

**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
ENGINEERING SECTOR AT PUNE OF MIDC-PHALTAN-
SEZ.**

Via Video Conferencing

DATE : 10.08.2023

TIME : 12.30 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 10.08.2023**

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Agenda Item No.	Subject
Agenda Item No. 01 :-	Confirmation of the Minutes of the meeting held on 25.07.2023
Agenda Item No. 02 :-	Monitoring of Performance for M/s. Cummins India Ltd.

Minutes of the 24 th Meeting of the Approval Committee held under the Chairmanship of Development Commissioner SEEPZ-SEZ for Sector Specific Special Economic Zone for Manufacturing Sector of MIDC-Phaltan-SEZ, held on 25.07.2023 via video conference		
1	Name of the SEZ	MIDC-Phaltan-SEZ
2	Sector	Manufacturing
3	Meeting No.	24 th
4	Date	25.07.2023

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 Dabhale Dy. DGFT	Nominee of DGFT, Pune
4	Smt. Sunita Jagtap, Superintendent	Nominee of Customs, Pune

Special Invitee

Sr	Name and Designation	Department
1	Shri Satbir Sharma Specified Officer	M/S MIDC-Phaltan

Agenda Item No. 01: Confirmation of the Minutes of the 23rd meeting held on 27.06.2023.

After deliberation, the Committee confirmed the minutes of the 23rd Approval Committee meeting held on 27.06.2023.

Agenda Item No. 02: Application for Approval of Broad Banding of Services in r/o M/s Cummins Technologies India Pvt Ltd.

After deliberation the committee approved the broad banding of additional items of service in the existing LOA as authorized operations as detailed below:



Approved Authorized Operations

- Internal Combustion Engines
ITC HS CODE – 84089090
- Internal Combustion Engines, Spare Parts,
Components and Accessories
ITC HS CODE – 84089090.
- Services Involving repair, alterations, additions,
replacements, maintenance of the completion
finished works covered above
HSN CODE - 995479-8861
- Engineering services for industrial and
manufacturing projects
HSN CODE – 998333-8853
- Technical testing and analysis
HSN CODE - 998346-8876
- Other Miscellaneous Services
HSN CODE - 999799-8864

Agenda Item No. 03: Monitoring of performance in r/o M/s Cummins Technologies Pvt Ltd.

After deliberation the Approval committee noted the performance of M/s Cummins Technologies Pvt Ltd in terms of Rules 54 of SEZ Rules ,2006 and also noted that the unit has achieved positive NFE of Rs 126602.22 Lakhs on cumulative basis during the block period 2021-22.

The meeting ended with 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)

AGENDA NOTE FOR CONSIDERATION OF THE APPROVAL COMMITTEE

a) **Proposal:**

Monitoring of the performance of **M/s. Cummins India Ltd**, a Manufacturing unit located at MIDC Phaltan, Satara, for FY 2021-22 of 2nd block period

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

Monitoring of the performance of the unit FY 2021-22 of 2nd block period, 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) Performance as compared to projections: FY 2018-19 to FY 2021-22

(II) Approved Projections

(Rs. In Crore)

(i)

	2018-19	2019-20	2020-21	2021-22	2022-23	TOTAL
FOB Value of Exports	764.85	490.03	476.42	500.27	525.29	2756.90
FE Outgo	277.03	194.02	170.79	69.54	79.54	790.92
NFE	487.82	296.01	305.66	430.73	445.75	1965.98

(III) Performance as compared to projections: FY 2021-22

(Rs. In Crore)

Year	Export		F.E. OUTGO				
	Project ed	Actual	Raw Material (Goods/Services)		C.G. import		Other outflow
			Projected	Actual	Projecte d	Actua l	Actual
2021-22	500.27	745.16		202.80		0	17.52
Total	500.27	745.16	124.24	202.80	4.84	0	17.52

(II) Cumulative NFE achieved: FY 2020-21

(Rs. in Crore)

Year	Cumulative NFE Achieved	Cumulative % NFE Achieved
2021-22	1621.01	66.10%

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(III) Employment Achievement (Direct): FY 2021-22

The Unit has achieved employment of 383 employees (Men-201, Women-41, Indirect Employment -141) in 4th years of the 2nd block period.

(d) Relevant provisions:

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”**

(e) Other Information:

LOA No. & Date	SEEPZ-SEZ/NEWSEZ/MIDC-PHALTAN/01/2011-12/MONTG
Location of Unit	Plot NO. B-2, SEZ Industrial Area-Phaltan, Village- Nandal Surwadi, Taluka- Phaltan, Dist.: Satara-415522
Validity of LOA	07.07.2028
Item(s) of manufacture/ Services	Manufacturing Sector (Generating Set 75KV to 375 KVA Generator, Internal Combustion Piston Engines)
Date of commencement of production	08.07.2013
Execution of BLUT	24.02.2022
Outstanding Rent dues	NA
Labour Dues	NA
Validity of Lease Agreement	95 years from 03.09.2011
Pending CRA Objection, if any	NA
Pending Show Cause Notice/ Eviction Order/Recovery Notice/ Recovery Order issued, if any	NA
a) Projected employment for the block period	503
b) No. of employees as on 31.03.2022	383
Area allotted (in sq. ft.)	1569410.43 Sq. ft (145803 Sq.m)

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Area available for each employee per sq.ft. basis (area / no. of employees)		6379.72 Sq. ft
Investment till date	Building	NA
	Plant & Machinery	NA
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. If no, details of the Year along with no of days delayed to be given.		Yes

The unit has proposed to Exit from the SEZ due to their revised business Plans.

- The Specified Officer vide his report dated 20.03.2023 has reported that SEZ Unit has submitted the following:

(f) **EXPORT:**

(Figures INR in Cr.)

Year/Period	Figures as per APR (FOB Value)	Figures as per NSDL Customs Records (FOB Value)	Difference (if any) [(2)-(3)]	Reasons for Difference/Remarks
(1)	(2)	(3)	(4)	(5)
2021-22	745.16	740.42	-4.74	<p>1. An amount of Rs. 5.37 Cr. pertain to Exchange Gain and reimbursement of expenses of insurance and freight and Rs 0.18 Cr. pertains to debit note raised to customer. Figures considered only in APR.</p> <p>2. An amount of Rs. 0.18 Cr. pertain to Invoices raised in March 2021, which were not</p>

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				<p>considered in APR figures but the related export shipping bills were effected in April 2021, as such the same were considered in NSDL figures. APR figures are being taken as per sales ledger, which is based on Invoice date.</p> <p>3. An amount of Rs. 0.64 Cr. pertain to cancellation of Shipping Bills not considered in APR figures but, considered in NSDL Figures.</p> <p>Summary: Total difference arrived i.e. [(1) minus (2 + 3)] = 4.74 Cr.</p>
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(g) **IMPORT** – Raw materials in respect of manufacturing unit) including procurement done on IUT (from SEZ, EOU, STPI, EHTP) basis:

(Figures INR in **Crore**)

Year/ Period	Figures as per APR	CIF Figures as per NSDL Customs Records	Difference (if any) [(2)-(3)]	Reasons for Difference/Remarks
-1	-2	-3	-5	-6
2021-22	202.80	18.28	184.52	<p>1. An amount of Rs. 186.81 Cr. pertain to procurement under Bill of Export (under drawback scheme) from DTA unit for supply of I.C. Engines, (Based on Goods Receipt Note) which is included as import in APR (Due to non-availability of separate column for procurement under Bill of Export in APR) but does not reflect as import in NSDL data.</p>

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				<p>2. An amount of Rs. 0.10 Cr. pertain to IMPORTS under Bill of Entry and Goods receipts of last year i.e. 2020-21, which are not considered in this year's APR figures but as the OUT of Charge is done during FY 2021-22, same figures are reflected in NSDL figures. NSDL Data consist of the figures of BOEs of which Out of Charge is granted.</p> <p>3. An amount of Rs. 0.22 Cr. pertain to Re-import of goods exported under Bill of Entry which are not considered in the APR but same figures are reflected in NSDL figures.</p> <p>4. An amount if Rs.2.17 Cr. pertain to Freight, Insurance and misc. Charges paid to Overseas supplier, which were not Considered in APR but Same figures are reflected in NSDL figures.</p> <p>Summary: Total difference arrived i.e. (1) Minus (2+3+4) = 184.52 Cr.</p>
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(g.1) **IMPORT** – Capital Goods in respect of manufacturing unit) including procurement done on IUT (from SEZ, EOU, STPI, EHTP) basis:

(Figures INR in lakhs)

Year/ Period	Figures as per APR	CIF Figures as per Softex/Customs Records	Difference (if any) [(2)-(3)]	Reasons for Difference/Remarks
-1	-2	-3	-4	-5
2021-22	0.00	0.00	0.00	Nil

(h) **BLUT**

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1	<p>Value of BLUT Executed (Duty foregone) (including for CG / Raw Material / Services)</p> <p>Value of Additional BLUT executed</p> <ul style="list-style-type: none"> - Year: Date of acceptance - BLUT amount: <p>TOTAL value of BLUT Executed</p>	<p>Prior to 2021-22 the unit had filled the following BLUTs</p> <p>RM: -</p> <p>1) MIDC-PHALTAN/01/10-11/12615 Dated- 07 Nov 2013- 14.50 Cr</p> <p>2) MIDC-PHALTAN/01/10-11/5912 Dated- 19 May 2014- 72.50 Cr</p> <p>Capital Goods: -</p> <p>3) MIDC-PHALTAN/01/10-11/Vol.II/17284 Dated- 21 Nov 2011- 12.00 Cr</p> <p>4) MIDC-PHALTAN/01/10-11/15126 Dated- 30 Nov 2012- 1 Cr</p> <p>5) MIDC-PHALTAN/01/10-11/5920 Dated- 24 May 2013- 1.75. Cr</p> <p>Additional BLUT was filed on 24-11-2021, amounting to Rs 43.59 Cr. for import procurement of goods & Services and Rs 630.05 Cr. for DTA procurement of goods & services, and Rs. 2.5 Cr. For Capital Goods which was accepted on 24-02-2022.</p> <p>Total amount of all BLUTs- RM & Services- 760.64 Cr. Capital Goods- 17.25 Cr.</p>						
2	<p>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.</p>	<p>Duty Foregone for procured Imported goods Rs. 5.62 Cr. Indigenous Goods Rs. 118.60 Cr. Imported Services Rs. Nil Indigenous Services Rs. 7.32 Cr. Indigenous Capital Goods Rs. Nil</p> <table border="1" data-bbox="863 1731 1385 1973"> <thead> <tr> <th>Year</th><th>Goods Imported & Indigenous</th><th>Services</th></tr> </thead> <tbody> <tr> <td>21-22</td><td>124.22 Cr.</td><td>7.32 Cr.</td></tr> </tbody> </table> <p>The procurement appears to be within the overall limit of BLUT</p>	Year	Goods Imported & Indigenous	Services	21-22	124.22 Cr.	7.32 Cr.
Year	Goods Imported & Indigenous	Services						
21-22	124.22 Cr.	7.32 Cr.						

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		amount mentioned in column no. 1 above.
3	<p>Has the Unit procured goods and or services without having sufficient balance in their BLUT.</p> <p>If yes,</p> <p>Month & Year when the BLUT was exhausted</p> <p>Details of the consignments and Total value of Goods procured without having sufficient or nil balance in BLUT</p>	<p>Yes.</p> <p>SCN was issued to Unit on dated 04.03.2022 by the Development Commissioner, SEEPZ, Mumbai, for contravention of provisions of Rule 22 of the SEZ Rules, 2006, covering the period from April, 2021 to November, 2021, wherein, the unit has crossed the limit of BLUT of Rs 87 Cr executed earlier, in the month of MAY 2015. The said SCN also covers the period of , 2021-22, i.e. up to filling of fresh BLUT in November, 21, for procuring RM/CG involving duty foregone of Rs.77.59 Cr and Services involving duty foregone of Rs. 5.69 Cr,. without having sufficient balance in BLUTs</p> <p>However, the said exceeding of the procurement duty than the amount of duty involved in BLUT has been arrived after giving debit effect from the BLUT amount.</p> <p>Further, in view of the clarification issued by the Ministry of Commerce and Industry vide No. K43013(18)/2/2022-SEZ dated 15-02-2023, as regard to Rule 22 (1) (iv) (iv) (d) of the SEZ Rules, 2006, there shall be no debit and credit from the BLUT amount, as such balance of BLUT could not be ascertained. However, it is to confirm that the unit has not exceeded the amount of duty involved for the activities provided in Rule 22 (1) (iii) (a to d) of the SEZ Rules, 2006, than the amount of duty involved in BLUTs executed by the unit, at any given time</p>

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(a)	Employment made as on date (as on end of block period / year upto which monitoring is being done)	As per MPR Men-201 Women-41 Indirect Employment-141
(b)	<p>Details of pending Foreign Remittance beyond Permissible period, if any (as on 31.03.2021)</p> <p>To cross-check the same and verify whether necessary permission from AD Bank / RBI has been obtained.</p> <p>SO to certify that the same has been verified</p>	<p>An amount of Rs 23.96 Cr shown in APR pending realization as on 31-03-2022 Accordingly, the unit has approached their AD Bank for seeking extension to which the said AD bank (Bank of America) has informed vide letters dated 18.07.2022 & 17.12.2022 that the request for extension has been taken on record. However, as on date, it has been informed by the unit that out of the total dues of Rs.23.96 Cr shown in APR, Rs.14.44 Cr have been realized. The same has been verified and found to be correct. However, as informed by unit balance amount of Rs 9.52 Cr. is yet to be realized.</p> <p>No pending foreign remittance has been written-off or proposed for write-off as per the financial record of the unit.</p>
(c)	<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>	NA
(d)	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.	NA
(e)	Whether unit has filed any request for Cancellation of Softex	NA
(f)	<p>Whether any Services provided in DTA / SEZ/EOU/STPI etc. against payment in INR in r/o IT/ITES Unit during the period. If yes, details thereof (year wise details to be provided)</p>	NA
(g)	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.

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(h)	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	No such case noticed.
(i)	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 such case noticed.
(j)	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 on SEZ Online System, by the unit, has been processed and approved till date. However, unit is in process of filling remaining DSPF.
(k)	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.
(l)	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.
(m)	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?	Yes, permission has been granted by the Development Commissioner, vide letter SEEPZ-SEZ/NEW-SEZ/MIDC-PHALTAN/03/2011-12/VOL-II/09999 Dated- 09.05.2016 No such case noticed.

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	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 such case noticed.
(n)	Whether any violation of any of the provisions of law has been noticed / observed by the Specified Officer during the period under monitoring	As per the SCN issued on 04.03.2022 by the Development Commissioner, SEEPZ, Mumbai, the unit has violated the provisions of Rule 22 of the SEZ Rules, 2006, wherein the unit during the period from April, 2021 to November, 2021, has procured the goods and services without having sufficient balance in their BLUTs filed.

(f) ADC's observations:

The Unit has achieved export revenue of Rs. **745.16 Cr.** as against projected export of Rs **500.27 Cr.** Lacs i.e. 148.95 % in 4th years of the 2nd block period.

- UAC may like to monitor the performance of the Unit for FY 2021-22 for 2nd block period, in terms of Rule 54 of SEZ Rules, 2006.
