

NOIDA SPECIAL ECONOMIC ZONE

Minutes of the meeting of the Unit Approval Committee (UAC) of private SEZs in Mohali & Chandigarh region held under the chairmanship of Dr. L.B. Singhal, Development Commissioner (DC), Noida SEZ at 12:00 PM on 29.07.2016 in the Conference Hall of M/s. Infosys Ltd., Chandigarh.

The following members of UAC were present during the meeting:-

1. Shri Anil Aggarwal, Jt. DGFT, Sector 35-D, Chandigarh
2. Shri Vivek Nangia, Addl. Income Tax Commissioner, Mohali
3. Shri Pritam Singh Aluna, Asstt. Commissioner (Customs), Ludhiana.
4. Shri Pawan Katyay, PSIEC, Sector 17, Chandigarh
5. Shri Anil Kumar Parashar, SPIC, Chandigarh.

Besides, during the meeting i) Shri Rakesh Kumar, Dy. Development Commissioner, Noida SEZ, Shri Devendra Bahuguna, ADC, Shri Suresh Kumar, Specified Officer, Ajay Katoch, Authorized Officer, Sun Pharmaceuticals SEZ were also present to assist the UAC.

At the outset, DC, NSEZ welcomed the participants. After brief introduction, each items included in the agenda were taken up for deliberation one by one. After detailed deliberations amongst members as well as interaction with the applicants / representatives of the units, the following decisions were taken:-

AGENDA ITEM NO. 1

Ratification of Minutes of last meeting of the Approval Committee:-

The Committee was informed that no reference against the decisions of the UAC held on 31.05.2016 was received from any of the members of the Committee or Trade and therefore, Minutes of the meeting held on 31.05.2016 were ratified.

AGENDA ITEM No. 2.

Sub: Proposal of M/s. Infosys Ltd. for setting up a unit in the IT/ITES SEZ of M/s. Quarkcity India Pvt. Ltd. at A-40A, Industrial Focal Point Phase-VIII Extn., SAS Nagar – Mohali – Ref.

The UAC noted that M/s. Infosys Ltd. is one the leading company in the field of IT/ITES and related filed in the World. For the Financial year 2015-16 the overall turnover of the Company was Rs. 53983 crores. M/s. Infosys is already having number of SEZ/STPI Units with an impressive growth and substantial exports besides generating excellent infrastructure and employment as per the core objectives of SEZ Scheme. The present

proposal is for Software Development and Consultancy, Information Technology, Research and development services, computer software services, including information enabled services such as back-office operations, call centre, content development or animation, data processing, engineering and design, graphic information system services, human resources services, insurance claim processing, legal data bases, remote maintenance, revenue accounting, support centre and web-site services, off-shore banking services, professional services (excluding legal services and accounting) other business services, audio-visual services, educational services, financial services, auxiliary services, custom application development, maintenance and production support, package enabled consulting and implementation, technology consulting and other solutions, including business process management and solutions, Knowledge management Services, infrastructure maintenance & management services, operations and business process consulting, testing solutions and system integration services. The unit has proposed an export of Rs. 145276.00 lakhs with NFE of Rs. 57105.00 lacs over a period of 5 years. The unit has also proposed an employment of 1040 persons.

Shri Suresh Shenoy, Regional Manager appeared before the UAC and explained the proposal in detail. Shri Shenoy has also informed that they will start operation in the phased manner and 1st phase shall start by September, 2016.

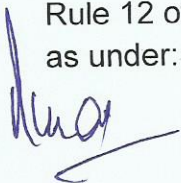
After due deliberations the UAC approved the project.

AGEND ITEM No. 3

Sub: LOA No. F2/7/2005-EPZ dated 22.05.2008 – Attestation of List of Goods for Authorized operations of M/s. Sunny View Estates Pvt. Ltd. (Co-Developer) of M/s. Quarkcity India Pvt. Ltd. – Reg.

M/s. Sunny View Estates Pvt. Ltd. (Co-Developer) of M/s. Quarkcity India Pvt. Ltd. vide letter dated 29th June, 2016 applied for approval of list of goods valued at Rs. 147.31 lacs for their approved authorized operations duly certified by the Chartered Engineer in terms of 12(2) of SEZ Rules 2006.

In view of urgency shown by the Co-Developer to complete its ongoing authorized operation for their approved SEZ unit namely M/s. Parexel International, the Development Commissioner has approved the List of Goods for authorized operations at Sr. No. 1 & 2 below on file. UAC is requested to ratify the decision of Development Commissioner. The rest of the list for authorized operations at Sr. No. 3 & 4 below, duly certified by Chartered Engineer in terms of Rule 12 of SEZ Rules, 2006 is placed before the UAC for perusal/approval please as under:



Sr. No.	Name of Authorized operation	Estimated Value (Rs. in lacs)
1.	Electrical, Gas and Petroleum, Natural Gas Distribution Network including necessary Sub-Stations of Appropriate capacity, pipeline network etc.	013.57
2.	Air conditioning in Processing Ares	118.39
3.	Fire Protection System with Sprinklers, Fire and Smoke Detectors	001.80
4.	Office Space for Development Commissioner, Customs and Security	013.55
	TOTL	147.31

Mr. Arvind Verma, Authorized Representative appeared before the UAC and explained the proposal in detail.

After due deliberation the UAC ratified the decision taken by the DC, NSEZ in respect of Sr. 1 & 2 above and approved rest of the material as proposed at Sr. No. 3 & 4 above.

The list of goods, if approved by UAC shall remain valid for a period of one year.

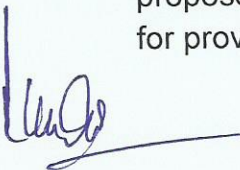
AGENDA ITEM NO. 4

Sub: Approval of List of Goods required for carrying out authorized operations – M/s. Quarkcity India Pvt. Ltd. (Developer) – Reg.

It was informed to the UAC that the request of the Developer was dealt by the UAC in the previous UAC meeting held on 31.05.2016. The list of goods proposed by the Developer was valued at Rs. 214.91 Crores. The UAC observed that the requirement of goods given by the Developer was on very higher side and passed the following order:

The Developer will submit floor area wise requirement of goods.

1. The Developer will submit floor area required to be furnished for the proposed units in the next one year on the basis of provisional offer letter for providing space to the proposed SEZ unit.



2. The Developer will submit the list of goods required for the next 3 months.
3. To monitor and verify the inventory of goods by SO/ADC along with the Developer for consideration of the Approval Committee in terms of Rule 15 of SEZ Rules, 2006.

“The Approval Committee also constituted a committee of ADC/SO/AO to ascertain/verify the goods required by the SEZ Developer for the next 3 months”

Now the Developer is proposing to develop an area of 2 lacs sq. ft. which covers almost 4 floors of the SEZ Building. However, as per our records the area confirmed to be developed is as under:

1	M/s. Infosys Ltd.	1,13,431 Sq. Ft.	Application is placed in this agenda
2	M/s. Bunge India Pvt. Ltd.	10,000 Sq. Ft.	Already approved by UAC

For the rest of the area i.e. $2,00,000 - 1,23,431 = 76,569$ Sq. Ft., the Developer vide their letter dated 29.06.2016 informed that negotiations for this area with M/s. IBM on Plug & Play basis is under active consideration and shall be finalized shortly.

It was noticed that the quantum/value of goods is concerned, the same has gone down drastically from Rs. 214.91 crores (previous list) to Rs. 24.31 crores. As per directions of UAC dated 31.05.2016 as above the list of goods submitted by the Developer was meticulously examined by the ADC/SO/AO. Each page of the list is duly signed and the report of the committee is recorded in the last page of the list of goods. For ready reference the report of the committee is as under:

“As per UAC’s directions dated 31.05.2016, we have examined the list of goods submitted by the Developer for development of four floors (approx. 2 lakh sq. feet). The goods are apparently relatable to the authorized operations to be carried out by the Developer. However, due to lack of technological knowledge, the exact use of goods and the quantity required cannot be ascertained by us. Therefore, the said list of goods may be considered for approval with a supporting certificate from a Chartered Engineer

Signed by : ADC/SO/AO”



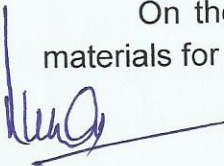
Mr. Rajesh Sharma, COO of the company appeared before the UAC and explained the requirement of material for the above mentioned units. Shri Sharma further informed that they are in negotiation with some more companies for an area of another approx. 1 lacs Sq. ft. area in near future. However, on considering the revised value of goods from Rs. 214.19 crores to Rs. 24.31 crores, it can be construed that the requirement of goods has gone down to a realistic level. Moreover, the requirement of 24.31 crores has also been endorsed/certified by an independent Chartered Engineer as envisaged under Rule 12 of the SEZ Rules, 2006.

Shri Sharma informed that the list of goods has been prepared by them after considering the stock of goods in hand.

The requirement of material for authorized operations accordingly is as under:

Sr. No.	Name of Authorized operation	Estimated Value
1.	Electrical, Gas and Petroleum, Natural Gas Distribution Network including necessary Sub-Stations of Appropriate capacity, pipeline network etc.	1,77,23,500.00
2.	Telecom & other communication facilities including internet connectivity.	4,04,47,000.00
3.	Fire Protection System with Sprinklers, Fire and Smoke Detectors	1,02,56,500.00
4.	Air Conditioning of Processing Area	2,86,72,500.00
5.	Construction of all type of building in processing area.	13,95,45,200.00
6.	Power (including Power Back up facilities) for captive use only.	20,00,000.00
7.	Access control & monitoring systems	45,24,500.00
	TOTAL:	24,31,69,200.00

On the request of Developer the DC, NSEZ has approved urgent list of materials for Rs. 1,93,75,000/- on file.



After due deliberation UAC ratified the decision of DC, NSEZ for approval of the list of materials for a value of Rs. 1,93,75,000/- and approved the rest of the materials. The List of goods shall remain valid for one year.

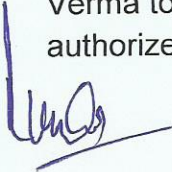
AGENDA ITEM NO. 5

Sub: LOA No. QSEZ/(SVEPL)/Unit/04/04/15/450 dated 05.11.2015 – Approval of List of Service for authorized operations of M/s. Parexel International (India) Pvt. Ltd. an SEZ unit located in the premises of M/s. Sunny View Estates Pvt. Ltd. - Co-Developer of M/s. Quarkcity India Pvt. Ltd – Reg.

M/s. Parexel International (India) Pvt. Ltd. an SEZ unit located in the premises of M/s. Sunny View Estates Pvt. Ltd. - Co-Developer of M/s. Quarkcity India Pvt. Ltd vide its letter dated 15th April, 2016 has submitted proposal for approval of service namely '**Services of Management Consultant**' to carry on authorized operations in SEZ.

Mr. Ravi Verma appeared before the UAC and he was not able not explain the requirement of '**Services of Management Consultant**' for their authorized operations.

After due deliberations the UAC deferred the proposal and requested Shri Verma to submit a detailed justification for the above services in relation with their authorized operations for their SEZ unit at Mohali.



AGENDA ITEM NO. 6

Sub: LOA No. QSEZ/UNIT/04/02/2016/505 Dated. 03/06/2016 M/s. Bunge India Ltd. – Change of floor – Reg.

The proposal of M/s. Bunge India Ltd. to set up an SEZ unit was approved in the UAC meeting of 31/05/2016. Subsequently, Letter of Approval No. QSEZ/UNIT/04/02/2016/505 Dated. 03/06/2016 was issued in favour of the SEZ unit. The SEZ Unit vide its letter dated 18/06/2016 accepted the terms and conditions of the LOA.

It was informed to UAC that originally the unit was allowed to set up at 10th Floor of SEZ building with an area of 10000 Sq. Ft. Now due to some change in allotment of floors, the Developer has changed the floor of the SEZ Unit from 10th to 11th floor with same area. The unit vide letter dated 9th June, 2016 requested this office for change of location of their SEZ Unit from 10th floor to 11th floor of the same SEZ building.

After due deliberation the UAC ratified the decision of DC, NSEZ.



AGENDA ITEM NO. 7

Sub: M/s. Ramtech Software Solutions Pvt. Ltd. - LOA No. RGCTP-II/Unit/04/03/13/204 dated 06.06.2013 – Extension in the validity period of LAO – Reg.

The LOA to M/s. Ramtech was issued vide F. No. RGCTP-II/Unit/04/03/13/204 dated 6th June, 2013. As per Rule 19(4) of SEZ Rules, 2006 the unit had already been allowed extension upto 6th June, 2016 i.e. 2+1 years. ***The Rule 19(4) further says that extension of one more year can be considered by the DC subject to the condition that the two thirds of activities including construction, relating to the setting up of the Unit is complete and a chartered engineer's certificate to the is effect is submitted by the entrepreneur.*** This fact has been categorically made clear to the SEZ unit along with a Copy to the Developer i.e. Chandigarh Administration vide our previous extension letter dated 5th August, 2015.

But on the grounds no activity has been started as yet by the SEZ unit. The SEZ unit vide its letter dated 04.06.2016 further stated that their Building plans have not been released by the SDO(B), O/O Estate Office, U.T. Chandigarh i.e. Developer. This matter has already been taken up with the Chandigarh Administration by the then DC, NSEZ vide letter dated 19th November, 2015 .

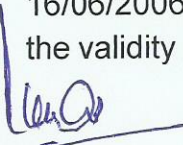
No one from the unit appeared before the UAC to explain their proposal. After due deliberations UAC deferred the proposal as the extension beyond 6th June, 2016 is not within the purview.

UAC further decided to make a reference to Advisor to Administrator, Chandigarh to expedite all the other pending requests of the units located in RGCTP-II before them. On receipt of the reply of the Developer the matter would be taken up with the Board of Approval chaired by Secretary Commerce in the Deptt. Of Commerce for appropriate action in the matter.

AGENDA ITEM NO. 8

SUB: LOA No. 05/05/2006-Chg.SEZ/8797 dated 16th June, 2006 & No. 05/05/2006-Chd.SEZ/2011/18 dated 24.06.2011 – Renewal of LOA for the next five years – Reg.

M/s. Infosys was granted LOA No. 05/05/2006-Chg.SEZ/87978 dated. 16/06/2006. The validity of the LOA was upto 3rd September, 2011. Accordingly the validity of the LOA was renewed by the UAC dated 27.05.2011 for another five



years i.e. upto 3rd September, 2016. Since the validity of the LOA is going to expire on 3rd September, 2016, M/s. Infosys Ltd. vide letter dated 5th July 2017 applied for renewal of their LOA for a further period of 5 years. During the last five years the performance of the unit is as under.

(Rs. In Crores)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Export earnings	1074.89	1302.24	1627.25	1929.22	2245.87
FC Outflows	322.58	460.82	615.77	692.64	844.87
NFE	752.31	841.42	1011.48	1236.58	1401.00

The projection of the unit for next five years as under :

(Rs. In Lacs)

		1 st	2nd	3rd	4th	5th	TOTAL
1	FOB Value of exports in first five years	224642	233201	259836	264129	287159	1268967
2	Foreign Exchange outgo for the first five years	125838	131931	149570	152709	168777	728425
3	Net foreign Exchange earning for the first five years (1)-(2)	98804	101270	110266	111420	118782	540542

On perusal of the performance of M/s. Infosys Ltd. for the past five years, it is observed that the unit has achieved positive NFE with an employment of 6661 persons. After due deliberations the UAC to reviewed the past performance and approved renewal of LOA for another 5 years i.e. upto 3rd September, 2021

AGENDA ITEM NO. 9

APRs OF SEZ UNIT IN MOHALI/CHANDIGARH REGION FOR 2015-16 DULY ATTESTED BY CHARTERED ACCOUNTANT AND CERTIED BY SEZ CUSTOMS IS PLACED BEFORE UNIT FOR PERUSAL AND VETTING PLEASE.

QUARKCITYINDIA PVT. LTD. (SEZ)**(Rs. in lacs)**

s.No.	Name of the Unit	Import	Export	DTA Sales	Outstanding F.E on 31.03.2016
1.	Pyramid IT Consulting P. Ltd.	NIL	117.16	Nil	NIL
2.	V Serv Business Solutions	17.46	921.97	NIL	NIL
3.	Orbit Technology	NIL	855.59	NIL	NIL
4.	U Trade Sol. Pvt. Ltd.	NIL	229.00	262.83*	58.61*
5.	Span Infotech (I) Pvt. Ltd.	160.79	7647.59	NIL	2061.67
6.	Artisan Software Tech.	NIL	85.80	NIL	NIL
7.	Emerson Information Tech.	94.94	7831.55	NIL	10.82
8.	Chicmic	NIL	204.30	NIL	NIL
9.	FIS (I) Pvt. Ltd.	156.22	4102.02	NIL	NIL
10.	Logic Apt Informatics Pvt. ltd.	NIL	88.02	NIL	01.00
11.	Netparticipate Sols. LLP	NIL	1830.52	NIL	NIL
12.	Click Apps	Not received			

* Effected in foreign exchange

* Rs. 37.28 lacs has been realized by April, 2016. Balance is Rs. 21.33

SUN PHARMACEUTICAL INDUSTRIES (SEZ) (2015-16) (Rs. in lacs)

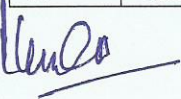
S.No.	Name of the Unit	Import	Export	DTA Sales	Outstanding F.E on 31.03.2016
1.	Sun Pharmaceutical Indts. Ltd.	504.02	3621.79	162.50	356.40

INFOSYS LTD. (RGCTP-I, SEZ) (2015-16) (Rs. in lacs)

S.No.	Name of the Unit	Import	Export	DTA Sales	Outstanding F.E on 31.03.2014
1.	Infosys Ltd.	857.89	224587.46	162.50	4272.97

TECH MAHINDRA LTD. (RGCTP-II, SEZ) (2015-16) (Rs. in lacs)

S.No.	Name of the Unit	Import	Export	DTA Sales	Outstanding F.E on 31.03.2014
1.	Tech Mahindra Ltd.	93.24	32492.85	162.50	4766.66



It was informed to the UAC that the verification of the performance in r/o Units located in Quarkcity India Pvt. Ltd. (SEZ), Mohali and M/s. RGCTP-II (Chandigarh) is awaited from the Customs Division of SEZ and hence deferred. However, UAC took note of the performance of the unit M/s. Sun Pharmaceutical Industries & Infosys (RGCTP-I, Chandigarh). The units have been advised to submit the copies of extension obtained from the Reserve Bank of India in respect of cases pending for realization beyond the period nine (9) months.

The meeting ended with vote of thanks to the Chair.

[Handwritten Signature]
29/7/2016

(Dr. L.B. Singhal)
Development Commissioner