

Minutes of the 1st Meeting of Unit Approval Committee (2019-20) in respect of SEZs & EOUs of Tamil Nadu, Puducherry, Andaman & Nicobar Islands held on 15.5.2020

The following members were present:

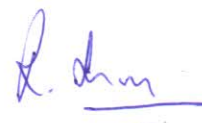
Sl. No.	Name (Shri/Smt.)	Designation	Position
1	Dr. M K Shanmuga Sundaram, IAS	Development Commissioner, MEPZ-SEZ	Chairperson
2	D. Anandan, IAS	Jt. Development Commissioner, MEPZ-SEZ	Member
3	R. Anitha Nandhini, IFS	Dy. Development Commissioner, MEPZ-SEZ	Member
4	J. Md. Navfal, IRS	Addl. Commissioner of Customs, Tiruchirapalli Commissionerate	Member
5	Balasubramanian P	Dy. Development Commissioner, MEPZ-SEZ	Member
6	F.D. Initha	Jt. Director General of Foreign Trade, Chennai	Member
7	N. Kannan	Company Secretary, Tamil Nadu Industrial Guidance and Export Promotion Bureau. Govt. of Tamil Nadu	Member
8	V.Kayalvizhi	Specified Officer, MEPZ-SEZ	Member
9	Rajasekar	Asst. Commissioner of Customs, Custom House, Chennai.	Member

The Unit Approval Committee confirmed and ratified the minutes of the UAC meeting held on 17.03.2020.

Shri P. Balasubramanian, welcomed the Members of the Meeting. He informed that this meeting is being held through video conference in view of the extraordinary circumstances as a result of COVID-19 outbreak.

Smt. Anitha Nandhini, DDC informed the members that nearly 153 no of manufacturing SEZ Units have started functioning after the initial 21 days lockdown period by following Standard Operating Procedures mandated by the Government of India and Government of Tamil Nadu. She also informed that nearly 95% of the IT/ITES units have started functioning by using the facility of Work from Home. She also informed that 166 EOUs have started functioning after the first phase of lockdown.

Shri D. Anandan, JDC, informed the members about various announcements made by the Department of Commerce to facilitate the SEZ Developers/Co-Developers/Units and EOUs during the COVID-19 outbreak such as Extension in time limits for filing of APRs/Softex, Temporary extension of Validity of Formal Approval/LOA/LOP upto 30th June 2020, Temporary Renewal of LOAs/LOPs upto 30th June



2020, Extension of time limit for realisation of foreign exchange for the supplies made by the SEZ/EOUs, Extension of Sunset Clause upto 30th June 2020, Approval of Broadbanding requests by DC subject to ratification by UAC, etc. He also informed that the Foreign Trade Policy 2015-2020 and Handbook of Procedures 2015-2020 have been extended up to March 2021 including extension of MEIS upto 31.12.2020.

Development Commissioner appreciated the SEZ Units and EOUs who have resumed the operations during the lockdown by following the SOP for Social Distancing, despite the challenging times. He explained about the measures taken by this Office for coordinating between the District Authorities and the Units to get Permissions for resuming operations and Vehicle Permits for transporting their employees. He also spoke about the broadbanding approvals given by the Office to SEZ Units who were interested in manufacturing of Masks/PPEs/Coveralls which are very essential items in the current scenario.

This was followed by the discussions on the following agenda:

1.1 Request from M/s. Estancia IT Park Private Limited for setting up a new Unit in Estancia IT Park SEZ, Potheri

The proposal of M/s. Estancia IT Park Private Limited, Developers of the Zone, for setting up a Power Unit in Estancia IT Park SEZ, Potheri for “**Generation of Power for distribution to the Units**” in the Zone, with a projected investment of ₹ 1,000 lakh and projected NFEE of ₹ 3,796 lakh over a period of 5 years with an employment generation for 3 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.

1.2 Request from M/s. Estancia IT Park Private Limited, Potheri for procurement of materials

M/s. Estancia IT Park Private Limited, Developer of Estancia IT Park SEZ, Potheri, have submitted for approval of Unit Approval Committee, a list of indigenous materials for a value of ₹ 7876.92 lakh and Imported materials for a value of ₹ 1828.25 lakh with a duty forgone value of ₹ 1,966.32 lakh required for carrying out their authorised activities, ie., Water treatment plant, water supply lines (dedicated lines up to source), sewage lines, storm water drains and water channels of appropriate capacity, Fire protection system with sprinklers, fire smoke detectors, fire doors, Air conditioning of processing area, construction of all types of buildings in the Processing Area, Power (including power back up facilities) for captive use and Access Control System in the SEZ. 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.



1.3 Ratification of renewal of LOA in respect of M/s. Hexaware Technologies Limited, Unit II for 3rd Five Year period from 03.05.2020 to 02.05.2025

M/s. Hexaware Technologies Limited, Unit-II was issued Letter of Approval vide No. STPIC/SEZ/D004/U073/09-10/895 dated 22.03.2010 for setting up a Unit in Hexaware Technologies Limited SEZ, Siruseri.

Now, the Unit has submitted an application for renewal of its Letter of Approval for the 3rd Block of five year period from 03.05.2020 to 02.05.2025 on 17.04.2020, i.e., less than 2 months before the expiry of 2nd Five Year Block.

As per amendment to SEZ Rules, 2006 dated 19.09.2018, 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 17.04.2020, though their LOA was expiring on 02.05.2020.

The Unit has achieved a positive NFFEE of ₹ 46,286 lakh during their 2nd five year Block as per CA certified APRs submitted.

The Unit has informed that due to unforeseen lock down on account of COVID-19, they are forced to work from home from 19th March, 2020 and also they had to cope with their quarterly/annual closure and audit work had resulted in delay in filing their request for extension/renewal of LOA.

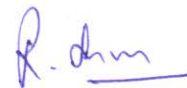
In view of the reasons stated by the Unit, their LOA was renewed for the 3rd Block of Five Year period on 07.05.2020 by the Office of DC, MEPZ. After discussions, the Unit Approval Committee ratified the renewal of LOA of M/s. Hexaware Technologies Limited by MEPZ for the 3rd Block of Five Year period.

1.4 Ratification of renewal of LOA in respect of M/s. Hexaware Technologies Limited, Unit V for 2nd Five Year period from 04.05.2020 to 03.05.2025

M/s. Hexaware Technologies Limited, Unit-V was issued Letter of Approval vide No.8/6/2013/Hexaware SEZ dated 15.05.2013 for setting up a Unit in Hexaware Technologies Limited SEZ, Siruseri.

Now, the Unit has submitted an application for renewal of Letter of Approval for the 2nd Block of five year period from 04.05.2020 to 03.05.2025 on 17.04.2020, i.e., less than 2 months before its expiry of 2nd Five Year period.

As per amendment to SEZ Rules, 2006 dated 19.09.2018, 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 17.04.2020, though their LOA was expiring on 03.05.2020.

The Unit has achieved a positive NFEE of ₹ 57,945 lakh during their 2nd five year Block as per CA certified APRs submitted.

The Unit has informed that due to the unforeseen lock down on account of COVID-19, they are forced to work from home from 19th March, 2020 and also they had to cope with their quarterly/annual closure and audit work had resulted in delay in filing their request for extension/renewal of LOA.

In view of the reasons stated by the Unit, their LOA was renewed for the 2nd Block of Five-Year Block on 07.05.2020 by the Office of DC, MEPZ. After discussions, the Unit Approval Committee ratified the renewal of LOA of M/s. Hexaware Technologies Limited, Unit-V by MEPZ for the 2nd Block of Five Year period.

1.5 Ratification of the approval for manufacturing re-usable face masks under Broadbanding

M/s. East Wind Footwear Company Ltd. Unit-I, an SEZ Unit in Cheyyar SEZ had requested permission for broadbanding their authorised operations for manufacture of re-usable face masks (cloth), for the use of their factory employees and also to supply the masks to their group companies viz. East Wind Company Ltd. Unit II, Lotus Footwear Enterprises Ltd. Unit I and Unit II and Fairway Enterprises Company Ltd. Unit I and Unit II, all being SEZ Units.

They had stated that wearing of mask is mandatory and essential for the employees' safety, health and prevention of Corona Virus spread amongst the employees in the work places. They have also stated that the manufacturing of masks by themselves is required in order to manage and overcome the shortage of availability of masks in market and that the usage of environment-friendly re-usable cloth masks would avoid significant generation of medical waste of surgical masks in their surroundings.

Hence they made the following requests:

- (a) One time approval for production of 200,000 numbers of re-usable face masks considering the present situation and inclusion of manufacturing of re-usable face masks in their list of authorised operations in the LOA
- (b) Approval for use of the manufactured masks exclusively by their employees without any duties/ taxes as the same is meant for authorised operations
- (c) Approval to procure the required raw materials, packing materials, and consumables for manufacturing of re-usable masks without any payment of duties and taxes as the masks are for the purpose of employee safety and health and prevention of Corona virus spread amongst the employees.



