in DLF Info City Chennai Limited SEZ, Chennai.

The performance of the following 10 Units in DLF Info City Chennai SEZ, Chennai for the year 2019-20 was reviewed by the Unit Approval Committee on the basis of the APRs filed by them, in terms of Rule 54 of SEZ Rules, 2006.

Sl. No	Name of the Unit	Year & Block	NFEE (₹ in Lakh)
1	Maveric Systems Limited – Unit I	1 st Year in the 3 rd Five Year Block	4,208
2	Maveric Systems Limited – Unit II	1 st Year in the 2 nd Five Year Block	14,094
3	Access Healthcare Services Private Ltd – Unit I	1 st Year in the 2 nd Five Year Block	3,235
4	Access Healthcare Services Private Ltd – Unit II	2 nd Year in the 1 st Five Year Block	4,315
5	Aptiv Connection Systems India Pvt Ltd – Unit I	1 st Year in the 2 nd Five Year Block	2,492
6	Aptiv Connection Systems India Pvt Ltd – Unit II	4 th Year in the 1 st Five Year Block	793
7	Hitachi Solutions India Private Limited – Unit-I	2 nd Year in the 2 nd Five Year Block	1,809

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8	Hitachi Solutions India Private Limited – Unit-II	5 th Year in the 1 st Five Year Block	1,314
9	DXC Technology India Private Limited	3 rd Year in the 3 rd Five Year Block	23,838
10	String Information Services Private Limited	1 st Year in the 1 st Five Year Block	304

While the Committee noted that the cumulative NFEE of the Units was positive, the ADC was asked to ascertain the reasons for the shortfall in achievement of exports, NFEE and employment from M/s. Hitachi Solutions India Private Limited for both the Units, M/s. DXC Technology India Private Limited and M/s. String Information Services Private Limited and send a mail to M/s. Aptiv Connection Systems India Private Limited to increase their women employment which is very low.

19.11 Request of M/s. Tidel Park Coimbatore Limited, Co-Developer regarding surrender of space by the Developer M/s. Elcot, Coimbatore

M/s. Tidel Park Coimbatore Limited, Co-Developer of ELCOT-SEZ had obtained permission from MEPZ for allotment of space to M/s. ELCOT Limited for establishment of Capacity Building Centre for Young Entrepreneurs and Start-ups as a part of employee welfare measures under Instruction No.50 which was approved by the Committee on 28.02.2018.

Now, M/s. ELCOT Limited, the Developer have submitted a request to the Co-Developer vide letter dated 30.12.2020 for surrender of the space allotted to them (Module No.DC-17 to DC-19 – 64 seats). They have further stated that due to the administrative reasons, they could not commence operations in the said space so far. Considering the request of the Developer and since the facility has not been utilised by M/s. ELCOT Limited, the Co-Developer has requested this office to take on record the surrender of space by the Developer vide their letter dt.3.02.2021. The Developer has also submitted No Due Certificate from the Authorised Officer.

The request of the Co-Developer for surrender of space by the Developer was examined by the Unit Approval Committee. After deliberations, the Committee approved the same in view of the fact that the space has not been utilised by the Developer and it can be allotted to other prospective entrepreneurs.

19.12 Request of M/s. Cognizant Technology Solutions India Private Limited for acquiring additional space in ELCOT-SEZ, Sholinganallur

The request for approval for acquiring additional space of 8,226 Sq.ft. in 7th Floor and 45,270 Sq.ft. in 10th Floor in ELCOT-SEZ, Sholinganallur by M/s. Cognizant Technology Solutions India Private Limited was examined by the Unit Approval Committee. After deliberations, the Committee approved the acquiring of additional space by M/s. Cognizant Technology Solutions India Private Limited in view of the reasons stated by them.

19.13 Request of M/s. East Wind Footwear Company Limited, Unit-II for capacity enhancement

M/s. East Wind Footwear Company Limited, Unit-II was issued LOA No.8/3/2011/Cheyar SEZ dated 23.05.2011 for manufacture and export of Footwear in the SEZ. They have commenced their commercial production on 30.04.2012.

Now, the Unit has requested permission for capacity enhancement from 20,00,000 pairs to 40,00,000 pairs. The Unit has also submitted revised projections for the same. The Unit has stated that they have reduced their projections since the production capacity enhancements planned in 2020 were deferred into 2021 due to COVID-19 pandemic scenario in 2020 and their normal production has also got affected during 2020. Due to this, they could not achieve the projections already given and necessitated in reducing the projections to the realistic level.

The request of the Unit for capacity enhancement from 20,00,000 pairs to 40,00,000 pairs was examined by the Unit Approval Committee. After deliberations, the Committee approved the same in terms of the provisions contained in Rule 19(2) of the SEZ Rules, 2006.

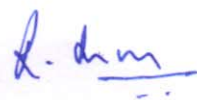
19.14 Cancellation of LOP issued to M/s. SNI Industries

M/s. SNI Industries was issued LOP No.A/2005/018/EOU/TN dated 11.03.2005 for setting up an 100% EOU at 531A, Gobi Road, Kunnathur, Erode for manufacture and export of Granite Monuments and Slabs. The Unit has started their commercial production on 20.12.2005. The Unit's LOP for the 2nd Five Year period was renewed for the period from 20.12.2010 to 19.12.2015 and Green Card with validity up to 29.12.2015 was also issued to the Unit.

The Unit has applied for exit on 08.08.2016 and they have submitted CA certified APRs for the block period from 2010-11 to 2014-15. The validity of the LOP issued has expired on 19.12.2015. The Unit has achieved a NFEE of ₹ 227.77 lakh.

The Asst. Commissioner of Central Excise, Erode has informed vide his letter dated 10.03.2016 that no dues are pending against the Unit as on 10.03.2016. The Unit has not surrendered the original LOP, LUT and LUT for exit as prescribed in Appendix 6K even after repeated reminders from this office.

The proposal for cancellation of LOP was examined by the Unit Approval Committee. After deliberations, the Committee decided that LOP issued to the Unit may be cancelled.



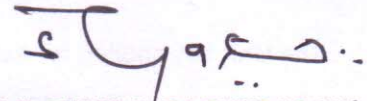
19.15 Request from M/s. Virtual Tech Gurus India Private Limited for setting up their Unit in ELCOT-SEZ, Coimbatore

The proposal of **M/s Virtual Tech Gurus India Private Limited**, for setting up a new SEZ Unit in ELCOT-SEZ, Coimbatore for **"Information Technology Support Services viz. Migration services, Managed Services and Product Development"** with a projected investment of ₹ 38 lakh and projected NFEE of ₹ 2,324 lakh over a period of 5 years with an employment generation for 96 persons was examined by the Unit Approval Committee. After deliberations, the Committee approved the proposal in terms of the provisions contained in Rule 18(2) of SEZ Rules, 2006.

19.16 Monitoring the performance of M/s. Hansa Green Technology (P) Limited, a Unit in AMRL Hi-Tech SEZ, Nanguneri

The performance of M/s. Hansa Green Technology (P) Limited, a Unit in AMRL Hi-Tech SEZ, Nanguneri for the period 2015-16, 2016-17 and 2019-20 was reviewed by the Unit Approval Committee on the basis of the APRs filed by them, in terms of Rule 54 of SEZ Rules, 2006. The Committee was informed that the Unit's performance for 2017-18 and 2018-19 was already reviewed. The Committee noted that the Unit has achieved a negative NFEE of ₹ 1201 lakh at the end of 5th Year of the 1st Block of Five Year period. The Unit has attributed that trade deficit due to Covid-19, decrease in the value of Indian currency resulting in higher cost of import against the original price, competitive price of Chinese manufacturers and low volume of sales for high quality cum high cost product in a few foreign countries for their poor performance.

The meeting concluded with a Vote of thanks with the information that the next meeting will be held on 12th March 2021.



(Dr. M.K. SHANMUGA SUNDARAM)
CHAIRPERSON, UNIT APPROVAL COMMITTEE
& DEVELOPMENT COMMISSIONER