



भारत सरकार  
वाणिज्य और उद्योग मंत्रालय  
वाणिज्य विभाग  
विकास आयुक्त का कार्यालय  
नोएडा विशेष आर्थिक क्षेत्र  
नोएडा-दादरी रोड, फेज-2, नोएडा - 201305  
जिला- गौतम बुद्ध नगर (उत्तर प्रदेश)



फा० सं० 10/274/2009-एस०ई०जेड०/

दिनांक: 17/12/2018

सेवा में,

1. निदेशक (एस०ई०जेड०), वाणिज्य विभाग, वाणिज्य एवं उद्योग मंत्रालय, भारत सरकार, उद्योग भवन, नई दिल्ली - 110001।
2. अतिरिक्त महानिदेशक विदेश व्यापार, वाणिज्य एवं उद्योग मंत्रालय, 'ए' विंग, इंद्रप्रस्थ भवन, आई पी एस्टेट, नई दिल्ली - 110002
3. मुख्य आयुक्त, सीमा शुल्क (निवारक), न्यू कस्टम हाउस, नियर आईजीआई एअरपोर्ट, नई दिल्ली - 110037।
4. मुख्य आयुक्त, केन्द्रीय कर एवं उत्पाद शुल्क, एस सी ओ नं 407 & 408, सेक्टर- 8, पंचकुला (हरियाणा)।
5. आयुक्त, आयकर, एचएसआईआईडीसी बिल्डिंग, 4<sup>th</sup> फ्लोर, उद्योग विहार, फेज-5, गुडगांव (हरियाणा)।
6. आयुक्त, आयकर, सेन्ट्रल सर्कल- II, सी जी ओ कॉम्प्लेक्स, एनएच 4, फरीदाबाद, (हरियाणा)।
7. उपसचिव (आई एफ - 1), बैंकिंग प्रभाग, आर्थिक मामलों का विभाग, वित्त मंत्रालय, भारत सरकार, तृतीय तल, जीवन दीप बिल्डिंग संसद मार्ग, नई दिल्ली।
8. निदेशक, उद्योग एवं वाणिज्य विभाग, हरियाणा सरकार, 30 बेज़ भवन, सेक्टर 17, चंडीगढ़।
9. प्रबंध निदेशक, हरियाणा राज्य औद्योगिक विकास निगम, हरियाणा सरकार, प्लॉट नं सी -13 व 14, सेक्टर 6 पंचकुला, (हरियाणा)।
10. सीनियर टाउन प्लानर, टाउन एंड कंट्री प्लानिंग (एच क्यू), एस सी ओ :71-75, सेक्टर 17C, चंडीगढ़।
11. संयुक्त निदेशक, जिला उद्योग केंद्र, प्लॉट नं 2, आई डी सी, गुडगांव (हरियाणा)।
12. संयुक्त निदेशक, जिला उद्योग केंद्र, नीलम चौक, फरीदाबाद (हरियाणा)।
13. संबंधित विशेष आर्थिक क्षेत्र विकासकर्ता / सह-विकासकर्ता।

**विषय: दिनांक 07/12/2018 को अपराह्न 12:30 बजे सम्मेलन हॉल, प्रशासनिक भवन, नोएडा विशेष आर्थिक क्षेत्र, नोएडा में आयोजित हरियाणा राज्य में स्थित निजी विशेष आर्थिक क्षेत्रों की अनुमोदन समिति बैठक का कार्यवृत्त - एतद संबंधी।**

महोदय,

उपरोक्त विषय के सन्दर्भ में डा० एल बी सिंघल, विकास आयुक्त, नोएडा विशेष आर्थिक क्षेत्र की अध्यक्षता में दिनांक 07/12/2018 को अपराह्न 12.30 बजे सम्मेलन हॉल, प्रशासनिक भवन, नोएडा विशेष आर्थिक क्षेत्र, नोएडा में आयोजित हरियाणा राज्य में स्थित निजी विशेष आर्थिक क्षेत्रों की अनुमोदन समिति बैठक का कार्यवृत्त संलग्न है।

संलग्नक : उपरोक्त

भवदीय,  
राजेश कुमार  
17/12/18  
(राजेश कुमार)  
उप विकास आयुक्त

**NOIDA SPECIAL ECONOMIC ZONE**

**Minutes of meeting of the Approval Committee of private SEZs located in the State of Haryana held under the Chairmanship of Dr. L.B. Singhal, Development Commissioner, NSEZ at 12.30 PM on 07.12.2018 in the Conference Hall of NSEZ, Noida.**

The following members of Approval Committee were present during the meeting:-

1. Shri S.S. Shukla, Jt. Development Commissioner, NSEZ
2. Shri Mahesh Kumar, Asstt. Commissioner, Customs, Delhi
3. Ms. Aashima, FTDO, O/o DGFT, New Delhi
4. Shri Rahul Yadav, O/o Joint Director, Deptt. of Industries, Faridabad
5. Shri Mahipal Singh, Planning Assistant, DTP(P), Gurugram
6. Representatives of SEZ Developers / Co-developers, Special Invitee.

➤ Besides, during the meeting i) Shri Rajesh Kumar, DDC, ii) Shri Satish C Gangar, Specified Officer, iii) Shri Harvinder Bawa, Specified Officer, iv) Shri Mohan Veer Ruhella, ADC & v) Shri Prakash Chand Upadhyay, OSD to DC were also present to assist the Approval Committee.

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

**1. Ratification of Minutes of last meeting of the Approval Committee held on 01.11.2018:-**

The Approval Committee was informed that no reference against the decisions of the Approval Committee held on 01/11/2018 was received from any of the members of the Approval Committee or Trade and therefore, Minutes of the Meeting held on 01/11/2018 were ratified.

**2. Ratification of the approval for enhancement in the value of imported & indigenous capital goods granted to M/s. SoftwareOne India Pvt. Ltd. in respect of its unit located in the Electronic Hardware & IT/ITES SEZ of M/s. ITPG Developers Pvt. Ltd. at Village Behrampur, Distt. Gurugram (Haryana).**

2.1. It was brought to the notice of the Approval Committee that M/s. SoftwareOne India Pvt. Ltd. had been granted LOA No. 10/44/2018-SEZ/11792 dated 25.10.2018 for setting up a unit in the Electronic Hardware & IT/ITES SEZ of M/s. ITPG Developers Pvt. Ltd. at Village Behrampur, Distt- Gurugram (Haryana) to undertake service activities namely "IT/ITES-BPO". It was informed that the unit vide its letter dated 06.11.2018 had informed that while preparing the application for setting up



of unit, inadvertently they missed to include procurement of IT equipment amounting to Rs.5 Crores out of which Rs.2 Crore will be imported from outside India. It was informed that the unit had mentioned that the above import is critical to establish the IT infrastructure in the aforesaid SEZ unit and they need to place the order such equipment urgently to avoid any delay in the project completion. It was informed that unit had requested to approve these additional Capital Goods at the earliest. It was further informed that the unit had confirmed that the import of Rs. 2 Crores will not impact NFE projections for any financial year.

2.2. It was informed that keeping in view the urgency shown by the unit, the request of the unit for following enhancement in the value of indigenous & imported capital goods was approved on file by DC, NSEZ, which had been conveyed to the unit vide this office letter dated 27.11.2018, subject to its ratification by the Approval Committee.

(Rs. in lakhs)

| Particulars (for 5 years) | Existing Projections | Revised Projections |
|---------------------------|----------------------|---------------------|
| Imported Capital Goods    | 0.00                 | 200.00              |
| Indigenous Capital Goods  | 700.00               | 1000.00             |

2.3. After due deliberations, the Approval Committee ratified the approval for enhancement in the value of indigenous & imported capital goods granted to the unit vide letter dated 27.11.2018.

3. **Proposal of M/s. Evalueserve.com Pvt. Ltd. for grant of permission for installation of ATM Machine of HDFC Bank in the premises of its unit located in the IT/ITES SEZ of M/s. Candor Gurgaon One Realty Projects Pvt. Ltd. at Village Tikri, Sector-48, Gurugram (Haryana).**

3.1. It was brought to the notice of the Approval Committee that M/s. Evalueserve.com Pvt Ltd. has requested to grant permission for installation of 'ATM Machine' of HDFC Bank Ltd. in its premises i.e. 9<sup>th</sup> floor, Building No.6 in the IT/ITES SEZ of M/s. Candor Gurgaon One Realty Projects Pvt. Ltd. at Village Tikri, Sector-48, Gurugram (Haryana) on no-rental basis for exclusive use by the employees of unit. It was informed that the unit has submitted following documents:-

- (i) Copy of 'No Objection' dt.23.10.2018 of SEZ Developer, M/s. Candor Gurgaon One Realty Projects Pvt. Ltd. for installation of 'ATM' in unit's premises for exclusive use by the employees of unit.
- (ii) Copy of Agreement dated 07.08.2018 signed with HDFC Bank Ltd. on letterhead of Evalueserve.com Pvt. Ltd., for installation of ATM at Unit's premises.

3.2. Further it was informed that following documents / information required to be submitted by the unit:-



- (i) Undertaking from HDFC Bank to the effect that they will not take any direct/indirect tax benefit under SEZ scheme to create, operate & maintain ATM facility in SEZ and they will obtain prior approval from RBI for installation of ATM in the processing area of SEZ, if required.
- (ii) Area for installation of ATM.

3.3. The Committee examined the proposal and observed that proviso to Rule 11(5) of SEZ Rules, 2006 provides as under:-

*'The Developer may, with the prior approval of the Approval Committee, grant on lease land or built up space, for creating facilities such as canteen, public telephone booths, first aid centres, crèche and such other facilities as may be required for the exclusive use of the Unit'*

3.4 Mr. Abhay Nayak, AVP-Finance appeared before the Approval Committee on behalf of the developer and explained the proposal.

3.5. After due deliberations, Approval Committee approved the proposal, subject to submission of documents / information as mentioned above and further subject to the condition that no tax / duty benefit shall be available to Unit & M/s. HDFC Bank Ltd. to setup, operate & maintain such facility in the processing area of the SEZ and this facility shall be exclusively for the employees of unit.

**4. Proposal of M/s. Gurgaon Infospace Ltd. for allotment of space to M/s. Superseva Services Pvt. Ltd. to setup & operate a 'Concierge Services' in the processing area of IT/ITES SEZ located at Village Dundahera, Sector-21, Gurugram (Haryana).**

4.1. It was brought to the notice of the Approval Committee that M/s. Gurgaon Infospace Ltd., Developer vide its letter dated 15.11.2018 had submitted proposal for allotment of built-up space of 49 Sqft. (4.55 Sqmt) at Ground floor, Block 4A (Amenity Block-II) in the processing area of IT/ITES SEZ at Village Dundahera, Sector-21, Gurgaon (Haryana) on lease basis to M/s. SuperSeva Services Pvt. Ltd. to setup & operate 'Concierge Services' under the category of 'Shopping Arcade / Retail Space' approved by BoA.

4.2. It was informed that the developer has also submitted area-wise details of such activities approved by BOA, area-wise details of approvals given by the Approval Committee for allotment of space for such activities & balance area available with the developer for leasing, as given below:-

| S. No. | Activities approved by BoA in processing area | Area approved by BoA | Total area approved by Approval Committee for allotment of space | Area available for leasing |
|--------|---|----------------------|--|----------------------------|
|--------|---|----------------------|--|----------------------------|



|       |  |            | to facility providers |               |
|-------|--|------------|-----------------------|---------------|
| (i)   | Food services including cafeteria, food court(s), restaurants, coffee shops, canteens and catering facilities. | 3900 Sqmt. | 3199.31 Sqmt.         | 700.69 Sqmt.  |
| (ii)  | Employee welfare facilities like Crèche, Medical Centre.   | 1750 Sqmt. | 471.57 Sqmt.          | 1278.43 Sqmt. |
| (iii) | Shopping arcade / retail space   | 300 Sqmt.  | 169.95 Sqmt.          | 130.05 Sqmt.  |

4.3. Mr. Jay Kumar, Head-SEZ Compliance, Mr. Amrik Singh, AGM-SEZ Compliance & Mr. Ashok Choudhary, V.P.- Planning appeared before the Approval Committee on behalf of the developer and explained the proposal.

4.4. After due deliberations, Approval Committee approved the proposal under the category of 'Shopping Arcade / Retail Space' approved by BoA, subject to the condition that no tax / duty benefit shall be available to M/s. SuperSeva Services Pvt. Ltd. to setup, operate & maintain such facility in the processing area of the SEZ and this facility shall be exclusively for the employees of SEZ & units located therein.

**5. Proposal of M/s. Gurgaon Infospace Ltd. for allotment of space to M/s. Flash Kitchen and Hospitality to setup & operate a 'Café' in the processing area of IT/ITES SEZ located at Village Dundahera, Sector-21, Gurugram (Haryana).**

5.1. It was brought to the notice of the Approval Committee that M/s. Gurgaon Infospace Ltd., Developer, vide its letter dated 15.11.2018, had submitted proposal for allotment of built-up space of 149.29 Sqft. (13.87 Sqmt) at Ground floor, Block 4 (Amenity Block-I) in the processing area of IT/ITES SEZ at Village Dundahera, Sector-21, Gurgaon (Haryana) on lease basis to M/s. Flash Kitchen and Hospitality to setup & operate 'Café' under the category of 'Food Services including cafeteria, food court(s), restaurants, coffee shops, canteen facilities' approved by BoA.

5.2. It was informed that the developer has also submitted area-wise details of such activities approved by BOA, area-wise details of approvals given by the Approval Committee for allotment of space for such activities & balance area available with the Developer for leasing, as given below:-

| S. No. | Activities approved by BoA in processing area  | Area approved by BoA | Total area approved by Approval Committee for allotment of space to facility providers | Area available for leasing |
|--------|--|----------------------|--|----------------------------|
| (i)    | Food services including cafeteria, food court(s), restaurants, coffee shops, canteens and catering | 3900 Sqmt.           | 3199.31 Sqmt.  | 700.69 Sqmt.               |



|       |  |            |              |               |
|-------|--|------------|--------------|---------------|
|       | facilities.  |            |              |               |
| (ii)  | Employee welfare facilities like Crèche, Medical Centre. | 1750 Sqmt. | 471.57 Sqmt. | 1278.43 Sqmt. |
| (iii) | Shopping arcade / retail space                           | 300 Sqmt.  | 169.95 Sqmt. | 130.05 Sqmt.  |

5.3. Mr. Jay Kumar, Head-SEZ Compliance, Mr. Amrik Singh, AGM-SEZ Compliance & Mr. Ashok Choudhary, V.P.- Planning appeared before the Approval Committee on behalf of the developer and explained the proposal.

5.4. After due deliberations, Approval Committee approved the proposal under the category of 'Food Services including cafeteria, food court(s), restaurants, coffee shops, canteen facilities' approved by BoA, subject to the condition that no tax / duty benefit shall be available to M/s. Flash Kitchen and Hospitality to setup, operate & maintain such facility in the processing area of the SEZ and M/s. Flash Kitchen and Hospitality shall not serve Cigarette/smoking items & Alcoholic beverages in such facility. This facility shall be exclusively for the employees of SEZ & units located therein.

**6. Proposal of M/s. Saxo Group India Pvt. Ltd. for revision in projections of its unit located in the IT/ITES SEZ of M/s. Gurgaon Infospace Ltd. at Village Dundahera, Sector-21, Gurugram (Haryana).**

6.1. It was brought to the notice of the Approval Committee that M/s. Saxo Group India Pvt. Ltd. has submitted proposal for revision in projections of its unit located in the IT/ITES SEZ of M/s. Gurgaon Infospace Ltd. at Village Dundahera, Sector-21, Gurugram (Haryana), as given below:-

(Rs. in lakhs)

| Particulars (for 5 years)  | Existing approved projections | Revised projections now submitted by the unit |
|--|-------------------------------|---|
| FOB value of Exports   | 97238.00                      | 96470.00                                      |
| Foreign Exchange outgo   | 10518.00                      | 10669.00                                      |
| NFE  | 86720.00                      | 85801.00                                      |
| Requirement of Capital Goods:  |                               |   |
| (i) Imported   | 1557.84                       | 2669.00                                       |
| (ii) Indigenous  | 2571.01                       | 2461.00                                       |
| Investment on Plant & Machinery:   |                               |   |
| (i) Indigenous   | 119.12                        | --  |
| (ii) Imported  | 910.00                        |   |
| Indigenous assets proposed to be transferred from Indian Branch Office of Saxo Bank A/S: |                               |   |
| (i) Plant & Machinery  | 119.12                        | 213.82  |
| (ii) Capital Goods   | 81.23                         | 90.40   |
| Employment   | 700                           | 660   |

6.2. However it was informed that following discrepancies have been observed, which had been communicated to the unit:-

- (i) In projection sheet the unit has not mentioned existing approved value of indigenous & imported Plant & Machinery / Capital Goods. Further, approved Employment projection has been mentioned as 100 Nos., whereas in Application in Form-F the unit had mentioned employment projections of 700 Nos.
- (ii) Total value of list of imported capital goods submitted by the unit does not match with the existing / revised CG projections. Hence separate list of imported capital goods for Rs.2669 lakhs required to be submitted.
- (iii) In breakup of forex outgo sheet the unit has shown entire import of machinery worth Rs.2669 lakhs in 1<sup>st</sup> year. This needs to be re-checked / clarified. Besides, unit needs to give details of 'Any Other' forex outgo of Rs.8000 lakhs during five years.
- (iv) In the list of indigenous capital goods proposed to be transferred from Branch Office of Saxo Bank A/S also includes 'Art and Painting' of Rs.1.54 lakhs and 'Vehicle' of Rs.7.63 lakhs.
- (v) Brief details of BTA between the two and its bearing on the working of SEZ unit have not been provided.

6.3. Ms. Puneeta Chugh Mayall of KPMG appeared before the Approval Committee on behalf of the unit and explained the proposal. She also handed over an authorization letter in her favour to appear before the Approval Committee on behalf of unit. She informed that 'Art and Painting' and 'Vehicle' have been purchased by Branch Office of its parent company i.e. Saxo Bank A/S and proposed to be transferred to this SEZ unit. She further clarified that they have not availed any tax/duty benefits on the goods proposed to be transferred from Branch Office of Saxo Bank A/S.

6.4. After due deliberations, the Approval Committee approved the proposal subject to submission of documents / information as mentioned above.

**7. Proposal of M/s. RBS Services India Pvt. Ltd. for partial deletion of area, downward projections & sharing of central facility & infrastructure with M/s. NWM Services India Pvt. Ltd., a unit proposed to be setup in the IT/ITES SEZ of M/s. Gurgaon Infospace Ltd. at Village Dundahera, Sector-21, Gurugram (Haryana).**

7.1. It was brought to the notice of the Approval Committee that M/s. RBS Services India Pvt. Ltd. had submitted proposal for deletion of area of units located in the IT/ITES SEZ of M/s. Gurgaon Infospace Ltd. at Village Dundahera, Sector-21, Gurugram (Haryana). It was informed that the unit is presently operating over an area of 316234 Sqft. at Ground to 11<sup>th</sup> Floor, Tower-A, Building No. 1 & 94182 Sqft. at 5<sup>th</sup> to 8<sup>th</sup> floor, Tower-A, Building No.2 and unit has proposed deletion of 131867 Sqft. at 1<sup>st</sup> to 5<sup>th</sup> floor, Tower-A, Building No.1. It was informed that the unit has submitted copy of 'No



Objection' of the SEZ Developer M/s. Gurgaon Infospace Ltd. issued vide its letter dated 20.09.2018 for surrendering / reduction of proposed area.

7.2. It was also informed that the unit has submitted downward revision in projections, as given below:-

(Rs. in lakhs)

| Particulars (for five years)   | Existing Projection | Revised Projection |
|--------------------------------|---------------------|--------------------|
| Projected FOB value of exports | 589347.00           | 541513.00          |
| Foreign Exchange Outgo         | 35245.00            | 29133.00           |
| NFE                            | 554101.00           | 512380.00          |
| Imported Capital Goods         | 7765.00             | 4772.00            |
| Indigenous Capital Goods       | 1940.00             | 1940.00            |

7.3. Further, it was informed that the unit had informed that RBS Group, along with other major banks in the United Kingdom is required by applicable law in UK to segregate their everyday retail banking services from their investment banking services, and to ring-fence these undertakings from each other. This law on ring fencing will come into force in the UK from 1 January, 2019. Accordingly, back office will be separate and RBS Group is required to undertake structural changes and re-alignment to ensure that it meets statutory and regulatory requirements. Further, the unit had mentioned that in connection with this requirement, the RBS Group has strategically reviewed the delivery of back office and IT/ITES support services to RBS Group out of India provided by M/s. RBS Services India Pvt. Ltd. and concluded that demerging a part of business operations [i.e. NatWest Markets (NWM) undertaking] of RBS SIPL will simplify compliance with ring fencing laws in UK. Therefore, M/s. RBS Services India Pvt. Ltd. had filed a petition with the Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench, for demerging NWM undertaking into a separate legal entity, namely, NWM Services India Pvt. Ltd., being a newly incorporated company under the Companies Act, 2013. It was further informed that Hon'ble NCLT vide its order dated 09.10.2018 approved the petition for demerger with 01.04.2018 as the appointed date.

7.4. Further, it was informed that the unit had mentioned that in order to give effect to the order of NCLT, M/s. NWM Services India Pvt. Ltd. shall occupy 1<sup>st</sup> to 5<sup>th</sup> floor, Tower-A, Building No.1 of SEZ and accordingly M/s. RBS Services India Pvt. Ltd. is desirous to exclude the aforesaid floors from its bonded premises. It was informed that M/s. NWM Services India Pvt. Ltd. has submitted separate application for setting up of new unit on the area proposed to be deleted from M/s. RBS Services India Pvt. Ltd. i.e. '131867 Sqft. at 1<sup>st</sup> to 5<sup>th</sup> floor, Tower-A, Building No.1', depicting the "as is/post merger" situation, pursuant to demerger order dated 09.10.2018 passed by Hon'ble NCLT.

7.5. Further, it was informed that following documents required to be submitted by the unit:-





- (i) NOC' from SEZ Customs for partial deletion of area is required to be submitted.
- (ii) In Projection Sheet, unit has mentioned incorrect value of existing approved projections of Exports & Forex Outgo.
- (iii) As per year-wise performance sheet prepared by CA firm based on APRs, the unit has rendered services in DTA amounting to Rs.4276.91 lakhs during the year 2012-13 to 2017-18. Hence, breakup details of DTA Sales viz i). Services rendered in DTA and payment realized in free foreign exchange & ii). Services rendered in DTA against payment in INR, may be requested from the unit.

7.6. It was further informed that the unit has also submitted request for sharing of central facility of network infrastructure, duty exempted assets and common area (e.g. Cafeteria, Reception, Security Room, Academy Area) (as per details given in Annexure-4 & Annexure-6) between the existing unit, M/s. RBS Services India Pvt. Ltd. and proposed new unit M/s. NWM Services India Pvt. Ltd. in terms of Rule 27(5) of SEZ Rules, 2006. It was informed that unit has submitted floor-wise details of Common area & infrastructure proposed to be shared by both units.

7.7. The Approval Committee observed that sub-rule 5 of Rule 27 of SEZ Rules, 2006, provides that *"A Unit may import or procure from Domestic Tariff Area, all types of goods and services, without payment of duty, taxes or cess for creating a central facility for use by Units in Special Economic Zone and where such facility is created for software development, the same may also be accessed by software exporters of Domestic Tariff Area"*.

7.8. Mr. Arvind Singhal, Company Secretary & Mr. Rahul Shukla, Authorised representative appeared before the Approval Committee on behalf of the unit. The representatives of the unit explained the demerger scheme approved by NCLT, proposed deletion of area and sharing of common facility & infrastructure. On being asked about approval of Approval Committee in respect of Cafeteria, the representative of the unit informed that they have not obtained specific approval from the Approval Committee for 'Cafeteria' in unit's premises. It was informed to the representative of the unit Audit team had recently pointed out that in certain units in Private SEZs, Cafeteria are being run without obtaining approval from Approval Committees which is not in consonance with the provisions of Rule 11(5) of SEZ Rules, 2006. The Approval Committee clarified that unit is required to obtain specific approval from the Approval Committee for establishment of 'Cafeteria' in its premises in terms of Rule 11(5) of SEZ Rules, 2006.

7.9. After due deliberations, the Approval Committee approved the partial deletion of area i.e. '131867 Sqft. at 1<sup>st</sup> to 5<sup>th</sup> floor, Tower-A, Building No.1' and downward revision in projections subject to submission of correct projections and break up of DTA sale.



7.10. The Approval Committee with regard to proposal for sharing of Central facility enquired as to which unit will be owning the central facility and which unit will be using the same on sharing basis. Regarding sharing of central facilities it was observed that in support of their proposals the unit had submitted certain precedents from other SEZs where they claimed that such approval was given. Details of precedents given by them along with comments of NSEZ are given in the flowing table:-

| S. No. | Authority         | Meeting Reference   | Matter  | Decision   | Comments of NSEZ  |
|--------|-------------------|---|---|--|---|
| (i)    | Noida SEZ         | Unit Approval Committee, Haryana, Dt. 30.07.2013  | Proposal of M/s. EUI and Inspop.Com Ltd. to share common area for administrative and non-core activities.   | Approved   | This approval was given for non-core activities only, way back in 2013.   |
| (ii)   | Noida SEZ         | Minutes of the 19 <sup>th</sup> meeting of Noida SEZ Authority dt. 30.07.2013                               | Review of sharing permission  | Authority felt that there should not be any objection in sharing of premises of units under same management group.   | Deptt. of Commerce has disallowed the sharing permissions and no fresh sharing permission is being given.   |
| (iii)  | SEEPZ Mumbai      | 27 <sup>th</sup> Unit Approval Committee meeting for Engineering Sector SEZ, Kesurdi, Satara dt. 17.02.2017 | Request for creation and sharing of infrastructure between 2 SEZ units of M/s. Datwyler Pharma Packaging India Pvt. Ltd. in terms of Rule 27(5) of SEZ Rules, 2006. | Approved sharing of Electricity Infrastructure, Fire Hydrant System, Drainage System, IT Infrastructure, Road and Parking area created by Unit I and Propane / LPG tank in terms of Rule 27(5) of SEZ Rules, 2006. | Rule 27(5) of SEZ rules 2006, provides for creation of a central facility by a unit for all other units in the SEZ and it does not allow sharing of common facility by two units. |
| (iv)   | IT/ITes Karnataka | 25 <sup>th</sup> Unit Approval Committee dt. 30.07.2010   | Sharing of Infrastructure Service between the unit I & Unit II for Oracle Financial Services Software Ltd.  | Approved   |   |
| (v)    | Board of Approval | Minutes for follow-up meeting held on 05.10.2018 (84 <sup>th</sup> BoA meeting held                         | Appeal dated 22.08.2018 of M/s. Accenture Solutions   | BoA after deliberations upheld the appeal subject to all necessary   | Unit needs to obtain prior approval from the Approval   |

|  |  |                |  |  |  |
|--|--|----------------|--|--|--|
|  |  | on 12.09.2018. | Private Limited against decision of the UAC order dated 06.08.2018 for rejection of cafeteria. | approvals from concerned departments viz. Fire, Health etc. and prior approval of UAC. | Committee for setting up of 'Cafeteria' in terms of Rule 11(5) of SEZ Rules, 2006. Approval Committee is in agreement that cafeteria is to be allowed. |
|--|--|----------------|--|--|--|

7.11. Representative of the unit informed that they have made the request for sharing of the central facilities which are as follows. The details are given in Annexure-6.

- Data Centre/Hub Rooms
- Server - Server equipment such as domain servers, print server
- Common network Infrastructure
- Common area e.g. Cafeteria, Reception, Security Room, Academy Area.

7.12. The representative of the unit also informed that details of infrastructure are also given in tabular form which are given in Annexure-4. These are as follows :

| <b>Part A- Common Area (Property)</b> |  |
|---------------------------------------|--|
| S. No.                                | Common assets  |
| (i)                                   | <p><b><u>AV NOC Room</u></b></p> <ul style="list-style-type: none"> <li>• AV NOC room consists of controller, wires, signal, enhancers, mixers and other equipment where wires from dish antenna terminates and further distributed to TV screens on all floors for broadcasting including internal company's presentations.</li> <li>• This system is used to avoid installation of set top box and wires on every floor. Additionally, system helps in maintaining consistency to display common channel across all TV.</li> </ul> |
| (ii)                                  | <p><b><u>Reception with waiting area</u></b></p> <ul style="list-style-type: none"> <li>• For visitor management process.</li> </ul>   |
| (iii)                                 | <p><b><u>Security Control Room</u></b></p> <ul style="list-style-type: none"> <li>• Security Control room is the integration point for all security cameras installed in the building regular monitoring from security perspective is done by an operator on various TV screens. Access control system for building access and exit is also controlled from this room.</li> </ul>  |
| (iv)                                  | <p><b><u>Cafeteria</u></b></p> <ul style="list-style-type: none"> <li>• Cafeteria is critical for our business requiring continuous operations. For that employees require this specially designed area to have their daily meals and for other recreational activities.</li> <li>• Apart from above, cafeteria is also used for internal employee sessions/meetings/Town Hall/larger group internal event.</li> </ul>   |
| (v)                                   | <p><b><u>Academy Area</u></b></p> <ul style="list-style-type: none"> <li>• Academy area is the area where pre-designed infrastructure is created to support the learning &amp; development activities including conduct of any training.</li> <li>• Area also consist of large training rooms equipped with communication equipment, area for mass gathering and knowledge sharing to support the complete organization located in this campus.</li> </ul>   |
| (vi)                                  | <b><u>Gym and recreational room</u></b>  |



|        |  |
|--------|--|
|        | <ul style="list-style-type: none"> <li>Gym and recreational rooms are developed to provide necessary break to the employees after long and continuous working so that they can feel refreshed and be ready to work and deliver again.</li> </ul>   |
| (vii)  | <p><b><u>Medical room</u></b></p> <ul style="list-style-type: none"> <li>Considering the emergency medical requirements of employees, our organization has developed in house medical room where trained medical staff is deployed during routine business hours for providing first aid services and handling the situation till the ambulance is arranged for taking the employee to the nearest hospital for further medical assistance.</li> </ul> |
| (viii) | <p><b><u>Cafeteria</u></b></p> <ul style="list-style-type: none"> <li>Cafeteria is critical for our business requiring continuous operations. For that employees require this specially designed area to have their daily meals and for other recreational activities.</li> </ul>  |
| (ix)   | <p><b><u>Equipment/services supporting common infrastructure</u></b></p> <ul style="list-style-type: none"> <li>RBS Internal (dedicated) three lifts.</li> <li>RBS dedicated diesel generator sets to support electrical supply during power failure.</li> <li>Exhaust system for the entire building.</li> </ul>  |
|        | <b><u>Part B – Networking Infrastructure/ assets (Technology)</u></b>  |
| (x)    | <b><u>Networking Devices in Communication room (DC) and ancillary services including Teleco Lines (PRL, Leased Lines, Internet Lines) at DC room</u></b>   |
| (xi)   | <b><u>Network devices (Cisco switches) at Hub Room</u></b>   |
| (xii)  | <p>a) <b><u>Network devices (Cisco switches) at Hub Room</u></b><br/> b) <b><u>Cisco Phones</u></b><br/> c) <b><u>AV devices spread across on NWM Floors</u></b></p>   |
| (xiii) | <ul style="list-style-type: none"> <li>Innovation lab Servers (4 nos.)</li> </ul>  |
| (xiv)  | <ul style="list-style-type: none"> <li>Print Server (1 no.)</li> <li>Application Packaging (1 no.)</li> </ul>  |

7.13. Approval Committee discussed the proposal regarding partial deletion of area of RBS India Pvt. Ltd. (RBSIPL), setting up of new unit i.e. NWM Services India Pvt. Ltd., sharing of all the common facility between these two units and decided as follows :

i) After due deliberations, the Approval Committee approved the partial deletion of area i.e. '131867 Sqft. at 1<sup>st</sup> to 5<sup>th</sup> floor, Tower-A, Building No.1' and downward revision in projections of RBSIPL subject to submission of correct projections and break up of DTA sale.

ii) After due deliberations, the Approval Committee approved the proposal for setting up unit by M/s. NWM Services India Pvt. Ltd. over an area of '131867 Sqft. at 1<sup>st</sup> to 5<sup>th</sup> floor, Tower-A, Building No.1' to undertake service activities i.e. "Information Technology & Information Technology Enabled Services namely Computer Software Development & Support services" subject to submission of required documents.

iii) Regarding Cafeteria, Approval Committee decided that Cafeteria can be approved by the Approval Committee in terms of Rule 11(5) of the SEZ Rules, however, it require prior approval of the Approval Committee in terms of Rule 11(5) of SEZ Rules. Approval Committee felt that



Cafeteria is required for the IT sector SEZ units but unit should also follow the SEZ Rules and should take prior approval in terms of Rule 11(5) of SEZ Rule. Unit was advised to make an application for appropriate decision by the Approval Committee.

iv) Regarding sharing of the infrastructure facilities created in the RBSIPL with the new SEZ unit to be set up namely M/s NWM Service India Pvt. Ltd. Approval Committee observed that :

a) The Approval Committee observed that sub-rule 5 of Rule 27 of SEZ Rules, 2006, provides that "A Unit may import or procure from Domestic Tariff Area, all types of goods and services, without payment of duty, taxes or cess for creating a central facility for use by Units in Special Economic Zone and where such facility is created for software development, the same may also be accessed by software exporters of Domestic Tariff Area".

It is felt that Rule 27(5) gives impression as it is for setting up of a unit for creating a central facility to be utilized by other units. Probably a service unit could be set up under Rule 27(5) and this central facility could be utilized by other SEZ units. For such service unit, in respect of service utilized by other SEZ units, payment will have to be in free foreign exchange in terms of Section 2(z) of the SEZ Act.

b) Approval Committee felt that the Rule 27(5) is probably not for sharing of facilities between two units as is the situation envisaged in this case. This case is basically bifurcation of one unit into two units and second unit will continue to utilize facility of the first unit as well and will also pay for utilizing these facilities. Rule 27(5) does not provide specifically for sharing of facilities between two units.

c) There are large number of units in the SEZs which are having more than one units. Decision in this case will have wider implication as then similar requests may also be received from other units. For instance Accenture, HCL, Genpact, IBM etc. have more than one SEZ units. This zone has not received any such request from these units in the past.

d) As regards the examples given by unit of the past approval the comments are indicated in Paragraph 7.10 above.

e) Approval Committee asked the representative of the unit as to how the value of the capital goods would be amortized and how such unit will be taking the value of these capital goods for the purpose of NFE. In this regard the representative of the unit in the meeting/unit vide its letter dt. 10.12.18 is clarified as under:



- i) *These goods will be continued to be assets in the name of the first unit i.e. from RBSIPL*
- ii). *As mentioned in our letter dated 22<sup>nd</sup> November 2018, given the manner in which current operations are structured, RBS SIPL's existing SEZ unit and proposed new SEZ unit of NWM SIPL (which is sought to be created to give effect to the NCLT order for demerger), intend to have a central facility for use of specified network infrastructure/other assets and common area.*
- iii). **For this purpose, a transfer pricing arrangement is sought to be put in place between the 2 legal entities, both of which are part of same RBS group.**
- iv). **In this regard, it is submitted that in August 2016, RBS SIPL had entered into an advance Pricing Agreement ("APA') with the Central Board of Direct Taxes, Ministry of Finance, Government of India, which governs the pricing of transactions between RBS SIPL and its related parties. As per the terms of the APA, these transactions are being undertaken at arm's length price on cost-plus mark-up basis as if these are with third parties and accordingly, the income earned by RBS SIPL has been duly offered to tax in India.**
- v). **Since the proposed use of central facility of specified network infrastructure/other assets and common area between SEZ units of RBS SIPL and NWM SIPL would be a related party transaction, the proposed agreement between the two legal entities would be put in place as per the above-mentioned principles of the APA, wherein the legal entity owning the asset/area shall claim depreciation thereon and invoice the SEZ unit of the user entity on arm's length pricing basis.**
- vi) *From the above clarification, it is clear that actually it would be charging of the rent by the first unit for the assets created by M/s. RBS Services India Pvt. Ltd. whereas authorized operation of the unit is export of IT/IT Enabled Services. Rule 27(5) probably intends to create the service unit with the central facility for use of other SEZ units. The present proposal does not seem to be covered under Rule 27(5).*

*In view of the above stated facts, Approval Committee decided that in respect of this request of the unit for sharing of the infrastructural facility, a reference may be made to Department of Commerce giving the complete facts of the case, above stated observations of the Approval Committee, a copy of unit's letter dt. 10.12.2018, Annexure-4 & 6 given by the unit with the request that DOC may issue an appropriate clarification on this issue as to whether this request is covered*



under Rule 27(5) of the SEZ Rules or not or whether this is permissible or not. It may also be conveyed that Approval Committee felt that this request is not covered under Rule 27(5) of the SEZ Rules in view of the reasons stated above. Approval Committee also decided that a request may be made to DOC on this issue so that a guidelines may be issued so that a uniform practice could be followed in all the SEZs in respect of such cases because in case this request is considered it could have implication on many more cases of this nature in this zone as well as other zones.

**8. Proposal of M/s. NWM Services India Pvt. Ltd. for setting up of unit in the IT/ITES SEZ of M/s. Gurgaon Infospace Ltd. located at Village Dundahera, Sector-21, Gurugram (Haryana)**

8.1. It was brought to the notice of the Approval Committee that M/s. NWM Services India Pvt. Ltd. has submitted proposal for setting up of unit over an area of 131867 Sqft. at 1<sup>st</sup> to 5<sup>th</sup> floor, Tower-A, Building No.1 in the IT/ITES SEZ of M/s. Gurgaon Infospace Ltd. at Village Dundahera, Sector-21, Gurugram (Haryana) to undertake service activities namely 'Computer Software Development & Support services and Information Technology, Information Technology Enabled Services' with projected exports of Rs. 176061.00 lakhs and the cumulative NFE of Rs. 154634.00 Lakhs over a period of five years. It was also informed that the applicant has given projections for requirement of imported capital goods for Rs.1970 lakhs and Indigenous capital goods for Rs.130 lakhs. It was informed that applicant has mentioned that since the entity is created by Court approved demerger order of RBS SEZ unit, no new investment is currently envisaged. It was further informed that the SEZ developer has given provisional offer for allotment of proposed space to the applicant subject to the condition that existing tenant M/s. RBS Services India Pvt. Ltd. obtaining the necessary approvals for surrendering the said area.

8.2. It was informed that the applicant had mentioned that NWM Services India Pvt. Ltd. is a part of the Royal Bank of Scotland Group (RBS Group). Applicant has mentioned that another RBS Group entity based in India namely RBS Services India Pvt. Ltd. is engaged in the business of providing Computer Software Development & Support Services and Information Technology / Information Technology Enabled Services (IT/ITES) to the overseas entities of the RBS Group from the SEZ unit located at 'Ground to 11th floor, Tower-A, Building No. 1 and 5th to 8th floor, Tower-A, Building No.2' in the IT/ITES SEZ of M/s. Gurgaon Infospace Ltd. at Village Dundahera, Sector-21, Gurgaon (Haryana). The instant unit is proposed to be setup at '1st to 5th floor, Tower-A, Building No.1', which is presently in possession of M/s. RBS Services India Pvt. Ltd..

8.3. It was further informed that as per applicant, the RBS Group, along with other major banks in the United Kingdom is required by applicable law in UK to segregate their everyday banking services from their investment banking services, and to ring-fence these undertakings from each other. This law on ring fencing will come into force in the UK from 1 January, 2019. Accordingly,

