

**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. MAGARPATTA TOWNSHIP  
DEVELOPMENT AND CONSTRUCTION COMPANY LTD.-  
SEZ, HADAPSAR, PUNE.**

Via Video Conferencing

DATE : 21.09.2023

TIME : 11:00 A.M.

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**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  
21.09.2023**

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<b>Agenda Item No.</b>	<b>Subject</b>
<b>Agenda Item No. 01: -</b>	Confirmation of the Minutes of the meeting held on 10.08.2023.
<b>Agenda Item No. 02: -</b>	Monitoring of Performance for M/s. Accenture Solutions Pvt Ltd. (Unit-I)
<b>Agenda Item No. 03: -</b>	Application of Approval for merger of LOAs of Unit A and Unit B submitted by M/s. E-Infochips Pvt Ltd.

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Minutes of the 103<sup>rd</sup> Meeting of the Approval Committee held under the Chairmanship of Zonal Development Commissioner SEEPZ-SEZ, Mumbai for Sector Specific Special Economic Zone for IT/ITES of Magarpatta Township Development and Construction Co. Ltd.-SEZ, Village Hadapsar, Tal. Haveli, Dist. Pune 411013, held on 10.08.2023.2023 via video conference

1	Name of the SEZ	<b>Magarpatta Township Development And Construction Co. Ltd.-SEZ</b>
2	Sector	IT/ITES
3	Meeting No.	103 <sup>rd</sup>
4	Date	<b>10.08.2023</b>

**Members present:**

Sr	Name and Designation (S/Shri.)	Department
1	Smt. Mital S. Hiremath Joint Development Commissioner	Pune Cluster-SEZ, Pune
2	Smt. Pradnya R. Gholap, DCIT(TDS), Pune	Nominee of Income Tax, Pune
3	Dr. Dileeraj Dabhole Dy. DGFT	Nominee of DGFT, Pune
4	Smt. Malathi Nair Superintendent	Nominee of Customs, Pune

**Special Invitee:**

Sr	Name and Designation	Department
1	Shri Satbir Sharma Specified Officer	Magarpatta Township Development and Construction Co. Ltd -SEZ

**Agenda Item No. 01: Confirmation of the Minutes of the meeting held on 29.03.2022 and 27.06.2023**

The committee was informed that, the proposal of the of M/s. BNY Mellon Technology Pvt Ltd (BNYT) for partial deletion and Revision in projections and proposal of M/s. BNY Mellon International Operations (India) Pvt Ltd (BNYO) for setting up of new unit at the partially deleted space of the BNYT were considered in the Approval committee meeting held on 29.03.2022 and approvals were given subject to the submission of No Dues Certificate from the Specified officer. Accordingly, the specified officer, submitted No Dues Certificate vide their letter dated 10.07.2023, Further, the same case was discussed in the Approval committee meeting held on 25.07.2023 and the committee on scrutiny of proposal observed that, the projections submitted in the application of BNYO for setting up of new unit are not more than or equivalent to the projections decreased in the application of BNYT for partial deletion. Accordingly, the unit was directed to submit the clarification for the same.

Now, the units vide their letter dated 04.08.2023, has submitted that, there has been a reduction in NFE due to transfer of employees from one premises to another basis, internal deliberations and management decision. BKT and BKI are separate legal entities and separate SEZ units. There is no transfer of business or employees from BKT to BKI. In fact, there are only assets which have been transferred from BKT to BKI in the current case and question of the dip in NFE or projections of BKT being compensated by the BKI does not arise. However, there is a dip in overall NFE of BKT, the unit is still maintaining positive NFE.

Further, in case of the confirmation of the minutes of the 102<sup>nd</sup> meeting of Approval Committee held on 27.06.2023, the committee confirmed the minutes.

**Agenda Item No.02: Monitoring of Performance for M/s. Accenture Solutions Pvt Ltd. (Unit-II).**

After deliberation, the committee noted the performance of the unit for 2 years i.e. 2020- 21 and 2021-22 of 2nd block period, in terms of Rule 54 of SEZ Rules, 2006. The unit has achieved export revenue of Rs. 955.58 Crores and positive NFE of Rs. 923.94 Cr. i.e., 96.69% in FY 2021-22 on cumulative basis. The unit has achieved employment of 3706 employees (Men-1953, women-1753)

**Agenda Item No.03: Application of Approval for installation of Non-Conventional Solar Power Panel System in SEZ unit submitted by M/s. Accenture Solutions Pvt Ltd Unit-I and II**

After deliberation, the Committee Approved the proposal of the M/s. Accenture Solutions Pvt Ltd Unit-I and II, for installation of Non-Conventional Solar power panel system in SEZ unit premises, in terms of Office Memorandum dated 07.06.2021 issued in addendum to Power Guidelines dated 16.02.2016 issued by MOC&I, as detailed below:

Sr. No	Unit Name	M/s. Accenture Solutions Pvt Ltd.
1	LOA No	SEEPZ/MTDCCL-SEZ/ASPL/31/2015-16/15645 dated 29.09.2015
2	Location	Rooftop of Building B3 (Unit-II), Magarpatta City-SEZ, Pune
3	Name of the Vendor of Solar Power Plant	INDIGENOUS SYSTEM
4	Vendor-Service	Installation of Solar Power Plant
5	Capacity	310.65KW

Sr. No.	Unit Name	M/s. Accenture Solutions Pvt Ltd.
1	LOA No	SEZ/PUNE/19/2007-08/12 dated 05.02.2008
2	Location	Rooftop of Building B4, Magarpatta City-SEZ, Pune
3	Name of the Vendor of Solar Power Plant	INDIGENOUS SYSTEM
4	Vendor-Service	Installation of Solar Power Plant
5	Capacity	327KW

The approval is subject to the following conditions:

- The Unit will not be eligible for any exemptions, drawback, concessions or any other benefit available under Section 7 or Section 26 of the SEZ Act for creating or operating such facilities.
- The unit will have to fulfill any conditions / safeguards laid down by the State Government / Electricity department, from time to time
- The non-conventional solar power generated will be used only for captive consumption and will not be sold outside
- They will register with Central Electricity Authority if power generation capacity exceeds 500 KW.
- Such Captive generating power plants shall comply with all rules, regulations and technical standards framed under the Electricity Act, 2003 as amended from time to time.

**Agenda Item No.04: Monitoring of performance for M/s. E-Infochips Pvt Ltd- (Unit-A)**

After deliberation, the committee noted the performance of the unit for 4 years i.e. from 2018-19 to 2021-22 of 2<sup>nd</sup> block period, in terms of Rule 54 of SEZ Rules, 2006. The unit has achieved export revenue of Rs. 103.76 Crores and positive NFE of Rs. 99.93 Cr. i.e., 96.31% In FY 2021-22 on cumulative basis. The unit has achieved employment of 135 employees (Men-88, women-47). The committee further advised the unit to increase their exports moving forward.

**Agenda Item No.05: Application of Approval for merger of LOAs of Unit A and Unit B submitted by M/s. E-Infochips Pvt Ltd.**

The proposal of the M/s. E-Infochips Pvt Ltd. for merger of LOAs was placed before the Approval committee for consideration. However, the committee observed the deficiency in the proposal. The committee observed that, the proposal should include the actual/ achieved export during the Financial Years i.e., 2018-19 to 2021-22. Further, the Committee directed to amend the proposal accordingly and resubmit the same.

After deliberation, the committee deferred the proposal for merger of LOAs.

**Agenda Item No.06: Monitoring of performance for M/s. E-Infochips Pvt Ltd- (Unit-B)**


After deliberation, the committee noted the performance of the unit, in terms of Rule 54 of SEZ Rules, 2006 for:

1. last year i.e. 2017-18 of 1<sup>st</sup> Block period. And
2. 4 years i.e. from 2018-19 to 2021-22 of 2<sup>nd</sup> block period,

The unit has achieved Export of Rs.10.69 Cr and positive NFE of Rs.70.21 Cr. i.e, 98.02% in the last year i.e. 2017-18 of 1st Block period on cumulative basis.

The unit has achieved Export of Rs. 56.61 Cr and positive NFE of Rs.55.33 Cr. i.e, 97.75% in the 4<sup>th</sup> year i.e. 2021-22 of 2<sup>nd</sup> Block period on cumulative basis. The unit has achieved employment of 106 employees (Men-75, women-31).

Meeting ended with a vote of thanks to the Chair.

  
23.08.2023  
(Rajesh Kumar Mishra, IRS)  
Chairman-cum- Development  
Commissioner

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

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AGENDA NOTE FOR CONSIDERATION OF THE APPROVAL COMMITTEE

**a) Proposal:**

Monitoring of the performance of M/s. Accenture Solutions Pvt Ltd.-Unit-I an IT/ITES unit located in Magarpatta City-SEZ, Pune, of FY 2017-18 i.e., last year of 2<sup>nd</sup> Block period (2013-14 to 2017-18) and FY 2018-19 to 2021-22 i.e., 4 years of 3<sup>rd</sup> Block period (2018-19 to 2022-23).

**b) Specific Issue on which decision of Approval Committee is required:**

Monitoring of the performance of the unit for :

1. FY 2017-18 i.e., last year of 2<sup>nd</sup> Block period (2013-14 to 2017-18) &
2. FY 2018-19 to 2021-22 i.e., 4 years of 3<sup>rd</sup> Block period (2018-19 to 2022-23), in terms of Rule 54 of SEZ Rules, 2006.

**c) Relevant provisions: -**

As per Rule 54 of SEZ Rules, 2006

***“Performance of the Unit shall be monitored by the Approval Committee as per the guidelines given in Annexure appended to these rules”.***

**I. Approved export Projections for 2<sup>nd</sup> Block Period: (Rs. In Cr.)**

	2013-14	2014-15	2015-16	2016-17	2017-18	Total
FOB Export	431.35	448.61	470.55	708.63	782.31	2839.45
FE Outgo	24.77	25.66	37.02	64.02	56.05	207.52
NFE	406.58	422.95	433.53	644.61	726.26	2633.93

**(A) Performance as compared to projections: (Rs. In Cr.)**

Year	Export		F.E. OUTGO				
	Projected	Actual	Raw Material (Goods/Services)		C.G. import		Other outflow
			Projected	Actual	Projected	Actual	Actual
2017-18	782.31	690.14	0.00	0.00	24.17	3.88	13.69
<b>Total</b>	<b>782.31</b>	<b>690.14</b>	<b>0.00</b>	<b>0.00</b>	<b>24.17</b>	<b>3.88</b>	<b>13.69</b>

**(B) Cumulative NFE Achieved (Rs. In Crores)**

Year	Cumulative NFE achieved	Cumulative NFE in %
2017-18	2967.32	96.64

**II. Approved export projections for 3<sup>rd</sup> Block Period: (Rs. In Cr.)**

	2018-19	2019-20	2020-21	2021-22	2022-23	Total
FOB Export	636.54	587.28	587.28	587.28	587.28	2985.66
FE Outgo	36.41	36.77	37.50	32.51	29.92	173.11
NFE	600.13	550.51	549.78	554.77	557.36	2812.55

## (C) Performance as compared to projections:

(Rs. In Crores)

Year	Export		F.E. OUTGO				
	Projected	Actual	Raw Material (Goods/Services)		C.G. import		Other outflow
			Projecte d	Actua l	Projecte d	Actual	Actual
2018-19	636.54	639.38	0.00	0.00	26.73	0.36	6.61
2019-20	587.28	655.93		0.00		4.11	11.82
2020-21	587.28	621.80		0.00		-2.18	11.14
2021-22	587.28	661.32		0.00		7.90	8.32
<b>Total</b>	<b>2398.38</b>	<b>2578.43</b>	<b>0.00</b>	<b>0.00</b>	<b>26.73</b>	<b>10.19</b>	<b>37.89</b>

## (D) Cumulative NFE Achieved

(Rs. In Crores)

Year	Cumulative NFE achieved	Cumulative NFE in %
2018-19	626.09	97.92
2019-20	1263.49	97.54
2020-21	1867.98	97.44
2021-22	2514.19	97.51

## (E) Employment: As per SO report

Year	Men	Women	Total
2021-22	2695	2727	5422

## (F) Other Information:

LOA No. & Date	SEZ/PUNE/19/2007-08/12 dated 05.02.2008		
Location of Unit	Tower B4, Magarpatta Township Development and Construction Company Ltd-SEZ, IT & ITES-SEZ, Magarpatta City, Hadapsar, Pune-411 013		
Validity of LOA	06.04.2028		
Item(s) of manufacture/ Services	IT/ITES		
Date of commencement of production	07.04.2008		
Execution of BLUT	Date of Acceptance	Goods (in Rs.)	Services (in Rs.)



	25.02.2008	22.00	-	
	31.10.2018	10.85	-	
	20.07.2022	1.41	64.53	
	26.04.2023	21.81	105.61	
	<b>Total</b>	<b>56.07</b>	<b>170.14</b>	
Outstanding Rent dues	No			
Labour Dues	No			
Validity of Lease Agreement	30.11.2030			
Pending CRA Objection, if any	No			
Pending Show Cause Notice/ Eviction Order/Recovery Notice/ Recovery Order issued, if any	No			
a) No. of employees as on 31.03.2022	<b>Year</b>	<b>Men</b>	<b>Women</b>	<b>Total</b>
	2021-22	2695	2727	5422
Area allotted (in sq.ft.)	201732.3 Sq.ft.			
Area available for each employee per sq.ft. basis (area / no. of employees)	37.20 sq.ft.			
Investment till date	Building	30.37Cr		
	Plant & Machinery	54.55Cr		
Quantity and value of goods exported under Rule 34 (unutilized goods)	-			
Value Addition during the monitoring period	-			
Whether all the APRs being considered now has been filed well within the time limit, or otherwise.  If no, details of the Year along with no of days delayed to be given.	Yes			

The Specified Officer vide letter dated 28.08.2023 has reported as under:

#### A. EXPORT DETAILS

(Fig. in Cr.)

Year/Period	Figures reported in APR	Figures as per Softex/Customs	Difference if any	Reason for Difference/Remark
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	(FOB Value)	Records		
2017-18	690.14	646.65	43.49	<p>The reason for the difference of <b>Rs 43.49 Cr.</b> are as under; i.e (1+2+3)</p> <ol style="list-style-type: none"> <li>1) <b>Rs. 3.63 Cr.</b> is on account of Exchange rate fluctuation.</li> <li>2) <b>Rs 38.94 Cr.</b> is on account of Onsite export which is being considered in APR only.</li> <li>3) Unit follow an accrual-based accounting system. The difference is on account of <b>unbilled</b> revenue of <b>Rs 0.92 Cr.</b>, which is accounted for at the end of the financial year considered in APR due to realization out of last year invoices.</li> </ol>
2018-19	639.38	604.13	35.25	<p>The reason for the difference of <b>Rs 35.25 Cr.</b> is as under; i.e. (1+2) minus (3)</p> <ol style="list-style-type: none"> <li>1)<b>Rs. 1.65 Cr.</b> is on account of Exchange rate fluctuation.</li> <li>2)<b>Rs 33.77 Cr.</b> is on account of Onsite export which is being considered in APR only.</li> <li>3) Unit follow an accrual-based accounting system. The difference is on account of advance revenue <b>Rs 0.17 Cr.</b>, which is accounted for at the end of the financial year not considered in APR due to less realization of the of the current year invoices.</li> </ol>
2019-20	655.93	618.84	37.09	<p>The reason for the difference of <b>Rs 37.09 Cr.</b> is as under; i.e.</p>

				<p>(1+2) minus (3)</p> <p>1)<b>Rs. 7.55 Cr.</b> is on account of Exchange rate fluctuation.</p> <p>2)<b>Rs 30.59 Cr.</b> is on account of Onsite export which is being considered in APR only.</p> <p>3)Unit follow an accrual-based accounting system. The difference is on account of advance revenue <b>Rs 1.05 Cr.</b>, which is accounted for at the end of the financial year not considered in APR due to less realization of the of the current year invoices.</p>
2020-21	621.80	605.60	16.20	<p>The reason for the difference of <b>Rs 16.20 Cr.</b> is as under; i.e. (1+2+3)</p> <p>1)<b>Rs. 5.35 Cr.</b> is on account of Exchange rate fluctuation.</p> <p>2)<b>Rs 9.82 Cr.</b> is on account of Onsite export which is being considered in APR only.</p> <p>3)Unit follow an accrual-based accounting system. The difference is on account of advance revenue <b>Rs 1.03 Cr.</b>, which is accounted for at the end of the financial year considered in APR due to realization out of last year invoices.</p>
2021-22	661.32	652.73	8.59	<p>The reason for the difference of <b>Rs 8.59 Cr.</b> is as under; i.e. (1+2+3)</p>

				<p>1)Rs. <b>7.03 Cr.</b> is on account of Exchange rate fluctuation.</p> <p>2)Rs <b>1.43 Cr.</b> is on account of Onsite export which is being considered in APR only.</p> <p>3)Unit follow an accrual-based accounting system. The difference is on account of advance revenue <b>Rs 0.13 Cr.</b>, which is accounted for at the end of the financial year considered in APR due to realization out of last year invoices.</p>
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**B. IMPORT DETAILS**

(Capital Goods including procurement done on IUT (from SEZ, EOU, STPI, EHTP) basis.  
(Fig. in Cr.)

Year/Period	Figures reported in APR (CIF Value)	Figures as per NSDL/Customs Records	Difference if any	Reason for Difference/Remark
2017-18	5.63	5.63	Nil	-
2018-19	1.17	1.17	Nil	-
2019-20	4.74	4.74	Nil	-
2020-21	2.81	2.81	Nil	-
2021-22	8.33	8.33	Nil	-

**C. BLUT DETAILS**

1	Value of BLUT Executed (Duty foregone) (including for CG / Raw Material / Services)	(Fig in Cr.)		
		<b>Date of Acceptance</b>	<b>Goods (in Rs.)</b>	<b>Services (in Rs.)</b>
		25.02.2008	22.00	-
	Value of Additional	31.10.2018	10.85	-

	BLUT executed							
	- Year: Date of acceptance	20.07.2022		1.41		64.53		
	- BLUT amount:	26.04.2023		21.81		105.61		
		Total		56.07		170.14		
	TOTAL value of BLUT Executed	Total BLUT Rs. 226.21 Cr.						
2	Total Duty Foregone on goods & services procured (Category-wise BLUT value utilized separately for imported and indigenous goods and services) This should be based on BLUT worksheet which provides for estimated value and duty foregone separately for each category of procurement.	(Fig in Cr.)						
		Year	Import Duty Forgone (in Rs.)	Imported Services duty foregone (in Rs.)	Indigenous Goods Duty Forgone (in Rs.)	Indigenous Services Duty Forgone (in Rs.)	Total (in Rs.)	
		2017-18	1.31	3.47	0.56	11.66	17.00	
		2018-19	0.31	2.18	0.97	13.19	16.65	
		2019-20	1.26	2.68	1.59	11.55	17.08	
		2020-21	0.59	2.27	1.95	9.11	13.92	
		2021-22	1.74	2.34	0.88	9.04	14.00	
d	Employment made as on date (as on end of block period / year up to which monitoring is being done)	Year		Men		Women		Total
		17-18		3214		1782		4996
		18-19		2787		1841		4628
		19-20		2548		2050		4598
		20-21		2011		1688		3699
		21-22		2695		2727		5422
e	Details of pending	There is no foreign remittance pending beyond						

	<p>Foreign Remittance beyond Permissible period, if any (as on 31.03.2022)</p> <p>To cross-check the same and verify whether necessary permission from AD Bank / RBI has been obtained</p>	permissible period
f	<p>Whether all softex has been filed for the said period. If no, details thereof.</p> <p>SO to also check whether unit has obtained Softex condonation from DC office / RBI and if approved, whether they have filed such pending Softex.</p>	Softex has been filed till Mar-22. No case of filing condonation noticed.
g	<p>Whether all Softex has been certified, if so till which month has the same been certified. If not, provide details of the Softex and reasons for pendency.</p>	All the Softex filed have been certified for the period from 17-18 to 21-22.
h	<p>Whether unit has filed any request for Cancellation of Softex</p>	No
i	<p>Whether any Services provided in DTA / SEZ/EOU/STPI etc. against payment in INR in r/o IT/ITES Unit during the period.</p>	No such case noticed.

	If yes, details thereof (year wise details to be provided)	
j	SO to verify and certify whether the unit has updated the BLUT ledger Module in SEZ Online.	Up-loading of the BLUT Module on SEZ online Portal Kept in abeyance as per office order No. 02/2023 dated 16-03-2023.
k	Has the unit cleared any Capital Goods procured duty free in DTA against payment of Duty, or otherwise?  Full details to be provided along with value of assets and duty discharged	Yes, <b>(Fig in Cr.)</b> FY 2017-18: Duty Paid : Rs. 0.36 FY 2018-19: Duty Paid : Rs. 0.34 FY 2019-20: Duty Paid : Rs. 0.19 FY 2020-21: Duty Paid : Rs. 0.83 FY 2021-22 : Duty Paid :Rs. 0.29 (The Capital goods is removed to DTA on payment of duty for the destruction/scrap purpose)
l	Is the unit sharing any of their infrastructure with other units or are utilizing infrastructure of another unit in the same or other SEZ?  If so, details thereof, including the details of the unit with whom the sharing is being made, and the payment terms  If approval for sharing of common infrastructure has been obtained from UAC / DC office, the date of UAC / Approval letter to be indicated	No. The unit is not sharing any of its infrastructure with other units or utilizing another unit's infrastructure in the same or other SEZ.

m	Whether all DSPF for services procured during the said monitoring period under consideration has been filed by the unit and whether the same has been processed for approval by the SO Office.	DSPF filed online for services procured during the period October, 2018-19 to 21-22 has been filed and processed.
n	Whether unit has filed all DTA procurement w.r.t. the goods procured by them during the monitoring period for the relevant period.  If no, details thereof	As per the record, DTA filed on SEZ Online System by the unit, have been processed and approved till date.
o	Details of the request IDs pending for OOC in respect of DTA procurement on the date of submission of monitoring report	As per the record on SEZ Online, no Out of Charge is pending.
p	Has the unit set up any cafeteria / canteen / food court in unit premises?  If yes, whether permission from UAC / DC office has been issued, or otherwise office has been issued, or otherwise  Whether unit has availed any duty paid goods / services for setting up such facility?	SEZ Approval letter No. SEEPZ-SEZ/MTDCCL-SEZ/ASPL/31/2015-16/ 516 dtd 12.09.2022 Total Café Area : 10600 Sq. feet, has been taken from UAC/DC in terms of instruction no. 95.  As regards to duties on the services used for cafeteria area, unit has agreed to pay the duties after due clarification from the BOA and ministry.  As regard to the goods utilized in the cafeteria, it has been confirmed that the said goods were procured without claiming any duty benefit.



	If yes, whether unit has discharged such duty / tax benefit availed? details to be given including amount of duty / tax recovered or yet to be recovered	
q	Whether any violation of any of the provisions of law has been noticed / observed by the Specified Officer during the period under monitoring	No such case noticed

**ADC's observations:**

- The unit has achieved Export of Rs. 690.14 Cr. Against the projected export of Rs. 782.31 Cr. i.e, 88.21% in the FY 2017-18 i.e., last year of 2<sup>nd</sup> Block period (2013-14 to 2017-18)
- The unit has achieved positive NFE of Rs. 2967.32 Cr. i.e, 96.64% in the FY 2017-18 i.e., on cumulative basis.
- The unit has achieved Export of Rs. 2578.43 Cr. against the projected export of Rs.2398.38 Cr. In FY 2018-19 to 2021-22 i.e. 107.50%, 4 years of 3<sup>rd</sup> Block period (2018-19 to 2022-23)
- The unit has achieved positive NFE of Rs. 2514.19 Cr. i.e, 97.51% in the FY 2021-22 i.e., on cumulative basis.
- Vide SO report the unit has achieved employment as detailed below:

Year	Men	Women	Total
2021-22	2695	2727	5422

- Approval Committee may kindly monitor the performance of the Unit for FY 2017-18 i.e., last year of 2<sup>nd</sup> Block period (2013-14 to 2017-18) and FY 2018-19 to 2021-22 i.e., 4 years of 3<sup>rd</sup> Block period (2018-19 to 2022-23), in terms of Rule 54 of SEZ Rules, 2006.

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

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**AGENDA NOTE FOR CONSIDERATION OF THE APPROVAL COMMITTEE**

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**a) Proposal: -**

Proposal submitted by M/s. E-Infochips Pvt Ltd-Unit B. an IT/ITES unit located at M/s. Magarpatta Township and Constructions Company Ltd- SEZ, for merger of LOA of their Unit A with that of their Unit-B located in the same SEZ.

**b) Specific Issue on which decision of Approval Committee is required: -**

Approval of the Committee for merger of two LOAs of M/s. E-Infochips Pvt Ltd., Unit A with that of their Unit-B, in terms of 4<sup>th</sup> proviso of Rule 19(2) of SEZ Rules, 2006.

**c) Previous reference:**

The said proposal of the unit was placed before the 103<sup>rd</sup> Meeting of the Approval Committee held on 10.08.2023 wherein the committee deferred the proposal and committee observed that the proposal should include the actual/achieved export during the financial years i.e. 2018-19 to 2021-22. Committee directed to amend the proposal accordingly and resubmit the same.

**d) The Unit has submitted the revised projection at actual as under**

**I. Comparison of Projections and Achieved Investment and employment (Unit A and B)**  
(Rs. In Cr.)

Sr. No	Description	Existing Approved Projections of Unit A		Actuals of Unit A		Existing Approved Projections of Unit 2		Actuals of Unit B		Revised Projections post-Merger of both the LOA's	
1	Area (Built up area)	11124.15sq. ft.		-		11124.15sq. ft.		-		22248.30sq. ft	
2	Employment (Actual as per MPR)	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
		163	75	197	78	80	44	85	37	282	115
	<b>Total</b>	238		275		124		122		397	

3	<b>Investment-Plant and Machinery/Capital Goods</b>					
i.	Indigenous Capital Goods	3.90	5.95	3.20	2.53	10.00
ii.	Imported Capital Goods	3.81	1.42	3.54	0.99	5.00
	<b>Total</b>					<b>15.00</b>
4	<b>Input of Services</b>					
i.	Imported Services	77.07	3.85	32.40	0.94	7.50
ii.	Indigenous Services	16.46	17.60	10.43	5.11	35.00

**II. Approved foreign exchange projections (Unit-A): (Rs. In Cr.)**

	2018-19	2019-20	2020-21	2021-22	2022-23	Total
FOB Export	34.08	74.99	84.36	94.96	106.93	<b>395.32</b>
FE Outgo	7.12	15.39	17.19	19.36	21.79	<b>80.85</b>
NFE	26.96	59.59	67.17	75.59	85.14	<b>314.45</b>

**III. Comparison of Projections and Achieved Export: (Rs. In Cr.)**

Year	Export	
	Projected	Actual
2018-19	34.08	25.60
2019-20	74.99	17.63
2020-21	84.36	25.72
2021-22	94.96	34.82
2022-23	106.93	APR not Filed
<b>Total</b>	<b>395.32</b>	<b>103.77</b>

**IV. Approved foreign exchange projections (Unit-B) (Rs. In Cr.)**

Description	2018-19	2019-20	2020-21	2021-22	2022-23	Total
FOB value of Exports	14.62	32.16	36.18	40.73	45.85	<b>169.55</b>
FE Outgo	3.17	6.74	7.65	8.68	9.72	<b>35.95</b>
NFE Earnings	14.45	25.43	28.54	32.05	36.14	<b>136.60</b>

## V. Comparison of Projections and Achieved Export: (Rs. In Cr.)

Year	Export	
	Projected	Actual
2018-19	14.62	8.25
2019-20	32.16	13.41
2020-21	36.18	12.44
2021-22	40.73	22.50
2022-23	45.85	APR not Filed
<b>Total</b>	<b>169.55</b>	<b>56.60</b>

VI. Approved Projections for 3<sup>rd</sup> Block period of Unit B (at the time of Renewal):  
(Rs. in Cr.)

Description	2023-24	2024-25	2025-26	2026-27	2027-28	Total
FOB value of Exports	48.71	107.16	120.55	135.69	152.79	564.90
FE Outgo	10.30	22.13	24.84	28.04	31.51	116.83
NFE Earnings	38.41	85.02	95.71	107.65	121.28	445.07

VII. Projected foreign exchange projections of Unit B after merger:  
(Rs. In Cr.)

Description	2023-24	2024-25	2025-26	2026-27	2027-28	Total
FOB value of Exports	33.85	31.03	38.16	57.32	75.57	235.94
FE Outgo	2.30	2.40	2.50	2.60	2.70	12.50
NFE Earnings	31.55	28.63	35.66	54.72	72.87	223.44

The projections of the Unit B after Merger are less than the Projections Approved for 3<sup>rd</sup> Block period i.e. FY 2023-24 to 2027-28. After the deficiency raised by the Approval Committee in its meeting held on 10.08.2023, the unit has revised their projections for post-merger period considering their Achieved Export/NFE in last 4 years i.e, FY2018-19 to 2021-22 by both the units in last block period

## e) Relevant Provisions: -

As per the 4<sup>th</sup> proviso of Rules 19 (2) of SEZ Rules, 2006;

***“Provided also that the Approval Committee may also approve proposal for merger of Letter of approvals of two units of the same company or firm subject to the conditions that these Units falls within the same Special Economic Zone and after merger, Block Period for calculation of***

***Net Foreign Exchange shall be from the date of commencement of production of Unit which commenced operation first and the Income tax exemption period shall be considered from the date start of operation of the first Unit.”***

f) Other Information: -

**Details of the Unit-A:**

- Letter of Approval No. SSEEPZ-SEZ/MTDCCL-SEZ/EIL/27/2012-13/934 dated 22.01.2013
- Date of Commencement of Production: 20.12.2013
- Validity of LOA: 19.12.2023
- Current Block Period: 2018-19 to 2022-23
- Area: 11,124.15 Sq. ft
- Location: Level-3, Wing-B (Part), Tower-9, Magarpatta Township Development and Construction Company Ltd-SEZ, IT & ITES-SEZ, Magarpatta City, Hadapsar, Pune-411 013
- The Approval Committee noted the performance of the unit for 4 years i.e. from 2018-19 to 2021-22 of 2<sup>nd</sup> block period, in terms of Rule 54 of SEZ Rules, 2006. The unit has achieved export revenue of Rs. 103.76 Crores and positive NFE of Rs. 99.93 Cr. i.e., 96.31% In FY 2021-22 on cumulative basis. The unit has achieved employment of 135 employees (Men-88, women-47).

**Details of the Unit-B:**

- Letter of Approval No. SEEP-SEZ/MTDCCL-SEZ/EIL/28/2012-13/913 dated 22.01.2013
- Date of Commencement of Production: 05.08.2013
- Validity of LOA: 04.08.2013
- Current Block Period: 2018-19 to 2022-23
- Area: 11,124.15 Sq. ft
- Location: Level-3, Wing B (part), Tower 9, , Magarpatta Township Development and Construction Company Ltd-SEZ, IT & ITES-SEZ, Magarpatta City, Hadapsar, Pune-411 013.
- As per Rule 19 (2) of SEZ Rules, 2006, for calculation of Net Foreign Exchange the date of commencement of production of Unit which commenced operation first and the Income tax exemption period shall be considered from the date start of operation of the first Unit. In this case the date of commencement of Unit B i.e. 05.08.2013, is earlier than Unit A, the commencement date being 20.12.2013, thus upon merger of both the LOAs, the block period of Unit-B is being considered for calculating NFE

➤ **Reason for Merger:**

1. The main intent of the management is to consolidate their operations under one unit only instead of maintaining two separate units with separate books of accounts and records keeping, so that compliances, operations, administration etc can be handled effectively with common team.
2. **Cost Optimization:** Both Units shall be merged, thereby reducing operational and maintenance cost and effectively due to consolidation as only one support team can take care of all admin related activities.

3. **Better control and monitoring:** When both the units will be merged, it will be easier for operational team members to work effectively as a single team rather than two separate teams sitting in two different units. This will help in faster and timely completion of project.
4. **Working Together:** Since their teams works on various projects at the same time, therefore if they bifurcate teams at two different locations in two separate units, then it creates a hindrance in terms of working together at one place and then project gets affected.

The unit has also agreed to the other terms and conditions mentioned in said rules from tax benefit perspective and they understand that for all purposes the date of commencement of operations shall be treated as 05.08.2013, the date of which their first unit started commercial operations

- In support of the above unit has submitted the following documents:
  - Form F3 filed through SEZ Online system
  - Copy of board resolution authorizing authorized signatory;
  - Copy of all Letter of Approval of both units;
  - Revised Foreign Exchange Balance Sheet;
  - Copies of Broad Banding Applications submitted when projections were revised.
  - Copy of all APR of Unit A and Unit B
  - List of Imported and Indigenous Capital goods;

**g) ADC scrutiny report :-**

- As Unit-B commenced its operations first, upon merger of both the LOAs, the block period of Unit-B will be considered for calculating NFE of the merged units i.e., 2018-19 to 2022-23.
- The approval committee may kindly consider the proposal of the units for merger of their LOAs, in terms of 4<sup>th</sup> proviso of Rule 19(2) of SEZ Rules, 2006.

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