

**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 MIDC-SEZ**

Via Video Conferencing

DATE : 10.08.2023

TIME : 12:30 P.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  
10.08.2023**

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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 25.07.2023 |
| <b>Agenda Item No. 02: -</b> | Monitoring of Performance for M/s. Nxtra Data Ltd.            |

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Minutes of the 123<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 MIDC-SEZ, Pune held on 25.07.2023 via video conferencing.

|   |                 |                             |
|---|-----------------|-----------------------------|
| 1 | Name of the SEZ | <b>M/s MIDC – SEZ, PUNE</b> |
| 2 | Sector          | IT/ITES                     |
| 3 | Meeting No.     | 123 <sup>rd</sup>           |
| 4 | Date            | 25.07.2023                  |

#### Members present

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

#### Special Invitee

| Sr | Name and Designation                    | Department      |
|----|---|-----------------|
| 1  | Shri Satbir Sharma<br>Specified Officer | MIDC-SEZ, Pune. |

#### Agenda Item No.01: Confirmation of the Minutes of the 122<sup>nd</sup> meeting held on 27.06.2023

After deliberation, the Committee confirmed the minutes of the 122<sup>nd</sup> meeting of Approval Committee held on 27.06.2023

#### Agenda Item No.02: Application for Installation of rooftop Non-Conventional Solar Power Panel for Captive Consumption by M/s Neilsoft Pvt. Ltd.

After deliberation, Committee approved the proposal of M/s. Neilsoft Pvt. Ltd., for setting up of rooftop Non-Conventional Solar Panel for captive consumption, in terms of Office Memorandum dated 07-06-2021 issued in addendum to Power Guidelines dated 16.02.2016, issued by MOC&I. The details of the approved proposal as detailed below:

|   |   |                            |
|---|---|----------------------------|
| 1 | Name of the Vendor of Solar Power Plant | Greenergy Sustainables LLP |
| 2 | Vendor-Service                          | Solar power installer      |

*Neilsoft*

|   |                               |  |
|---|-------------------------------|--|
|   |                               | (EPC) Company providing sustainable Solutions. |
| 3 | Capacity                      | 100 KW   |
| 4 | Annual Generation in capacity | 1,18,000 KWH Units                             |
| 5 | Tax                           | INR 7,11,000/-                                 |

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 and 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
- 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.
- Captive generation power plants with capacity 500 KW and above has to be registered with Central Electricity Authority. They will register with Central Electricity Authority if power generation capacity exceeds 500 KW.

**Agenda Item No.03 :** Monitoring of the performance of M/s IASYS Technology Solutions Pvt. Ltd. MIDC - SEZ, RGIP, Pune.

After deliberation, the committee noted the performance of the unit for 5 years i.e., FY 2018-19 to 2022-23, of 1<sup>st</sup> Block Period.

**a) Performance as compared to projections: FY 2018-19 to 2022-23**  
(Rs. In Lacs)

| Year    | Export          |                |
|---------|-----------------|----------------|
|         | Projected       | Actual         |
| 2018-19 | 1152.00         | 1038.81        |
| 2019-20 | 3744.00         | 908.78         |
| 2020-21 | 4320.00         | 938.92         |
| 2021-22 | 4608.00         | 554.19         |
| 2022-23 | 5184.00         | 496.72         |
| Total : | <b>19008.00</b> | <b>3937.42</b> |

The unit has achieved cumulative export revenue of Rs. 3937.42 Lakhs as against projected export of Rs. 19008.00 Lakhs (which is 20.71% of projected export) and achieved cumulative NFE of 3912.63 Lakhs which is 99.37% in 5 years of 1<sup>st</sup> Block Period i.e. during (FY 2018-19 to 2022-23)

*just*

The Unit vide their letter their letter dated 31.05.2023 informed the reasons for decrease in exports as compared to the approved projection. The reasons are as follows:


*"We would like to inform your good office that we could not achieve exports as compared to projected figures due to COVID 19, our exports were reduced comparatively and since we are into Testing & Validation services, our contract with client is of milestone in nature, hence generally once Testing and Validation is completed, our contract does not get renewed & therefore considering this we could not achieve exports as it was projected. Also we have projected exports on conservative basis which is achievable to us considering business in hand for next block of 5 years."*

**Export Performance & Proposed export projection for next block**

The unit has achieved export of Rs. 3937.42 Lakhs in 1<sup>st</sup> Block (i.e. FY 2018-19 to FY 2022-23 ) and has proposed export projection of Rs. 5260.70 Lakhs in 2<sup>nd</sup> Block (i.e. FY FY 2023-24 to FY 2027-28) as below :

| (Rs. In Lacs) |                          |   |   |
|---------------|--------------------------|---|---|
| Sl. No.       | Particulars.             | Export Achieved during 1 <sup>st</sup> Block (2018-19 to 2022-23) | Export Proposed for 2 <sup>nd</sup> Block of 5 years (2023-24 to 2027-28) |
| 1.            | FOB Value of Exports (A) | 3937.42   | 5260.70   |
| 2.            | FE Outgo                 | 49.58   | 1207.33   |
| 3.            | NFE                      | 3912.63   | 4053.37   |

Meeting ended with a vote of thanks to the Chair.

  
(Mital S. Hiremath)  
Joint Development Commissioner



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**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:**

Monitoring of the performance of M/s. Nxtra Data Ltd., for 4 years of 1<sup>st</sup> Block (FY 2019-20 to FY 2023-24)

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

Monitoring of performance for the period 2019-20 to 2022-23 (4 years of 1<sup>st</sup> block period) under Rule 54 of SEZ Rules, 2006

The details of the export projections are as detailed below:

**c. Approved export Projections for 1<sup>st</sup> Block Period:**

(Rs. in Crores)

| Year                 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | Total  |
|----------------------|---------|---------|---------|---------|---------|--------|
| FOB Value of Exports | 40.00   | 40.00   | 40.00   | 40.00   | 40.00   | 200.00 |
| FE Outgo             | 20.00   | 20.00   | 20.00   | 20.00   | 20.00   | 100.00 |
| NFE achieved         | 39.80   | 39.80   | 39.80   | 39.80   | 39.80   | 19.90  |

**d. Performance as compared to projections: FY 2019-20 to 2022-23**

(Rs. In Crores)

| Year    | Export    |        | F.E. OUTGO                       |        |             |        |               |
|---------|-----------|--------|----------------------------------|--------|-------------|--------|---------------|
|         | Projected | Actual | Raw Material<br>(Goods/Services) |        | C.G. import |        | Other outflow |
|         |           |        | Projected                        | Actual | Projected   | Actual | Actual        |
| 2019-20 | 40.00     | 0.0056 | 0                                | 0      | 0           | 0      | 0             |
| 2020-21 | 40.00     | 0.01   |                                  |        |             |        |               |
| 2021-22 | 40.00     | 0.01   |                                  |        |             |        |               |
| 2022-23 | 40.00     | 20.02  |                                  |        |             |        |               |
| Total : | 160.00    | 20.05  | 0                                | 0      | 0           | 0      | 0             |

**Cumulative NFE achieved: FY 2019-20 to 2022 -23**

(Rs. in Crores)

| Year    | Cumulative NFE Achieved | Cumulative % NFE Achieved |
|---------|-------------------------|---------------------------|
| 2019-20 | 0.0056                  | 100%                      |
| 2020-21 | 0.01                    | 100%                      |
| 2021-22 | 0.01                    | 100%                      |
| 2022-23 | 20.05                   | 100%                      |

**Employment Achievement (Direct): FY 2018-19 to 2022-23**

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The Unit has achieved employment of 11 employees as on 31.03.2023

**e. Other Information:**

|   |  |
|---|--|
| LOA No. & Date  | LOA No SEEPZ-SEZ/ NEWSEZ/ NDL/294/2017-18 dated 05.02.2018.              |
| Location of Unit  | Plot No. 13/10A & 28, MIDC-SEZ, RGIP, Phase III, Hinjewadi, Pune 411057. |
| Validity of LOA   | 19.10.2024   |
| Item(s) of manufacture/ Services  | IT/ITES  |
| Date of commencement of production  | 20.08.2019   |
| Execution of BLUT   | 11.52 Crores   |
| Outstanding Rent dues   | NA   |
| Labour Dues   | NA   |
| Validity of Lease Agreement   |  |
| Pending CRA Objection, if any   | NA   |
| Pending Show Cause Notice/ Eviction Order/Recovery Notice/ Recovery Order issued, if any  | NA   |
| a. No. of employees as on 31.03.2023  | 11   |
| Quantity and value of goods exported under Rule 34 (unutilized goods)   | NA   |
| Value Addition during the monitoring period   | NA   |
| Whether all the APRs being considered now has been filed well within the time limit, or otherwise.<br><br>If no, details of the Year along with no of days delayed to be given. | Yes  |

The Specified Officer has submitted a report vide letter dated 20.07.2023, in the prescribed format along with point-wise reply to the discrepancies as follows:-

**a. Export**

Details of year-wise export as per the prescribed format:

**From the year 2019-2020 to 2022-2023**

(Rs. In Crores)

| Year/Period | Figures as per APR | Figures as per Softex/ SB / Customs Records | Difference if any | Reason for Difference/Remark |
|-------------|--------------------|---|-------------------|------------------------------|
| (1)         | (2)                | (3)   | (4)               | (5)                          |



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|         |         |         |         |   |
|---------|---------|---------|---------|---|
| 2019-20 | 0.0055  | 0.0056  | 0.0001  | The Difference of 0.0001 is due to Exchange Rate variation. |
| 2020-21 | 0.0123  | 0.0133  | 0.001   | The Difference of 0.001 is due to Exchange Rate variation.  |
| 2021-22 | 0.01    | 0.0124  | 0.0024  | The Difference of 0.0024 is due to Exchange Rate variation. |
| 2022-23 | 20.1295 | 20.0212 | -0.1083 | The Difference of 0.1083 is due to Exchange Rate variation. |

## b. Import

## i. (Capital Goods including procurement done on IUT (from SEZ, EOU, STPI, EHTP) basis

(Rs. In Crores)

| Year/Period | Figures as per APR (RM Imported) | Figures as per Customs Records / Bond Register | Difference if any | Reason for Difference/Remark |
|-------------|----------------------------------|--|-------------------|------------------------------|
| 2018-19     | NIL                              | NIL  | NIL               | NIL                          |
| 2019-20     | NIL                              | NIL  | NIL               | NIL                          |
| 2020-21     | NIL                              | NIL  | NIL               | NIL                          |
| 2021-22     | NIL                              | NIL  | NIL               | NIL                          |
| 2022-23     | NIL                              | NIL  | NIL               | NIL                          |

## c. BLUT

(Rs. In Crore)

|   |   |                             |                         |
|---|---|-----------------------------|-------------------------|
| 1 | Value of BLUT Executed (Duty foregone) (including for CG / Raw Material / Services)<br>Value of Additional BLUT executed<br>TOTAL Duty value of BLUT Executed in Lakhs: | Rs. 11.52<br>0<br>Rs. 11.52 |                         |
| 2 | Total Duty Foregone on goods & services procured<br>Category Wise:Year Wise<br>(Rs.in Crores)   | rType                       | Duty Foregone In Crores |
|   |   | DTA                         | 0.23                    |
|   |   | Import                      | 0                       |
|   |   | IUT                         | 0                       |
|   |   | Services                    | 3.12                    |
| 3 | Has the Unit procured goods and or services without having sufficient balance in their BLUT. If yes, Month & Year when the BLUT was exhausted                           | No                          |                         |

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|  | Details of the consignments and Total value of Goods procured without having sufficient or nil balance in BLUT  |  |                       |                       |         |       |         |       |         |       |         |        |       |        |
|--|---|--|-----------------------|-----------------------|---------|-------|---------|-------|---------|-------|---------|--------|-------|--------|
| (c)  | Employment made as on date- (as on end of block period / year up to which monitoring is being done)   | As on 31.03.2023<br>Men – 10<br>Women – 01<br>Total - 11   |                       |                       |         |       |         |       |         |       |         |        |       |        |
| (d)  | Details of pending Foreign Remittance beyond Permissible period, if any (as on.....)<br>To cross-check the same and verify whether necessary permission from AD Bank / RBI has been obtained.                                   | No   |                       |                       |         |       |         |       |         |       |         |        |       |        |
| (e)  | Whether all softex has been filed for the said period. If no, details thereof. SO to also check whether unit has obtained Softex condonation from DC office / RBI and if approved, whether they have filed such pending Softex. | Yes  |                       |                       |         |       |         |       |         |       |         |        |       |        |
| (f)  | 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.  | Yes  |                       |                       |         |       |         |       |         |       |         |        |       |        |
| (g)  | Whether unit has filed any request for Cancellation of Softex   | No   |                       |                       |         |       |         |       |         |       |         |        |       |        |
| (h)  | Whether any Services provided in <b>DTA / SEZ/EOU/STPI</b> etc. against payment in INR in r/o IT/ITES Unit during the period.<br>If yes, details thereof (year wise details to be provided)                                     | Yes. During the Year 2019-20 to 2022-23. Unit has provided their services in DTA against payment in INR. Below are the details of the same in Crores.  |                       |                       |         |       |         |       |         |       |         |        |       |        |
|  |   | <table><tr><th>Financial Year</th><th>DTA Sales (In Crores)</th></tr><tr><td>2019-20</td><td>18.52</td></tr><tr><td>2020-21</td><td>40.77</td></tr><tr><td>2021-22</td><td>73.63</td></tr><tr><td>2022-23</td><td>133.38</td></tr><tr><td>Total</td><td>266.30</td></tr></table> | Financial Year        | DTA Sales (In Crores) | 2019-20 | 18.52 | 2020-21 | 40.77 | 2021-22 | 73.63 | 2022-23 | 133.38 | Total | 266.30 |
|  |   | Financial Year   | DTA Sales (In Crores) |                       |         |       |         |       |         |       |         |        |       |        |
|  |   | 2019-20  | 18.52                 |                       |         |       |         |       |         |       |         |        |       |        |
|  |   | 2020-21  | 40.77                 |                       |         |       |         |       |         |       |         |        |       |        |
|  |   | 2021-22  | 73.63                 |                       |         |       |         |       |         |       |         |        |       |        |
|  |   | 2022-23  | 133.38                |                       |         |       |         |       |         |       |         |        |       |        |
|  |   | Total  | 266.30                |                       |         |       |         |       |         |       |         |        |       |        |
| As the Unit has received payment in INR instead of foreign exchange. It is not treated as service as per Section 2(z)(iii) of SEZ Act, 2005. In this regard SCN may be issued. |   |  |                       |                       |         |       |         |       |         |       |         |        |       |        |
|  |   |  |                       |                       |         |       |         |       |         |       |         |        |       |        |
|  |   |  |                       |                       |         |       |         |       |         |       |         |        |       |        |
|  |   |  |                       |                       |         |       |         |       |         |       |         |        |       |        |
|  |   |  |                       |                       |         |       |         |       |         |       |         |        |       |        |
|  |   |  |                       |                       |         |       |         |       |         |       |         |        |       |        |

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|     |   |   |
|-----|---|---|
| (i) | 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  | N/A.  |
| (j) | Is the unit sharing any of their infrastructures with other units or are utilizing infrastructure of another unit in the same or other SEZ.<br>If so, details thereof, including the details of the unit with whom the sharing is being made, and the payment terms<br>If approval for sharing of common infrastructure has been obtained from UAC / DC office, the date of UAC / Approval letter to be indicated                                     | NO.   |
| (k) | 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.  | No  |
| (l) | 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   | Yes   |
| (m) | Details of the request IDs pending for OOC in respect of DTA procurement on the date of submission of monitoring report   | The query was raised in case of 26 Req. Ids which are pending with the unit for re-submission.  |
| (n) | Has the unit set up any cafeteria / canteen / food court in unit premises.<br>If yes, whether permission from UAC / DC office has been issued, or otherwise office has been issued, or otherwise<br>Whether unit has availed any duty paid goods / services for setting up such facility?<br>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 | No  |
| (o) | Whether any violation of any of the provision of law has been noticed/observed by Specified Officer during the period under monitoring.   | Yes. As the Unit has received payment in INR instead of foreign exchange. It is not treated as service as per Section 2(z)(iii) of SEZ Act, 2005. In this regard SCN may be issued. |

f. **Relevant provisions:**

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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”***

**ADC’s observations:**

- The Unit has achieved export revenue of Rs. 20.15 Crores only as against projected export of Rs. 160 Crores i.e. 12.59 % for first 4 years (i.e FY 2019-20 to FY 2022-23) of 1st Block period. The Unit has achieved NFE of Rs. 20.15 Crores which is 100% during this period. The Unit has submitted reason for less export in first block as Covid-19 pandemic.
- As per SO Report, the unit has achieved Employment of 11 employees as on 31.03.2023.
- The Unit has not filed DSPF for the services procured during the monitoring period.
- It is observed that the unit has provided services in DTA against the payments received in INR as detailed below:

| (Rs. In Crores) |                 |
|-----------------|-----------------|
| FY              | DTA Sales Value |
| 2019-20         | 18.52           |
| 2020-21         | 40.77           |
| 2021-22         | 73.63           |
| 2022-23         | 133.38          |
| Total           | 266.30          |

- The Unit vide letter dated 28.07.2023 informed that they had commenced their business operation from 20 October 2019 and are providing DTA services to Microsoft Corporation (India) Pvt. Ltd. for which remittance was being received in INR. It was during the internal review undertaking by them that they were informed of the provisions under SEZ Rules and thereafter they have revised their payment mechanism and they have started receiving the payment in foreign exchange from March, 2023. They are expecting to earn foreign exchange of Rs.170 crores from the DTA sale alone in the next Financial Year. They did not have malafide intention and as soon as it was brought to their notice the same has been rectified.
- For the shortfall in revenue it has been informed by the unit that they had commenced its business operation on 20 October 2019, i.e. right before the onset of Covid 19 pandemic due to which the unit faced significant operational challenges. The pandemic presented several obstacles for businesses across the world. As a result, there was a severe impact on export of services due to decrease in Global Demand which adversely affected their performance. However, the Unit has exported services

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amounting Rs. 20.05 Cr. in last financial year and the Unit is expected to export services amounting to Rs.29 Crores in this financial year.

- As the unit has been granted LOA for providing IT/ITES Services from their SEZ Unit, and since the services provided by them to DTA against INR does not classify as a 'Service' as per definition as given in Section 2(z) of SEZ Act, 2005, the unit has violated the provisions of the SEZ Acts / Rules.

As per Rule 54(2) of SEZ Rules, 2006

***“(2) In Case the Approval Committee comes to the conclusion that a Unit has not achieved positive Net Foreign Exchange Earning, or stipulated Value Addition as specified in rule 53 or failed to abide by any of the term and conditions of the Letter of Approval or Bond-cum-Legal Undertaking, without prejudice to the action that may be taken under any other law for the time being in force, the said Unit shall be liable for penal action under the provisions of the Foreign Trade Development and Regulation) Act, 1992.”***

- The Unit has received payment in INR instead of Foreign Currency, hence contravened the provision of Section 2(z)(iii) of SEZ Act, 2005. If agreed by the Approval Committee, SCN may be issued.
- Approval Committee may like to monitor the performance of the Unit for the period from 2019-20 to FY 2022-23 i.e., first 4 years of the 1<sup>st</sup> block period, in terms of Rule 54 of SEZ Rules, 2006 and initiate necessary action against the unit with regard to violation of provision of SEZ Act / Rules, in terms of Rule 54 of SEZ Rules, 2006 for DTA sale in INR amounting to Rs. 266.30 Crores.