

Minutes of the 3rd Meeting of Unit Approval Committee (2020 Series) in respect of SEZs & EOUs of Tamil Nadu, Puducherry and Andaman & Nicobar Islands held on 26.06.2020

The 3rd Meeting of the UAC in respect of SEZs & EOUs of Tamil Nadu, Puducherry and Andaman & Nicobar Islands was held on 26.6.2020 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	F.D. Initha	Joint Director General of Foreign Trade, O/o ADGFT, Chennai.	Member
6	V. Kayalvizhi	Specified Officer, MEPZ-SEZ	Member
7	Rajasekar	Asst. Commissioner of Customs, Tiruchirapalli Commissionerate, Trichy	Member

The Unit Approval Committee confirmed and ratified the minutes of the UAC meeting held on 12.06.2020.

3.1 Request from M/s. Fourshore BPO Private Limited for setting up a new Unit in Bayline Infocity SEZ, Navalur

The proposal of M/s. Fourshore BPO Private Limited, for setting up a Unit in Bayline Infocity SEZ, Navalur for **“Business Outsourcing Services of all processes for Manufacturing, Trading and Service industries (CPC Code:884/885)” (Authorised Operation)** with a projected investment of ₹193 lakh and projected NFEE of ₹20,330 lakh over a period of 5 years with an employment generation for 60 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.

3.2 Request from M/s. Hexaware Technologies Limited, Siruseri for procurement of materials

M/s. Hexaware Technologies Limited, Developer of Hexaware Technologies Limited SEZ, Siruseri, have submitted for approval of Unit Approval Committee, a list of materials (all imported) for a value of ₹116.50 lakhs with a duty forgone value of ₹52.42 lakh for Sewage Treatment Plant, Electrical Works and adequate Fire Protection System in the SEZ 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.

3.3 Request from M/s. Perungudi Real Estates Private Limited for procurement of materials

M/s. Perungudi Real Estates Private Limited, Developer of Perungudi Real Estates SEZ, Perungudi, have submitted for approval of Unit Approval Committee, a list of imported materials for a value of ₹ 97.48 lakhs with a duty forgone value of ₹ 30.21 lakh and indigenous materials for a value of ₹ 249.12 lakh with a duty forgone value of ₹ 35.02 lakh for providing infrastructure facilities in the SEZ, 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.

3.4 Renewal of LOA in respect of M/s. Infosys Limited, Unit I for 4th Five Year Block period

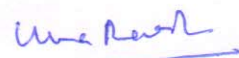
M/s. Infosys, Unit-I was issued Letter of Approval vide No.8/2/2005/SEZ/Mahindra Park dated 9.05.2005 for providing IT/IT Enabled Services in Mahindra World City SEZ for IT.

Now, the Unit has, on 20.06.2020, submitted an application for renewal of Letter of Approval for the 4th Block of five year period from 16.07.2020 to 15.07.2025, i.e., less than 2 months before the expiry of its 3rd Five Year period.

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 20.06.2020, while their LOA is expiring on 15.07.2020. The Unit has achieved an NFEE of ₹ 11,87,645 lakh during their 3rd Five Year Block Period.

The Unit has informed that due to current situation - COVID-19 Lockdown, their full concentration was on enablement of Work from Home and movement of Desktops/Laptops to employees' residence and hence they were not able to submit the renewal request before 2 months.

The request of M/s. Infosys Limited, Unit-I for renewal of their LOA for the 4th Five Year Block Period from 16.07.2020 to 15.07.2025 was examined by the Unit Approval Committee. After deliberations, the Unit Approval 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 4th Five Year Block Period from 16.07.2020 to 15.07.2025.



3.5 Renewal of LOA in respect of M/s. Infosys Limited, Unit III for 2nd Five Year period from 01.08.2020 to 31.07.2025

M/s. Infosys Limited, Unit-III was issued Letter of Approval on 07.08.2013 for setting up a Unit for providing IT/IT Enabled Services in Mahindra World City SEZ for IT.

Now, the Unit has, on 20.06.2020, submitted an application for renewal of Letter of Approval for the 2nd Block of five-year period from 01.08.2020 to 31.07.2025, i.e., less than 2 months before expiry of its 2nd Five Year Block Period.

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 the 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 20.06.2020, while their LOA is expiring on 31.07.2020. The Unit has achieved an NFEE of ₹ 93,723 lakh during their 1st Five Year Block Period.

The Unit has informed that due to current situation - COVID-19 Lockdown, their full concentration was on enablement of Work from Home and movement of Desktops/Laptops to employees' residence and hence they were not able to submit the renewal request before 2 months.

The request of M/s. Infosys Limited, Unit-III for renewal of their LOA for the 2nd Five Year Period from 01.08.2020 to 31.07.2025 was examined by the Unit Approval Committee. After deliberations, the Unit Approval 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 2nd Five Year Block Period from 01.08.2020 to 31.07.2025.

3.6 Request of M/s. APA Engineering Private Limited for Broadbanding

M/s. APA Engineering Private Limited was issued LOA No.8/18/2003/SEZ dated 25.07.2003 for Software Development & Manufacturing and Trading of Auto parts, Engine Parts, Clutch Parts, accessories, etc. The present request is for Trading of the following items which they intend to procure from DTA and export. The Unit has furnished ITC HS code for the items to be traded and also stated that there is no change in the projections of their Exports/NFEE

Table - 1

Sl. No.	Name of the Item	HSN CODE	Annual Capacity
1.	New pneumatic tyres, of rubber:of a kind used on agricultural or forestry vehicles and machines	40117000	2 lakh pcs
2.	New pneumatic tyres, of rubber:of a kind used on construction, mining or industrial handling vehicles and machines	40118000	
3.	New pneumatic tyres, of rubber:other	40119000	

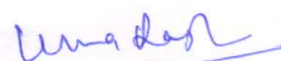
4.	Machine screws	73181110	1.5 lakh pcs
5.	Rivets	73182300	
6.	Screws, bolts, nuts, coach-screws, screw hooks, rivets, cotters, cotter-pins, washers (including spring washers) and similar articles, of Iron or Steel:non-threaded articles:other:other	73182990	
7.	Other washers	73182990	2 lakh pcs
8.	Rollers	84829130	
9.	Wire ropes, black	73121010	
10.	Stranded wire, ropes, cables, plaited bands, slings and the like, of iron or steel, not electrically insulated:stranded wire, ropes and cables:other	73121090	
11.	parts and accessories of vehicles of headings 8711 to 8713:of motorcycles (including mopeds):of motorcycles (including mopeds):other	87141090	
12.	Parts and accessories of vehicles of headings 8711 to 8713:other:other:other	87149990	2 lakh pcs
13.	Parts and accessories of trailers	87169010	
14.	Other trailers and semi-trailers	87164000	

The Unit has also made a request to incorporate ITC HS Code for the following items for which they have already been granted Trading permission by this office:

Table -2

Sl. No.	Name of the Item	ITC HSN Code to be incorporated
1.	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 8702) including Station Wagons and Racing Cars:Vehicles specially designed for travelling on snow; golf cars and similar vehicles:Electrically operated)	87031010
2.	Tractors Parts and Accessories (Parts)	87081010
3.	Valves, inlet and exhaust	84099111
4.	Pistons	84099112
5.	Piston rings	84099113
6.	Piston assemblies	84099114
7.	parts suitable for use solely or principally with the engines of heading 8407 or 8408:other:other	84099990

The Unit Approval Committee examined the request of M/s. APA Engineering Private Limited. After examination, the Committee approved the request of the Unit for Trading of the items mentioned in Table-I under broadbanding as per the provisions contained in Rule 19(2) of SEZ Rules, 2006 subject to the condition that the Unit shall maintain separate accounts for Trading of these items and earn Foreign Exchange for the same. The Committee also approved the request of the Unit for incorporation of ITC HS Code for the items mentioned in Table-II.



3.7 Request of M/s Walinns Innovation LLP for partial surrender of space and occupying new area

The request for approval for surrendering 19-Seater Cubical space and occupying Module No.GF 26 admeasuring 227 sq.ft. in TIDEL PARK in ELCOT-SEZ by M/s. Walinns Innovation LLP, a Unit in ELCOT-SEZ, Coimbatore was examined by the Unit Approval Committee. After deliberations, the Committee approved the surrender of space and occupying of the new area by M/s. Walinns Innovation LLP, in view of the reasons stated by them.

3.8 Request from M/s. Digital Nirvana Information System (I) Private Limited for setting up a new Unit in CHIL-SEZ, Coimbatore

The proposal of M/s. Digital Nirvana Information System (I) Private Limited for setting up a Unit in CHIL-SEZ, Coimbatore for “**Software Development and BPO Operations**” (Authorised Operations) with a projected investment of ₹ 15 lakh and projected NFEE of ₹ 1,400 lakh over a period of 5 years with an employment generation for 263 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. Further the Unit has stated that the proposed Services do not have a CPC Code and that they will not claim SEIS benefits for rendering these Services.

3.9 Request of M/s. Scionspire Consulting Services (India) Private Limited for surrender of space


M/s. Scioinspire Consulting Services (India) Private Limited was issued LOA No.8/175/2019-DLF SEZ dated 04.06.2019 to set up an SEZ Unit at 6th Floor, Block 10, at DLF Info City Chennai Limited SEZ, Chennai-89.

The Co-developer, M/s DLF Assets Limited had provisionally allotted space of 9989 Sq. ft. on part of 6th Floor in Block 10 for carrying out their authorised operations and the same was approved by UAC in its meeting on 27.5.2019 and also communicated to the Unit vide letter dated 04.6.2019.

The Unit has now intimated that that there is a small revision in the area allotted to them by the Co-Developer. The area finally allotted to them would be 8940 Sq. ft. instead of 9989 Sq. ft. In this regard, the Unit has attached the revised letter dated 26.03.2020 towards reduction in space (i.e. 1049 sq.ft.) issued by Co-Developer.

The Unit has also confirmed that there is no change in the projections of Exports/NFEE submitted by them earlier.

The request of the Unit for reduction in space from 9989 sq.ft. to 8940 sq.ft. was examined by the Unit Approval Committee. After deliberations, the Committee approved the request for reduction in space by the Unit in terms of provisions contained in SEZ Rules, 2006.



3.10 Request of M/s. Exl Service.com (India) Private Limited for acquiring additional space

M/s Exl Service.com (India) Private Limited was issued LOA. 8/117/2017-DLF SEZ dated 22.02.2017 to set up a unit at 6th Floor in Block 10, at DLF Info City Chennai Limited SEZ, Chennai-89. The Unit was occupying a space of 4,457 sq.ft. in the 6th Floor in Block 10 at DLF Info City Chennai Limited. On final measurement of the area by the Co-Developer, it was found to be occupying 5,506 sq.ft. instead of 4,457 sq.ft. Accordingly, the Unit has made a request for addition of 1,049 sq. ft in their area of operations. The request of the Unit was examined by the Unit Approval Committee. After deliberations, the Committee approved the request of the Unit for addition of 1,049 sq. ft in their area of operations.

3.11 Monitoring the Half Yearly Report of M/s. Wipro Limited, ELCOT SEZ, Sholinganallur

The Half Yearly Report submitted by M/s. Wipro Limited, Co-Developer of ELCOT-SEZ, Sholinganallur for the period October 2019 to March 2020 was reviewed by the Committee and the same was taken on record.

3.12 Monitoring the Half Yearly Report of M/s. Wipro Limited, ELCOT SEZ, Coimbatore

The Half Yearly report submitted by M/s. Wipro Limited, Co-Developer of TIDEL PARK, ELCOT-SEZ, Coimbatore for the period October 2019 to March 2020 was reviewed by the Committee and the same was taken on record.

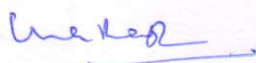
3.13 Request for additional Specified Services in respect of M/s. HCL Technologies Limited

M/s. HCL Technologies Limited having SEZ Units in Chennai and Madurai (LOA Nos furnished below) have sought the approval of the UAC to include "Business Auxiliary Service" as an additional input service to avail exemption of IGST under the SEZ Rules for the authorised operations of these Units.

Justification given by the Unit

"Business Auxiliary Service" is the service in relation to,

- (i) Promotion or marketing or sale of goods produced or provided by or belonging to the client. or*
- (ii) Promotion or marketing of service provided by the client.*
- (iii) Any customer care service provided on behalf of the client.*
- (iv) Provision of service on behalf of the client.*
- (v) Production of goods on behalf of the client.*



HCL requires business auxiliary services since it hires vendors for procurement of input services which are used for provision of output service. Further, vendors are also hired for promotion and marketing of services of software product provided by the SEZ unit of HCL.

For example, HCL employees visit overseas countries for providing services to the overseas clients, they require business VISA for business trip, HCL takes the service of the vendors who help in applying VISA on behalf of employee / company. Similarly, HCL avails Photocopying Services by the Vendors in the SEZ Premises on behalf of the company and these services are not covered under Manpower or other services but only under Business Auxiliary Service.

The request of the Unit was examined by the Unit Approval Committee. After deliberations, the Committee decided to approve the following specific input services under the Head "Business Auxiliary Services" for their SEZ Units in Chennai and Madurai for availing IGST exemption strictly for the authorised operations of the SEZ Units:

- (a) Travel Agent Services for foreign travels related to authorised operations of the SEZ Units.
- (b) Photocopying Services by Vendors in the SEZ Premises


The Committee further insisted that the services should be exclusively used for the SEZ Units and shall not be allowed for any DTA Units of the Company.

3.14 Request for approval of Business Transfer Agreement by M/s. ASC Operations Private Ltd

M/s. ASC Operations Private Limited, having an SEZ Unit in TIDEL Park, ELCOT SEZ, Coimbatore, have submitted a request for approval of Business Transfer Agreement in accordance with Instruction No.89 and Instruction No.90 issued by the Department of Commerce, New Delhi.

The Unit informed that with a view to promote the ease of doing business, they would like to re-organise and enter into a Business Transfer Agreement with M/s. Eminentlabs Business Solutions Private limited, Chennai to transfer their SEZ Unit situated at TIDEL Park, Coimbatore.

Further, M/s. ASC Operations Private Limited has given an undertaking that the Unit will continue to be an SEZ Unit and shall not opt out or exit out of the SEZ Scheme as per the conditions mentioned in Instruction 89 of Department of commerce, New Delhi. The Unit has also informed that they would abide by the Rules and Regulations of SEZ in force and issued from time to time. M/s. Eminentlabs Business Solutions Private Limited, the Transferee Unit, has given an Undertaking that all the liabilities of M/s. ASC Operations Private Limited Unit will be taken over by them and NFEE will be achieved at the stipulated time.



In this connection, the following documents have been submitted:

- a) Certificate of incorporation of both Companies.
- b) Memorandum and Articles of Association of both Companies.
- c) List of Directors.
- d) Address proof of Directors.
- e) Copy of Business Transfer Agreement duly regd/notarized by the Notary Public.
- f) Copy of Board resolutions for change in the Business Transfer Agreement.

The request of M/s. ASC Operations Private Limited was examined by the Unit Approval Committee. After deliberations, the Committee approved the Business Transfer Agreement to transfer the SEZ Unit at ELCOT SEZ, Coimbatore, to M/s. Eminent Labs Business Solutions Private Limited, in terms of the instruction No.89 issued by Department of Commerce.

3.15 Request for additional space in respect of M/s. Information Evolution India (P) Limited

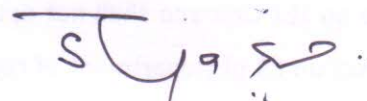
M/s. Information Evolution India (P) Limited, having an SEZ Unit in TIDEL Park, ELCOT-SEZ, Coimbatore have requested for additional space to the extent of 5,839 sq. ft. (SUB) in Module No. GF-002/1. The Developer has given their consent vide letter dated 29.05.2020 for the proposed additional space.

The proposed space is currently occupied by M/s. Kovai Systems India Private Limited. The said Unit is in the process of exit. Upon exit of M/s. Kovai Systems India Private Limited, the proposed additional space will be allotted to the Unit by the Developer.

With this inclusion of additional space, the space occupied by the Unit in the SEZ will increase from 6,151 sq.ft. to 11,990 sq.ft. The Unit has submitted revised projections in this regard.

The request of the Unit was examined by the Unit Approval Committee. After deliberations, the Committee approved the request of additional space in view of the revised projections submitted by the Unit. However, the Committee decided that the approval is subject to the final exit of M/s. Kovai Systems India Private Limited, which is currently occupying the said space.

The meeting concluded with a Vote of Thanks.



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