

**Minutes of the 1<sup>st</sup> 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 30<sup>th</sup> June 2020, Temporary Renewal of LOAs/LOPs upto 30<sup>th</sup> June



2020, Extension of time limit for realisation of foreign exchange for the supplies made by the SEZ/EOUs, Extension of Sunset Clause upto 30<sup>th</sup> 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 3<sup>rd</sup> 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 3<sup>rd</sup> 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 2<sup>nd</sup> 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 2<sup>nd</sup> 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 19<sup>th</sup> 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.

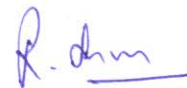
In view of the reasons stated by the Unit, their LOA was renewed for the 3<sup>rd</sup> Block of Five Year period on 07.05.2020 by the Office of DC, MEPZ. After discussions, the Unit Approval Committee ratified the renewal of LOA of M/s. Hexaware Technologies Limited by MEPZ for the 3<sup>rd</sup> Block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

**1.4 Ratification of renewal of LOA in respect of M/s. Hexaware Technologies Limited, Unit V for 2<sup>nd</sup> 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 2<sup>nd</sup> 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 2<sup>nd</sup> 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 2<sup>nd</sup> 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 19<sup>th</sup> 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 2<sup>nd</sup> 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 2<sup>nd</sup> 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.





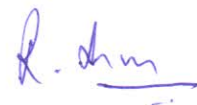
The request was examined in detail and approval was given for broadbanding the authorised operations of the Unit as requested, for the following reasons:

- (a) It is an extraordinary situation and PPEs, especially face masks, have become inevitable at workplaces. The basic aspect of authorised operations is employee safety and face masks are the most important safety feature as a precautionary measure. In such scenario and circumstances, the face masks are the necessary goods required for carrying out the authorised operations under Rule 27 of SEZ Rules, 2006 and they can be allowed duty/tax exemption on DTA procurement for manufacturing them though it is for the use by the workers/employees of the Developer/Unit.
- (b) The Unit has stated that already in most of the production process (all chemical use areas/ all dust process/ chemical warehouse etc.,) of their Unit as well as other Units of the same SEZ, they are using masks (i.e. protective equipment) such as respirator masks / carbon masks/ dust masks which are covered in their approved BLUT and that these masks are procured from third party vendors towards their authorised operations availing duty exemptions.
- (c) As they are already procuring the masks on zero duty basis, allowing duty exemption for raw materials under Rule 27 merits their plea in terms of parity. Use of those masks by their employees is of absolute necessity and mandatory in these circumstances of the outbreak of coronavirus/covid-19.

The approval given by the Office of DC, MEPZ was subject for ratification by UAC, as per instructions issued by DOC vide Letter No. K-43022/7/2020-SEZ dated 31<sup>st</sup> March 2020.

The proposal therefore was placed before the UAC for ratification. After detailed deliberations on this issue, the Committee noted the following points:

- (a) As per Rule 27 of SEZ Rules 2006, a Unit or Developer may import or procure from the Domestic Tariff Area without payment of duty, taxes or cess all type of goods required for authorized operations
- (b) For import of Masks/PPEs or raw materials for manufacturing them, Department of Revenue has already granted exemption from payment of Customs Duty and Health Cess vide Notification No. 20/2020-Customs dated 9<sup>th</sup> April 2020, which would be applicable to SEZ Developers/Units as well.
- (c) The Ministry of Home Affairs, Government of India vide Order No. 40-3/2020-DM-I(A) dated 15<sup>th</sup> April 2020 has issued the "National Directives for COVID-19 Management" whereby wearing of face cover has been made compulsory in all public places and workplaces. Moreover, with the outbreak of the Pandemic COVID-19, wearing of Face Masks/PPE at



Workplaces has become inevitable for both public and private health and safety. In fact, all the industrial units that have been allowed to resume operations by the District Collectors have been insisted upon complying with all safety precautions to prevent spread of COVID-19.

- (d) In this background, the workers of a Developer/Unit cannot carry out the authorised operations of the Unit without wearing the Mask/PPE. In other words, wearing the Mask/PPE has become inevitable for carrying out the authorised operations of the Developer/Unit. Therefore, Masks/PPE are to be considered as goods required for carrying out the authorised operations under Rule 27 and duty/tax exemption on DTA procurement of these goods or raw materials for manufacturing them, even though it is for the use by the Workers/Employees of the Developer/Unit, should be allowed.

Accordingly the UAC ratified the one time approval given by the Office of the DC, MEPZ for broadbanding the authorised operations of the Unit for production of 200,000 numbers of re-usable face masks and also to allow duty/tax exemption on procurement of raw materials for manufacturing the Masks.

**1.6 Ratification of the approval given to M/s. Cognizant Technology Solutions India Private Limited (Unit-I) for reduction of space**

M/s. Cognizant Technology Solutions India Pvt Ltd (Unit I), was issued LOA Vide No. 8/14/2007-DLF Info City dated 23 Aug 2007 to set up a unit at 1<sup>st</sup> to 4<sup>th</sup> Floor, Block 1C, at DLF Info City Developers (Chennai) SEZ, Chennai

The unit had applied for acquiring additional space of 1,69,837 Sq. ft. on entire Ground Floor to 3<sup>rd</sup> Floor in Block 11 in the same SEZ for carrying out their authorised operations and the same was approved by UAC in its meeting on 24.01.2020. This was also communicated to the Unit vide MEPZ Letter No. 8/32/DLF/MEPZ dated 03.02.2020.

Now, the unit has intimated that there is a small revision in the area allotted to them by the Developer. The area finally allotted to them would be 1,68,428 Sq. ft. instead of 1,69,837 Sq. ft. In this regard, the Unit has attached the revised letter dated 02.4.2020 towards reduction in space (i.e.1409 Sq.ft.) issued by Developer, DLF Info City Developers (Chennai) SEZ, Chennai.

The unit has also confirmed that there is no change in the financial projections submitted earlier towards expansion.

The request of the Unit for reduction in area on actual measurement has already been approved by the Office of DC, MEPZ subject to ratification by UAC. The Committee examined the proposal and ratified the approval given.





**1.7 Ratification of the approval given to M/s. Cognizant Technology Solutions India Private Limited (Unit II) for acquiring additional space**

M/s. Cognizant Technology Solutions India Pvt Ltd (Unit II), was issued LOA Vide No. STPIC/SEZ/007/C001 /U079/10-11/214 dated 22.06.2010 to set up a unit at 10<sup>th</sup> & 11<sup>th</sup> Floor, Block 9A & 9B, at DLF Info City Developers (Chennai) SEZ, Chennai.

The unit had initially applied for acquiring additional space of approx. 3,03,160 Sq. ft. on the entire 4<sup>th</sup> floor to 9<sup>th</sup> floor, Block -11 in the same SEZ for carrying out their authorised operation and the same was approved by UAC on its meeting on 24.01.2020. This was also communicated to the unit vide MEPZ Letter No. 8/2/DLF Assets/MEPZ-2011 dated 03.02.2020.

Now, the unit has intimated that there is a small revision in the area allotted to them by the Developer. The area finally allotted to them would be now 3,03,629 Sq. ft. instead of 3,03,160 Sq. ft. In this regard, the unit has attached the revised letter dated 02.4.2020 towards addition in space (i.e.469 Sq ft.) issued by Developer, DLF Info City Developers (Chennai) SEZ, Chennai.

The Unit has also confirmed that there is no change in the financial projections submitted earlier towards expansion.

The request of Unit for occupying the additional space of 469 Sq.ft. in view of revision in measurement has already been approved by the Office of DC, MEPZ subject to ratification by UAC. The Committee examined the proposal and ratified the approval.

**1.8 Ratification of approval given to M/s DLF Power and Services Limited, Co-developer of DLF Info City Developers (Chennai) SEZ, for procurement of Duty-free HSD for the year 2020-21.**

M/s DLF Power and Services Limited, Co-developer of DLF Info City Developers (Chennai) SEZ, has requested for approval of their HSD entitlement for the year 2020-21 based on the preceding year's average monthly consumption. They have submitted month-wise consumption certificate duly certified by a Chartered Engineer as per which a total quantity of 373.90 KL has been consumed by them during the year 2019-20.

With the submission of actual consumption details for the year 2019-20, their entitlement is arrived at in accordance with Para (vi) of Power guidelines issued by the Ministry of Commerce & Industry, New Delhi vide Notification No. P.6/3/2006-SEZ (Vol.III) dated 16<sup>th</sup> February, 2016 for the current financial year 2020-21, as follows:



|   |           |
|---|-----------|
| HSD consumed during the year 2019-20                        | 373.90 KL |
| Less: Balance quantity stock as on 01.04.2020               | 161.85 KL |
| The balance eligible for duty free HSD for the year 2020-21 | 212.05 KL |
| Average monthly ceiling                                     | 17.67 KL  |

Accordingly, the Office of DC, MEPZ accorded approval to M/s. DLF Power & Services Limited for procurement of Duty-free HSD for a quantity of 212.05 KL for 2020-21, being the balance eligible quantity, subject to ratification by Unit Approval Committee. After discussion, the Committee ratified the approval given by the Office of DC, MEPZ.

**1.9 Request of M/s. WNS Global Services Private Limited, DLF Info City Developers (Chennai) SEZ, for acquiring additional space**

M/s. WNS Global Services Private Limited, was issued LOA vide No. STPIC /SEZ/007/C001/10-11/531 dated 26.10.2010 to set up a unit at 10<sup>th</sup> Floor, Block 10, at DLF Inco City Developers (Chennai) SEZ.

Current proposal of the unit is for taking up an additional space admeasuring 14,852 sq. ft on part of the 9<sup>th</sup> Floor in Block 10 in the SEZ. They have informed that due to additional business opportunities from overseas resulting in requirement of additional manpower and space for accommodating the additional work, they intend to take the additional space.

The Unit has furnished a copy of letter of Provisional offer of space dated 13.03.2020 issued by the Developer, M/s. DLF Info City Developers (Chennai) Limited.

In view of the additional space being taken up the Unit has submitted revised projections as indicated below:

|                      | Projections approved at the time of previous expansion in November 2016<br>(₹ in Lakhs) | Revised Projections on a/c of current expansion<br>(₹ in Lakhs) |
|----------------------|---|---|
| FOB Value of exports | 28,278 .00  | 29,255.00   |
| FE Outgo             | 565.56  | 822.00  |
| NFE Earnings         | 27,712.44   | 28,433.00   |

The request of the unit for occupying additional space in the SEZ was examined by the Unit Approval Committee. After deliberations, the Committee approved the request of the Unit in terms of provisions contained in 19(2) of SEZ Rules, 2006.





**1.10 Request of M/s. String Information Services Pvt Ltd, DLF Info City Developers (Chennai) SEZ, for permission to surrender the incubation space**

M/s. String Information Services Pvt Ltd, was issued LOA Vide No. 8/181/2019-DLF SEZ dated 03.10.2019 to set up an SEZ unit at DLF Info City Developers (Chennai) SEZ. The Unit commenced its commercial operations from the incubation space measuring 18859 sq. ft at part of 2<sup>nd</sup> floor, Block 5 in DLF Info City Developers (Chennai) SEZ, Chennai, with effect from 18<sup>th</sup> December 2019.

Current proposal of the unit is to surrender the said incubation space measuring 18859 Sq. ft. back to the Developer and move to their permanent space at 6<sup>th</sup> floor, Block-1B , DLF Info City Developers (Chennai) SEZ, Chennai with effect from 27<sup>st</sup> May 2020.

The consent/ NOC for vacating the temporary space by the Unit has been issued by the Developer on 28.04.2020. The unit has declared that there is no change in capital investment and deployment of manpower from the original proposal submitted during initial approval of LOA.

The proposal of the Unit for surrender of incubation space was examined by the Unit Approval Committee. After deliberations, the Committee approved the request.

**1.11 Ratification of the approval given to M/s. Good Crop India LLP for setting up an EOU**

M/s. Good Crop India LLP, Dharmapuri had submitted an application to the Office of DC, MEPZ for setting up a 100% EOU at Survey No.60/1B,C,D, 64/1A, B, C, 64/2, 64/3, 117/1A, Thimarayanahalli Village, Mallupatty, Palacode Taluk, Dharmapuri for “**manufacture of Vegetables Provisionally Preserved**” with a projected investment of ₹ 613 lakh and projected NFEE of ₹ 7,770 lakh over a period of 5 years with an employment generation for 85 persons. The same was approved by the Office of DC, MEPZ subject to ratification by UAC. LOP was issued to the Unit on 24.03.2020.

The Committee examined the proposal and ratified the approval given by the Office of DC, MEPZ to M/s. Good Crop India LLP, Dharmapuri for setting up EOU, in terms of the provisions contained in Para 6.05(a) of Foreign Trade Policy 2015-2020 and Para 6.01(b) of Handbook of Procedures 2015-2020.

**1.12 Request of M/s. Indian Coconuts & Copras for setting up 100% EOU.**

M/s. Indian Coconuts & Copras, have submitted an application for setting up a 100% EOU at S.F.No.414/3C, Kongupatti, Kadayampatti Taluk, Salem District for “**manufacture of Coconut Dried Copra**” with a projected investment of ₹ 64 lakh and projected NFEE of ₹ 841 lakh over a period of 5 years with an employment generation for 23 persons. The proposal was examined by the Unit Approval Committee. The Committee noted that though as per Para 6.06 of FTP a minimum investment of ₹ 1 crore in Plant & Machinery has to be made by the EOUs, this condition would not be applicable for Units engaged in agricultural products. After discussions, the Committee approved the proposal in terms of the provisions

contained in terms of Para 6.05(a) of Foreign Trade Policy 2015-2020 and Para 6.01(b) of Handbook of Procedures 2015-2020. The Committee further instructed that the Unit should submit the Registered Lease Deed of the Plot within 3 months from the date of LOP.

**1.13 Request of M/s. A. Tosh Ishimitsu Beverages India Pvt. Ltd. for conversion of their existing DTA Unit to EOU unit at Coimbatore.**

M/s. A. Tosh Ishimitsu Beverages India Private Limited have submitted an application for conversion of their DTA Unit at Godown No.1, S.F.No.2/627-4, Sokkanur Road, V. Adapudur, Kinathukadavu, Coimbatore-642 109 into 100% EOU for manufacture and export of Black Tea and Tea in Bags with a projected investment of ₹ 845 lakh and projected NFEE of ₹ 4,150 lakh over a period of 5 years with an employment generation for 38 persons. The proposal was examined by the Unit Approval Committee. After deliberations, the Committee approved the proposal for conversion of DTA Unit to 100% EOU in terms of the provisions contained in para 6.19(a) of Foreign Trade Policy 2015-20 and Para 6.01(b) of Handbook of Procedures 2015-2020 and subject to achievement of minimum Value addition of 50%. Further, the Committee instructed the ADC to ensure that the Unit submits the NOC from the JDGFT in respect of the EPCG Licences obtained by it and include the Un-discharged Obligations to the Opening Balance of the APR of the Unit.

**1.14 Ratification of the Broadbanding approvals given for the SEZ Units located in MEPZ SEZ**

The following SEZ Units in MEPZ SEZ had requested for broadbanding their authorised operations to include manufacturing of items as detailed below. Considering the importance of these items in the current scenario of COVID-19 Pandemic, the Office of DC, MEPZ had approved the broadbanding requests subject to ratification by UAC, as per the instructions of DoC issued vide Letter No. K-43022/7/2020-SEZ dated 31<sup>st</sup> March 2020. Further, since currently there is a prohibition on the export of these items, the Units were allowed to carry out only DTA Sales of these items.

| Sl. No | Name of the Unit            | Items of Manufacture                               | Letter No & Date                   | ITC HS Code                      | Annual Capacity                                  |
|--------|-----------------------------|--|------------------------------------|----------------------------------|--|
| 1.     | M/s. Linea Fashions Pvt Ltd | MASKS, COVER ALL GARMENTS, PPES                    | F.No.8/583/2003/SEZ Dt. 25.04.2020 | 63079098<br>62101050<br>65050080 | 35 million pcs<br>1 million pcs<br>4 million pcs |
| 2.     | M/s. Celebrity Fashions     | PPE COVERALLS                                      | F.No.8/507/2003/SEZ Dt. 25.04.2020 | 62101000                         | 3.60 lakhs pcs                                   |
| 3.     | M/s. Air Filter Systems     | PPE COVERALLS MASKS (Both Manufacturing & Trading) | F.No8/73/2005/SEZ Dt. 26.04.2020   | 62101000<br>63079090             | 4.5 lakhs pcs                                    |





The approvals given by Office of DC, MEPZ were placed before the UAC for ratification. The Committee was also informed that M/s. Celebrity Fashions Limited have not yet commenced their production of PPE Coveralls and are in the process of import of machineries required for manufacture of these items.

The Committee examined the proposal. After discussions the Committee ratified the approvals given for broadbanding the authorised operations of the aforementioned Units subject to the current prohibition on exports of these items vide DGFT Notification No.52 dated 19.03.2020.

**1.15 Ratification of the approval given for change of Share Holding Pattern due to amalgamation of M/s. Pharmazell (Vizag) Pvt Ltd with M/s. Pharmazell India Pvt Ltd:-**

M/s. PharmaZell India Private Limited is a unit in the MEPZ-SEZ having LOA No. 8/403/2003/SEZ dated 22.03.2003. Their LOA is valid upto 31.12.2022.

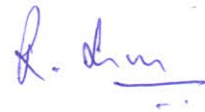
The parent company of M/s. Pharmazell (India) Pvt Ltd and M/s. Pharmazell (Vizag) Pvt Ltd., (i.e.) M/s. Pharmazell GMBH (the holding co) has intended to consolidate the operations of the Indian entities by amalgamating both of them. To this extent, additional shares of its company are being given to M/s Pharmazell GMBH by /s Pharmazell (India) Pvt Ltd.

In this regard the unit M/s. Pharmazell India Private Limited has furnished the following:

1. The details of shareholding of M/s Pharmazell GmbH in M/s Pharmazell (India) Pvt Ltd.

| Before transfer of Shareholding |                            |                                | After transfer of Shareholding   |                             |                           |                                |
|---------------------------------|----------------------------|--------------------------------|--|-----------------------------|---------------------------|--------------------------------|
| Name of Share holders           | Shares before Amalgamation | Percentage before Amalgamation | Share to be issued amalgamation following procedure prescribed under law | Total number of shares held | Face value of Share (INR) | Percentage of combined holding |
| PharmaZell GmbH                 | 4,49,80                    | 99.96%                         | 6,41,665   | 10,91,465                   | 100                       | 99.98%                         |
| ZellBios GmbH, Germany          | 200                        | 0.04%                          | 2  | 202                         | 100                       | 0.02%                          |
| <b>Total</b>                    | <b>4,50,000</b>            | <b>100%</b>                    | <b>6,41,667</b>  | <b>10,91,67</b>             |                           | <b>100%</b>                    |

2. Copy the NCLT order vide dated 21.02.2020



3. Board Resolution to approve the Scheme of Amalgamation of M/s. Pharmazell (Vizag) Pvt Ltd with M/s. Pharmazell (India) Pvt Ltd.

4. List of Directors (no change in the list of directors)

In terms of Instruction No.90 dated 03.08.2018, the Office of DC, MEPZ had already approved the proposal subject to ratification by UAC.

The proposal was placed before the UAC for ratification. The Committee examined the proposal and after discussion ratified the change in the Share Holding Pattern of M/s Pharmazell India Pvt Ltd.

**1.16 Proposal of M/s. TripleM Infotech Solutions Private Limited for setting up their Unit in MEPZ-SEZ, Chennai.**

M/s. TripleM Infotech Solutions Private Limited has submitted an application for setting up a SEZ Unit in MEPZ-SEZ for 'Information Technology and Information Technology Enabled Services' with a projected investment of ₹ 8 lakhs and projected NFEE of ₹ 38.50 lakh over a period of 5 years, with an employment generation for 4 persons. The Company is a successful bidder for an 8-Seater Module in the Agaram Plug and Play Facility in SDF-I of MEPZ SEZ.

The proposal 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.

**1.17 Ratification of the approval given to M/s. Flextronics Technologies for broadbanding**

M/s. Flextronics Technologies India Pvt. Ltd, a unit in Flextronics SEZ, SIPCOT Industrial Park, Sriperumbudur Taluk, Kancheepuram District, Tamil Nadu had requested for broadbanding their authorized operation for manufacture of the following products:-

| Sl.No. | Description of the product | ITC HS code | Annual capacity<br>(in pieces) |
|--------|----------------------------|-------------|--------------------------------|
| 1.     | Surgical 2 ply Masks       | 62179090    | 10 lakhs                       |
| 2.     | Surgical 3 ply Masks       | 63079090    |                                |
| 3.     | Respirator Masks           | 90220000    |                                |

Considering the importance of these items in the current scenario of COVID-19 Pandemic, the Office of DC, MEPZ had approved the broadbanding request under Rule 19(2) of SEZ Rules 2006, subject to ratification by UAC, as per the instructions of DoC issued vide Letter No. K-43022/7/2020-SEZ dated 31st March 2020. Further, since currently there is a prohibition on the export of these items, the Unit was allowed to carry out only DTA Sales of these items.



The Committee examined the proposal. After discussions the Committee ratified the approval given for broadbanding the authorised operations of the Unit subject to the current prohibition on exports of these items vide DGFT Notification No.52 dated 19.03.2020.

**1.18 Request from M/s. Excel Hydro Pneumatics (India) for Trading Activity related to Seamless Tube, Seamless Pipe, Bellow and Gasket**

M/s. Excel Hydro Pneumatics (India), a unit in AMRL Hi-Tech City SEZ was granted LOA Vide No. 8/05/2010-AMRL-SEZ -II dated 6.10.2010 for undertaking manufacture of Instrumentation Tubes/pipe, Fittings, Valves etc. The LOA is valid upto 14.07.2021. Now the Unit has requested permission to broadband its authorised operations to include **“Trading in Seamless Tube, Seamless Pipe, Bellow and Gasket”**. ITC HS Codes of these items have been given below. They have also submitted revised Foreign Exchange Balance Sheet and have shown an increase in exports and NFE on account of the proposed Trading activity.

| Sl.no | Description of the items for trading | ITC HS code |
|-------|--------------------------------------|-------------|
| 1     | Seamless Tube                        | 73041110    |
| 2     | Seamless Pipe                        | 73079390    |
| 3     | Bellow                               | 84842000    |
| 4     | Gasket                               | 84841090    |

The request of the unit was examined by the Unit Approval Committee. After deliberations, the Committee approved the request of the Unit for Trading of the above items in terms of provisions contained in Rule 19(2) of SEZ Rules, 2006 subject to the condition that the Trading should be in Foreign Exchange and separate accounts are to be maintained for the Trading activity.

**1.19 Ratification of the approval for Broad Banding given to M/s. Anmol Technologies Private Limited**

M/s. Anmol Technologies Private Limited, an IT/ITES unit in ELCOT SEZ, Salem had requested for approval for broadbanding of their authorised operations. They propose to carry out Reverse Engineering of Machinery used in making of Masks and develop embedded electronics and software to upgrade the machinery. They expect that the improved Design will be used to create New Generation of Multi-Language Interactive machines for both Domestic usage and International Market. To this extent, the Unit wants to import some related machinery parts. The Unit has stated that the machinery parts are generic products.

Considering the need for such works in the current scenario of COVID-19 in the country, the Office of DC, MEPZ had approved the broadbanding request subject to ratification by UAC.

The approval given for broadbanding the authorised operations was placed before the UAC for ratification. The Committee examined the proposal and ratified the same subject to the Unit obtaining all

necessary approvals for the proposed works from the competent authorities. It further instructed that the concerned ADC may ensure that the Unit has filed BLUT for import of the machinery.

**1.20 Ratification of the permission granted to M/s.OECL Shipping & Logistics Private Ltd., a unit in the FTWZ, for acquiring additional open yard space.**

M/s OECL Shipping & Logistics Private Ltd. was issued an LOA on 06.09.2018 to set up a FTWZ Unit in J Matadee FTWZ, Sriperumbudur. It commenced its operations on 11.12.2018. Presently, the unit functions with 10,000 Sq.ft. of Open Yard space in the FTWZ for handling earth moving machines for their customer. They made a request vide their letter dated 19.03.2020 & email dated 23.03.2020, for acquiring additional Open Yard space of 10,000 Sq.ft. as they were getting bulk order for movement of around 29 machines together and the existing space was not enough to handle the same. Further, they had stated that due to the recent COVID-19 shutdown in China and the shipment was about to move, they requested for permission to acquire additional leasehold area of 10,000 Sq.ft. of Open Storage Yard in Survey No.442/2A[Part]; 443/2B(P); and 444/1(P) in Mannur Village, Sriperumbudur Taluk, adjacent to their existing space.

A consent letter from M/s. J. Matadee Free Trade Zone Private Ltd., the Developer of the FTWZ was also furnished. On account of acquiring additional space, they have revised their export projections from ₹ 130.23 Lakh to ₹ 139.38 Lakh without any change in the FE outgo of ₹ 3.00 Lakh.

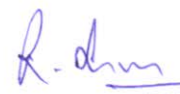
Due to outbreak of COVID-19, UAC meeting could not be conducted in April 2020 as scheduled. In view of the urgency and immediate requirement of space by the unit, the Office of DC, MEPZ considered the request and granted necessary permission on 24.03.2020, subject to ratification by UAC.

The proposal was placed before the UAC for ratification. The Committee examined the proposal and after deliberations ratified the permission granted to the Unit for occupying additional space.

**1.21 Request from M/s Delta Electronics India Pvt. Ltd. – Developer of the SEZ and M/s. Delta Electronics Pvt. Ltd. – Unit in the SEZ, for inclusion of additional services in the default list of services for carrying out their authorised activities:**

M/s. Delta Electronics India Private Limited, was granted Formal Approval vide No. F.1/6/2018-SEZ, dated 07.02.2019 for setting up a Sector-specific SEZ for Electronic Hardware & IT/ITES at Sy.No 16/1B2B (Part) and 16/1B2A (Part) at Plot No. 1, Industrial Park, Kurubarapalli, Krishnagiri District, Tamil Nadu.

They have also obtained a LOA to set up their captive Unit in the SEZ vide LOA No. 8/171/2019-Delta SEZ dated 05/04/2019. The unit commenced its operation on 27th March 2020.



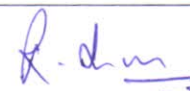


M/s. Delta Electronics India Private Limited, both as Developer of the SEZ and as SEZ Unit, have applied for inclusion of 9 services for carrying out their authorized operations in addition to the existing Default list of services, for the purpose of availing exemptions under SEZ Act and Rules.

The request was examined by the UAC. After detailed discussions, the Committee decided on the matter. The details of the additional services and the decision of the UAC are given below:

| Sl.No. | Name of the additional service  | Decision of the UAC  |
|--------|---|--|
| 1      | Club and Association services<br><i>{Membership to Electronics and Computer Software Export Promotion Council (ESC) and Export promotion council for EOU and SEZs (EPCES)}</i>  | <b>“Membership of Club or Association services (Only for the purpose of obtaining RCMC from EPCES)”</b> is already available under the Default List at Sl.No.68. However it is restricted to membership in EPCES only. Since ESC is also an Export Promotion Council relevant to the Sector in which the Unit operates, the Committee decided to allow <b>“Membership in ESC”</b> also as an additional service eligible for exemption, as requested by the Unit |
| 2      | Leasing of Motor vehicle services<br><i>{Leasing of motor vehicle services by the service provider who will provide a vehicle on lease which are required for the purpose of transportation of employees which is exclusive for SEZ operations and official business purpose}</i> | This is already covered under “Rent a Cab Operator’s Services” at Sl. No. 59 of the Default List   |
| 3      | Financial, Legal and other audit services<br><i>{IT security audit, Legal audit, Quality audit, SAP Audit, Environment Impact Assessment Audit}</i>   | These Audit Services can be covered under “Legal Consultancy Services” [Sl.No.32]; “Scientific or Technical Consultancy Services” [Sl.No.47]; and “Technical Inspection and Certification Services” [Sl.No.49] which are already available in the Default List.  |

|   |  |   |
|---|--|---|
| 4 | <p>Other Education and Training Services</p>   | <p>This can be covered under “Commercial training &amp; coaching services” appearing at Sl.No.20 of the Default List</p>  |
| 5 | <p>Foreign Exchange Broking Service</p> <p><i>{For purchase and sale of foreign currency on commission / brokerage basis for exclusive SEZ operations for travel, business and other payment purposes which are related to exclusive SEZ operations}</i></p>                     | <p>This can be covered under “Banking &amp; other financial services” appearing at Sl.No.6 of the Default List</p>  |
| 6 | <p>Real Estate Services</p> <p><i>{Real Estate consultants has to be engaged to provide Project management, technical assistance in relation to evaluation, conception, design, development, implementation and supervision of the business premises and business needs}</i></p> | <p>The nature of Service is similar to Project Management Services. However, for want of clarity, the UAC decided to defer this decision.</p>   |
| 7 | <p>Lease or Rental Services (other than Immovable property)</p> <p><i>{Delta may hire/for leasing or rental services with or without operator for equipment's including earth moving equipment's, machinery, transport equipment's, etc and</i></p>                              | <p>Since Rule 29 of SEZ Rules 2006 allows for supply of Capital Goods on Lease Basis, the Committee approved this Service as an additional service eligible for exemption, provided the Capital Goods are used purely for the purpose of carrying out authorized operations of the Developer/Unit</p> |





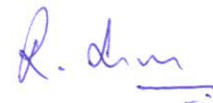
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|---|---|---|
|   | <i>other items required for SEZ operations}</i>   |   |
| 8 | IT Infrastructure Support Services & IT Security Services<br><i>{Support services for IT infrastructure like Server / Storage / UPS / Data Centre services, Data Security services, Public /Private cloud for Hardware services, Antivirus services, END point security, DLP etc. including Client service}</i> | Since these services are essential for carrying out the authorised operations of the Developer/Unit, the Committee decided to allow these services as eligible for exemption. |
| 9 | Event management Services   | Since this service is not directly related to the carrying out of authorized operations, the Committee denied this request.   |

The Committee further reiterated that the additional services allowed as above shall be strictly for carrying out the authorized activities of the Developer/Unit only and for no other purposes.

**1.22 Request from M/s Delta Electronics India Pvt. Ltd. – unit in the SEZ, for creation and operation of Canteen for its employees.**

M/s Delta Electronics India Pvt. Ltd was granted LOA on 05.04.2019 and commenced its operations on 27th March 2020.

The Unit has applied for permission for creating and operating canteen/ cafeteria for its exclusive use without availing exemptions under Section 7 & 26 of SEZ Act. The unit has earmarked 12095.19 Sq.mtr (approx.) of area for the purpose of Canteen which includes dining, kitchen and associated activities ('Canteen area') spread over in three (3) floors (GF+1F+2F) in a building ('KD2').



The Unit's request for creating and operating canteen/cafeteria for its exclusive use without availing exemptions under Sections 7 & 26 of SEZ Rules, 2006 was examined by the Unit Approval Committee. After deliberations, the Committee approved the request of the Unit for creation and operation of Canteen/Cafeteria without availing any exemptions in terms of Instruction No.95 dated 11.06.2019 issued by Department of Commerce.

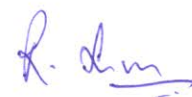
**1.23 Request of M/s. Lite-On-Mobiles for carrying out improvement activities in their Unit in Nokia Telecom SEZ.**

M/s. Lite-On-Mobiles was an SEZ Unit in Nokia Telecom SEZ, Sriperumbudur. It got exited from the Zone. The Final Exit Order was issued by the Office of DC, MEPZ vide Letter No.9/6/2005-Nokia Telecom SEZ dated 12.05.2020. The Unit proposes to operate as a DTA Unit. Therefore, the Developer of the Zone (M/s Nokia India Pvt Ltd) has applied for partial de-notification of the SEZ. The proposal has been forwarded to DoC along with the required documents.

Meanwhile, M/s Lite-On-Mobiles has proposed to carry out some improvement activities within the Unit Premises in order to keep the facility ready to resume operations as a DTA Unit after the partial de-notification of the SEZ. Since the Unit has already got final Exit, it has submitted a request to allow it to carry out the improvement activities using duty-paid goods. The Unit has further assured that it would not carry out any manufacturing activities till the partial de-notification is approved and notified. It has further submitted that the COVID-19 pandemic has delayed its Exit and resumption of operations as a DTA Unit and therefore allowing it to carry out the preparatory activities would help them to resume their DTA operations at the earliest.

The request of the Unit was placed before the UAC for consideration. The Committee noted that though the Unit has got final Exit from the SEZ, since the Zone has not yet been partially de-notified, the Unit continues to be governed by the provisions of the SEZ Act and Rules. In the interest of industrial promotion and as a measure of Ease of Doing Business, and duly taking into account the disruptions caused by COVID-19 Pandemic to businesses, the Committee decided to allow the request of the Unit to carry out improvement activities in the Unit Premises, subject to the following conditions:

- (a) No Manufacturing activities should be carried out in the Unit until the partial de-notification of the SEZ is approved and notified.
- (b) No duty-free material shall be allowed to be procured by the Unit. All procurements shall be duty-paid. The Unit's access to SEZ Online shall be disabled.
- (c) The AO of the Zone shall keep a watch on material procurement. The Unit shall inform the AO on

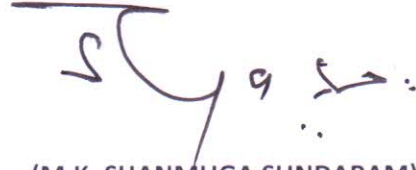




every purchase of material and submit records to prove the payment of duty thereon.

(d) The permission will be withdrawn if the Unit violates any of these conditions.

Since all the agendas for today's meeting were taken up for discussion and decision, the meeting was concluded with a Vote of Thanks.



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