

**SEEPZ SPECIAL ECONOMIC ZONE
ANDHERI (EAST), MUMBAI.**

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AGENDA FOR

**MEETING OF THE APPROVAL COMMITTEE FOR
SECTOR SPECIFIC SPECIAL ECONOMIC ZONE FOR
IT/ITES AT PUNE OF M/s. MIDC-IT/ITES-SEZ, PUNE**

Via Video Conferencing

DATE : 03.02.2021

TIME : 03.30 P.M.

MEETING OF THE APPROVAL COMMITTEE FOR SECTOR SPECIFIC SPECIAL ECONOMIC ZONE FOR IT/ITES AT PUNE, UNDER THE CHAIRMANSHIP OF DEVELOPMENT COMMISSIONER, SEEPZ-SEZ ON 03.02.2021.

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Agenda Item No.	Subject
Agenda Item No. 01 :-	Confirmation of the Minutes of the meeting held on 06.11.2020
Agenda Item No. 02 :-	Application for Change of Entrepreneur/Transfer of business by M/s. Fulcrum Worldwide Software Pvt. Ltd.
Agenda Item No. 03 :-	Application for setting up of canteen and gymnasium by M/s. Hexaware Technologies Ltd. (Co-developer)

GOVT. OF INDIA
OFFICE OF THE ZONAL DEVELOPMENT COMMISSIONER,
SEEPZ – SEZ (PUNE CLUSTER),
PHASE-III HINJEWADI, PUNE.

AGENDA NOTE FOR CONSIDERATION OF THE UNIT APPROVAL COMMITTEE

a) Proposal:

Application by M/s. Fulcrum Worldwide Software Pvt. Ltd. (FWSPL), an IT/ITES unit located at Plot No. 23/4, Rajiv Gandhi Infotech Park, MIDC-SEZ, Hinjawadi Phase III, Pune, for approval of transfer of LOA and authorized operations on a going concern basis to M/s. Fulcrum Digital Pvt. Ltd. (FDPL)

b) Specific Issue on which decision of UAC is required:

Approval for transfer of LOA and IT-ITES-SEZ authorized operations on a going concern basis as a result of change of Entrepreneur, under Rule 19(2) read with Rule 74A of SEZ Rules, 2006.

c) Relevant provisions:

Rule 19 of SEZ Rules, 2006

[PROVIDED ALSO that, subject to the provision of rule 74A] the Approval Committee may also approve change of the entrepreneur of an approved Unit, if the incoming entrepreneur undertakes to take over the assets and liabilities of the existing Unit.]

Rule 74A of SEZ Rules, 2006 Transfer of Assets by SEZ Units upon their exit

The Unit may opt out of SEZ by transferring its assets and liabilities to another person by way of transfer of ownership including sale of SEZ Units subject to the following conditions:

- (i) The Unit has held a valid LOA as well as lease of land [or Standard Design Factory] for not less than a period of 5 years on the date of transfer.*
- (ii) The Unit has been operational for a minimum period of two years after the commencement of production as on the date of transfer*
- (iii) Such sale or transfer transactions shall be subject to the approval of the Approval Committee*
- (iv) The transferee fulfils all eligibility criteria applicable to a Unit; and*
- (v) The applicable duties and liabilities, if any, as calculated under rule 74, as well as export obligations of the transferor Unit. If any, shall stand transferred to the transferee Unit which shall be under obligation to discharge the same on the same terms and conditions as the transferor Unit.]*

d) Reasons for Transfer / change of entrepreneur

- The Unit has submitted that the business of the company is experiencing slow growth and thereby, the Company has transferred its running business as slump sale to Fulcrum Digital Pvt. Ltd. (FD / transferee) that is operating in similar line of business and has great potential to expand

the business as well as generate substantial revenue via Business Transfer Agreement (BTA) executed on 01-02-2021.

- As per the BTA, the assets worth Rs. 410.37 lakhs and existing liabilities as well as the operations as an IT-ITES-SEZ-Unit-business to Fulcrum Digital Pvt. Ltd. under Rule 74A of SEZ Rules, 2006.
- FWSPL is retaining its existing plot along with its furniture and fixtures,
- FWSPL further has undertaken to pay the applicable duty benefit availed on the assets being retained by the Company as per the SEZ Rules and subsequently shall obtain the Co-Developer status

e) Other Information:

- LOA No. SEZ/PUNE/23/2007-08 dt.28.02.2008
 - Location: Plot No. 23/4, Rajiv Gandhi Infotech Park, MIDC-SEZ, Hinjawadi, Phase III, Pune 411057
- Date of commencement of authorized operations: 12.08.2013
- LOA valid up to: 11.08.2023
- The Unit has submitted the following documents with their application:
 1. Copy of Board Resolution for transfer of existing LOA along with SEZ business as a going concern to Fulcrum Digital Pvt. Ltd.
 2. Affidavit duly notarized
 3. Copy of LOA
 4. Copy of renewed LOA
 - 5. Draft of business transfer agreement executed on 01.02.2021**
 6. Copy of commencement of operations of transferor
 7. Copy of list of the Directors of the transferee
 8. Copy of the PAN of the transferee
 9. Copy of IEC of the transferee
 10. Copy of Memorandum and Articles of Association of the transferee
 11. Copy of Certificate of Incorporation of the transferee
- As per the draft Business Transfer Agreement the consideration price from the lump-slump sale is Rupees Eight Crores only.
- Further, Fulcrum Digital Pvt. Ltd. has submitted an undertaking to the effect that they will fulfill all the conditions as laid down in Rule 74A of the SEZ Rules, 2006.
- As the unit commenced its operation on 12.08.2013, they fulfill the conditions as laid down in point No. (i) and (ii) of Rule 74A of SEZ Rules, 2006.

e) ADC's observations:

- The proposal of the Unit for proposed change of Entrepreneur from Fulcrum Worldwide Software Pvt. Ltd. to Fulcrum Digital Pvt. Ltd. on slump sale basis, may be considered by the Approval Committee under Rule 19(2) read with Rule 74A of SEZ Rules, 2006

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AGENDA NOTE FOR CONSIDERATION OF THE UNIT APPROVAL COMMITTEE

a) Proposal:

Application for Leasing out built-up space to Cafeteria vendor and Gymnasium Vendor for running food and gym facility respectively in the processing area of M/s. Hexaware Technologies Ltd. (Co-Developer) in Pune-MIDC-SEZ, Hinjawadi, Phase III, Pune

b) Specific Issue on which decision of UAC is required:

Approval for lease out the built-up space to Cafeteria vendor and Gymnasium Vendor in the processing area of the SEZ, as detailed below:

Sr	Name of the Service provider	Service	Location	Area (sq.ft.)
1.	M/s. Fusion Hospitality Services	Spice	Lower Ground Floor of Amenity Block	500
2.	M/s. Maverick Studios Pvt. Ltd.	Fitness	First Floor of Amenity Block	3000

c) Relevant provisions:

Rule 11(5) of SEZ Rules, 2006

“ the Developer may, with the prior approval of the Approval Committee, grant on lease land or built up space, for creating facilities such as canteen, public telephone booths, first aid centers, crèche and such other facility may be required for the exclusive use of the unit.”

d) Other Information:

- Formal approval No.F.2/129/2005-SEZ dated 17.03.2015 as a Co-Developer
- Location: Plot No. 19, Pune-MIDC-SEZ, Hinjawadi, Phase III, Pune 411057
- The Co-Developer has submitted that the Cafeteria vendor will be supplying ready to eat food and no cooking activity will be performed in the premises of the Co-Developer.
- Further, the Co-Developer has submitted that the vendors will not avail any tax exemptions provided under SEZ Act, 2005 and SEZ Act, 2006.
- The Co-Developer has submitted the following:
 1. Online application request ID
 2. Copies of request letters from the cafeteria-vendor and gym-vendor
 3. Copies of letters from Co-Developer confirming space availability to both the vendors
 4. Copy of Board resolution w.r.t. authorized signatory
 5. Fire NOC with Copy of form A & B for the period **January 2020 to December 2020**, issued by licensed fire agency in compliance with Fire Prevention and Life Safety Measures Act, 2006 r.w. Circular dated 30.10.2014, issued by Directorate of Maharashtra Fire Services
 6. Copy of Layout approved by MIDC

e) ADC's observations:

- The proposal is found in order and therefore, submitted for consideration to UAC in terms of Rule 11(5) of SEZ Rules, 2006.
- As per the Building plan approved by MIDC, it is observed that the proposed area had already been identified as for kitchen and Cafeteria, based on which the Fire NOC has been issued.
