

**Minutes of the 5<sup>th</sup> Meeting of Unit Approval Committee (2020 Series) in respect of SEZs & EOUs of Tamil Nadu, Puducherry and Andaman & Nicobar Islands held on 30.07.2020**

The 5<sup>th</sup> Meeting of the UAC in respect of SEZs & EOUs of Tamil Nadu, Puducherry and Andaman & Nicobar Islands was held on 30.07.2020 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	R. Anitha Nandhini, IFS	Dy. Development Commissioner, MEPZ SEZ	Member
4	Balasubramanian P	Dy. Development Commissioner, MEPZ SEZ	Member
5	N. Kannan	Company Secretary, Tamil Nadu Industrial Guidance & Export Promotion Bureau, Chennai	Member
6	V. Kayalvizhi	Specified Officer, MEPZ SEZ	Member
7	S. Sundara Raman	Asst. Director General of Foreign Trade, O/o Addl. DGFT, Chennai.	Member
8	R. Mahendran	Asst. Commissioner of Customs, Air Cargo, Meenambakkam, Chennai-27	Member

The Unit Approval Committee confirmed and ratified the minutes of the UAC meeting held on 17.07.2020.

**5.1 Renewal of LOA in respect of M/s. Locktite India Private Limited, a Unit in MEPZ SEZ for their 4<sup>th</sup> Five Year Block period**

M/s. Locktite India Private Limited, a Unit in MEPZ SEZ was issued Letter of Approval vide No.8/75/2005/SEZ dated 02.02.2005 for manufacture and export of 'Cold Forged Components for Automobiles and Hydraulic Fittings & Machined Components.' The Unit started its commercial production on 18.08.2005.

Now, the Unit has submitted an application on 17.07.2020 for renewal of Letter of Approval for the 4<sup>th</sup> Block of five year period from 18.08.2020 to 17.08.2025, i.e., less than 2 months before the expiry of its 3<sup>rd</sup> Five Year Block.

As per amendment to SEZ Rules, 2006 dated 19.09.2018 issued by Department of Commerce, an SEZ Unit shall apply for renewal of LOA at least 2 months before the expiry of its LOA, failing which such cases will be placed before the Unit Approval Committee for consideration. In the instant case, the Unit

had applied for renewal on 17.07.2020, while their LOA is expiring on 17.08.2020. The Unit has achieved an NFEE of ₹ 2,736 lakh during the 3<sup>rd</sup> Five Year Block Period.

The request of M/s Locketite India Private Limited for renewal of their LOA for the 4<sup>th</sup> Five Year Block Period from 18.08.2020 to 17.08.2025 was examined by the Unit Approval Committee. After deliberations, the Committee condoned the delay in submission of the request of the renewal of LOA by the Unit and decided to renew their LOA for the 4<sup>th</sup> Five Year Block Period from 18.08.2020 to 17.08.2025.

**5.2 Request from M/s. Omega Healthcare Management Services Private Limited for change of space within the SEZ**

M/s. Omega Healthcare Management Services Private Limited, a Unit located in IG3 Infra Limited SEZ, Thoraipakkam, was issued LOA on 4.2.2020. The Unit is presently having a space of 40,149 sq.ft. in IG3 Infra Limited SEZ at 2<sup>nd</sup> Floor, Opus Block comprising Module 4 and Part of Module 3.

Now, the Unit has requested to change their location within the SEZ to Module 2 and part of Module 3, II Floor, South Block (OPUS) at Phase-II of the SEZ in an area admeasuring 39,420 sq.ft.

In this regard, the Unit has submitted a copy of the Consent letter and Letter of Intent entered with the Developer.

The request of the Unit was examined by the Unit Approval Committee. After deliberations, the Committee approved the request of the Unit for change of space within the SEZ as mentioned above.

**5.3 Request of M/s. Eppinger Tooling Asia Private Limited, an EOU located at Pollachi to broadband its authorised operations to undertake repair and service activity.**

M/s. Eppinger Tooling Asia Pvt Ltd, Pollachi was issued LOP No. A/2006/021/EOU/TN dated 28.04.2006 for manufacture and export of Precision Components Accessories and Equipments, Turret Head, Revolving Tool Holders, VDI Tool Holders, Drive systems for Gears, Stators, Rotors, Electric Drives and Gear Box (Housing). The Unit is in the 3<sup>rd</sup> 5 year Block period i.e., 2016-17 to 2020-21.

The Unit has stated that they are getting frequent enquiries from their overseas buyers and other Engineering companies located in Europe and other Asian countries for repairing and servicing their used Tool Holders, and other engineering equipments. Also, stated that they undertake repair and servicing activity for their foreign customers in respect of the goods not covered under the warranty period and their billing would be in Foreign currency.

In view of the pandemic situation prevailing throughout the world, followed by the complete lockdown announced by the Government of India, their export orders and business activity has been hampered very badly resulting in frequent layoff of workers. As they have invested heavily in their facility



in Pollachi, they cannot keep the plant and machinery idle for long in the absence of export orders. Therefore the Unit has requested for permission to undertake repair and servicing activity of used Tool Holders and other Engineering Equipments of their foreign buyers and other Engineering Companies located in Europe and other Asian countries in their existing EOU premises and the billing would be in foreign Currency.

As per para 6.16 (a) of FTP 2015-20, EOUs shall be setup with approval of the UAC to carry out reconditioning, repair, remaking, testing, calibration, quality improvement, up gradation of technology and re-engineering activities for export in foreign currency. Provisions of Paragraphs 6.08, 6.09, 6.10, 6.13, 6.14 of FTP and Para 6.29 (a), (b), (c) and (d) of HBP shall not, however, apply to such activities.

The request of the Unit to undertake repair and servicing activity was examined by the Unit Approval Committee. It was noted that the items for which repair and servicing are proposed to be undertaken by the Unit are the same items for which they have already got permission for manufacture as per their LOP. After deliberations, the Committee approved the request of the Unit to broadband its authorised operations for undertaking repair and service activity in their existing premises in terms of the provisions contained in para 6.16(a) of Foreign Trade Policy 2015-2020 subject to the conditions as stipulated in the said para and no wastage should be cleared into DTA and the wastage generated during repair and service activity should be exported back. Further, the Committee instructed that the Unit shall maintain separate accounts for this activity and earn foreign exchange for the same.

#### **5.4 Request of M/s. Unimoni Global Business Services Private Limited for surrender of space**

The request for approval for surrendering 82,276 sq.ft space to M/s. DLF Assets Limited by M/s. Unimoni Global Business Services Private Limited in the DLF Info City Chennai Limited SEZ was examined by the Unit Approval Committee. After deliberations, the Committee approved the surrender of space by M/s. Unimoni Global Business Services Private Limited, in view of the reasons stated by them.

#### **5.5 Request from M/s. DLF Assets Limited for procurement of materials**

M/s. DLF Assets Limited, Co-developer of DLF Info City Chennai Limited SEZ, have submitted for approval of the Unit Approval Committee a list of materials (all indigenous) for a value of ₹ 141.90 lakh with a duty forgone value of ₹ 25.54 lakh to be procured for Office Space (warm shell) as part of their authorised operations. 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 procurement of materials in terms of provisions contained in Rule 12(2) of SEZ Rules, 2006.

**5.6 Request of M/s. Soliton Technologies Private Limited for surrender of space**

The request for approval for surrendering 51 seats in Modules DC 25 & 28 to TIDEL Park Coimbatore Limited, Co-developer of ELCOT-SEZ, Coimbatore by M/s. Soliton Technologies Private Limited, an SEZ Unit in the SEZ was examined by the Unit Approval Committee. After deliberations, the Committee approved the request of the Unit in view of the reasons stated by them.

**5.7 Allotment of space to Internet Service Provider by M/s. TIDEL Park Coimbatore Limited**

M/s. TIDEL Park Coimbatore Limited, Co-Developer of ELCOT SEZ, Coimbatore vide their letter dated 03.06.2020 has requested permission to allot space to M/s. Skylink Fibernet Private Limited for Internet telecommunication service to IT/ITES Units located in the SEZ for a period of 5 years. The details are as follows:-


Sl.No.	Name of the Service Provider	Module No.	Area in Sq.ft	Purpose
1	M/s. Skylink Fibernet Pvt Ltd	SP-11 Basement II	165(SBU)	Internet telecommunication works for IT/ITES Clients

The request of the Co-developer for allotment of space to the service provider was examined by the Unit Approval Committee. After deliberations, the Committee approved the request of the Co-Developer in terms of Instruction No.50 dated 15<sup>th</sup> March 2010 issued by Department of Commerce subject to the condition that no duty free material shall be allowed for setting up and operating this facility by the Service Provider.

**5.8 Request of M/s. Electromate Components Private Limited for trading activities under broadbanding**

M/s. Electromate Components Pvt Ltd , a Unit of AMRL SEZ, Nanguneri, was granted LOA No 8/20/2015-AMRL SEZ dated 01.07.2015 for manufacturing of (a) Galvanized Flexible Metal Conduits (Non UL) (b) Liquid Tight Galvanised Flexible Metal Conduits (Non UL). (c) Galvanized Flexible Metal Conduits (UL approved). (d) Liquid Tight Galvanised Flexible Metal Conduits (UL approved). (e) Square box with cover. (f) Octagonal box with cover. (g) EMT Straps.

The Unit has commenced its commercial production on 26.08.2016. The Unit has now requested for approval to broadband its authorised operations to include Trading in the items listed below since as per their feasibility study there is a demand in the markets for these items.





Sl. No.	Item Description	HS Code	Remarks
a)	Galvanized Steel Coil / Sheets	72104900	SIMS registration, IS 277, Minimum Imported price
b)	Cold Rolled Coil / Sheets	72107000	SIMS registration
c)	Pre-Painted Cold Rolled Coil / Sheets	72107000	SIMS registration
d)	Aluminium Die Castings	76169900	
e)	Metal Accessories	73269060	SIMS registration
f)	Conduit Fittings	76090000	Goods capable of being used as consumer goods are restricted items

The existing and revised projections, taking actuals achieved for the first four years from 2016-17 to 2019-20 is given as under. The Unit has intimated that they are unable to meet the proposed projections made at the time of application for the initial two years of the block period due to delay in getting their building approval from DTCP / HACA and other approval issues.

₹ in lakh

Srl	Details	Existing Projections	Revised Projections
a)	FOB Value of Exports	8991.61	2313.96
b)	Foreign exchange Outgo	4552.90	1152.01
c)	NFEE	4438.71	1161.95

The Unit has achieved positive NFEE of ₹ 562.12 lakh for the Block period of 2016-17 to 2019-20. The Unit also assures to maintain a separate account for their trading activities.

The request of the Unit was examined by the Unit Approval Committee. After deliberations, the Committee approved the request of the Unit in terms of the provisions contained in Rule 19(2) of SEZ Rules, 2006 subject to the condition that the Unit shall maintain separate accounts for the trading activity and earn foreign exchange for the same. The Committee also decided that the Unit shall abide by the other conditions mentioned against each item on the remarks column at para 2 above.

**5.9 Renewal of LOA in respect of M/s. Karr Technologies India Private Limited for their 2<sup>nd</sup> Five Year Block period**

M/s. Karr Technologies India Private Limited was issued Letter of Approval vide No.8/25/2014-TRIL dated 16.09.2014 for providing IT/IT Enabled Services in TRIL Info Park SEZ, Taramani. The Unit started its commercial production on 04.06.2015.

Now, the Unit has submitted an application on 06.07.2020 for renewal of Letter of Approval for the 2<sup>nd</sup> Block of five year period from 04.06.2020 to 03.06.2025, i.e., after one month of expiry of its 1<sup>st</sup> Five Year Block.

As per amendment to SEZ Rules, 2006 dated 19.09.2018 issued by Department of Commerce, an SEZ Unit shall apply for renewal of LOA at least 2 months before the expiry of its LOA, failing which such cases will be placed before the Unit Approval Committee for consideration. In the instant case, the Unit had applied for renewal on 06.07.2020, while their LOA expired on 03.06.2020. The Unit has achieved an NFFEE of ₹ 15,017 lakh during the 1<sup>st</sup> Five Year Block Period.

The request of M/s. Karr Technologies India Private Limited for renewal of their LOA for the 2<sup>nd</sup> Five Year Block Period from 04.06.2020 to 03.06.2025 was examined by the Unit Approval Committee. After deliberations, the Committee condoned the delay in submission of the request of the renewal of LOA by the Unit and decided to renew their LOA for the 2<sup>nd</sup> Five Year Block Period from 04.06.2020 to 03.06.2025.

**5.10 Request of M/s. FM Global Logistics India Private Limited for Value Added Services and installation of Testing Machine for their customer**

M/s.FM Global Logistics India Pvt. Ltd. was granted LOA on 03.06.2015 and commenced its activities on 11.01.2016. They have requested for permission to install a Testing Machine on behalf of their customer viz. M/s Itron India Private Ltd. It is stated that their customer is importing water meters. These meters are tested and certified prior to delivery. As their customer does not have any facility in Chennai, the Unit offered the services through their FTWZ Unit by arranging a testing space for the testing machine. . The testing equipment will be imported from Indonesia by their customer on payment of duty and install the same in their FTWZ Unit and the Unit will provide space for fixing the machine and offer value added services like testing, re-packing, bar coding, labelling and configuration, as a Value Added Services.

Further, the Unit has stated that there will not be any hike in their revenue due to this and hence there will not be any changes in their projections already approved.

The request of the Unit was examined by the Unit Approval Committee. After deliberations, the Committee Approved the request for Installation of a Testing Machine on behalf of their clients and for testing the same in the Unit premises in terms of provisions contained in Rule 18(5) of SEZ Rules, 2006 read with Instruction No.49 dated 12.03.2010 issued by Department of Commerce.



**5.11 Request of M/s. Seaways Supply Chain Private Limited for Value Added Services and for installation of Cutting Machine for their customer**

M/s Seaways Supply Chain Private Ltd. was granted LOA on 04.06.2019 and commenced its activities on 24.07.2019. They have requested for permission to install a Cutting Machine on behalf of their major client viz. M/s.TW Metals (Bangalore) Pvt. Ltd.

It is stated that their client imports Metal products from developed overseas countries and supplying the same to various customers especially for Aerospace Industry. Presently, the Unit is storing their client's materials in a dedicated space at their Unit's warehouse and supplying material to their customers after QC Inspection as per the Aerospace certification. Later, the buyer is sending the materials to outside vendors for cutting process which involves logistic movements, additional cost and delay in their manufacturing. In view of the above, their client viz. M/s.TW Metals (Bangalore) Pvt. Ltd., are interested to set up a simple cutting machine inside their Unit to meet their requirements and to overcome the difficulties faced by their customer. The Cutting machine will be bought by the Unit and set up in their Unit, to carry out Value Added Services to their client.

The request of the Unit for providing Value Added Services and for installation of Cutting Machine was examined by the Unit Approval Committee. Since the Committee wanted to know whether the goods would undergo any change in their classification after the value addition activities, the request of the Unit was deferred for want of clarification.

**5.12 Merger of two LOAs of M/s. Virtusa Consulting Services Private Limited**

M/s. Virtusa Consulting Services Private Limited has been issued with two LOAs. Unit II with vide LOA No. STPIC/SEZ/D007/U041/07-08/190 dated 26/04/2008 for Service Activity "Software" and Unit I with LOA No. 8/52/DLF ASSEST/MEPZ-SEZ dated 12/06/2012 for Service Activity "Software".

Now M/s. Virtusa Consulting Services Private Limited has approached this office for merger of their Unit-I LOA with that of Unit-II. The Unit-II had started their Commercial Production with effect from 10/10/2008. Both the Units have achieved positive NFEE up to March 2020.

M/s. Virtusa Consulting Services Private Limited has submitted an undertaking to the effect that the Unit -II will take over the assets & liabilities of Unit-I. M/s. Virtusa Consulting Services Private Limited Unit-II has also submitted the following revised projections consequent to merger:

(₹ in lakh)

Particulars	1 <sup>st</sup> year	2 <sup>nd</sup> year	3 <sup>rd</sup> year	4 <sup>th</sup> year	5 <sup>th</sup> year	Total
FOB Value of Exports	19436.00	19478.00	24032.00	23796.00	23590.00	110332.00
F.E. Outgo	404.66	404.66	411.36	146.95	150.97	1518.60
NFE Earnings	19031.34	19073.34	23620.64	23649.05	24439.03	108813.40

The request of M/s. Virtusa Consulting Services Private Limited for merging their Unit-I with Unit-II was examined by the Unit Approval Committee. After deliberations, the Committee approved the same in terms of provisions contained in para 19(2) (b) of SEZ Rules, 2006.

**5.13 Request of M/s. Alia Premedia Services Private Limited, Unit-I for surrender of space**

The request for approval for surrendering 1,247 sq.ft of space to the Developer M/s. Span Ventures SEZ, Coimbatore by M/s. Alia Premedia Services Private Limited, Unit-I was examined by the Unit Approval Committee. After deliberations, the Committee approved the request of the Unit, in view of the reasons given by them.

**5.14 Request of M/s. Alia Premedia Services Private Limited, Unit-II for surrender of space**

The request for approval for surrendering 13,313 sq.ft of space to the Developer M/s. Span Ventures SEZ, Coimbatore by M/s. Alia Premedia Services Private Limited, Unit-II was examined by the Unit Approval Committee. After deliberations, the Committee approved the request, in view of the reasons given by them.

The meeting concluded with a Vote of Thanks.



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