

Minutes of UAC meeting of Quarkcity India Pvt. Ltd., SEZ held on 22.12.2022

Noida Special Economic Zone

Minutes of the Unit Approval Committee (UAC) of Private SEZs in Mohali/Chandigarh region held under the Chairmanship of Shri A. Bipin Menon, Zonal Development Commissioner (DC), Noida SEZ at 02.00 PM on 22.12.2022 held in hybrid mode.

The following members of Unit Approval Committee were present during the meeting through video conferencing:

1. Shri Surender Malik, IRS, Joint Dev. Commissioner, NSEZ, Noida
2. Shri Utpal Acharya, ITS, Joint DGFT, Ludhiana
3. Shri Varun Singla, IRS, Deputy Commissioner Customs, Chandigarh.
4. Ms. Moatenla, IRS, Joint Commissioner of Income Tax, AU-1(4), Shimla.

Besides, during the meeting the following officers were also present to assist the UAC

- i) Shri Rajesh Kumar, Deputy Development Commissioner, NSEZ
- ii) Shri Karan Goyal, Assistant Development Commissioner,
- iii) Ms. Vaishali Chandhok, Specified Officer
- iv) Shri Malkit Singh, Authorized Officer and
- v) Ms. Shirley Sood, Authorized Officer

Since the quorum was available, the meeting proceeded sequentially as per the agenda. At the outset, the Chairman welcomed the participants. 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: -

Sub: Ratification of the Minutes of the Meeting of the Unit Approval Committee held on 09.09.2022.

1.1 The Committee was informed that no reference against the decisions of the UAC held on 09.09.2022 was received from any of the Members of the Committee or Trade and therefore, the Minutes of the Meeting held on 09.09.2022 were ratified.

Agenda Item No 2: -

2.1 Sub: Proposal for setting up of New Unit – M/s Appinfoinc Traffic India Private Limited – Reg.

2.1 The Committee was informed that M/s. Appinfoinc Traffic India Private Limited had applied for setting up a SEZ Unit in terms of Rules 17 of SEZ



Rules, 2006 as prescribed in Form 'F' in the premises of M/s. Quarkcity India Pvt. Ltd. (SEZ).

2.2 It was informed to the Committee that the Company is a Private Limited Company incorporated on 17.03.2017. The Authorized operations proposed were i) Software designing, development, customization, implementation, maintenance, testing and bench-marking, designing, developing and dealing in computer software and solutions, ii) to develop, provide, undertake, design, import, export, distribute and deal in Systems and application software for microprocessor based information systems, off shore software development projects, internet services provider [CPC Code 842].

2.3 The unit envisages import of Plant & Machinery to the tune of Rs.13.32 lacs. The projection for export is of Rs. 717.05 lacs with NFE of Rs. 717.05 lacs over a period of 5 years.

2.4 There were some observations in Form 'F' which are as follows:-

(a) Form – 'F' is not submitted online and the printed copy of the online submitted Form-F duly signed by the authorised representative of the Unit has not been submitted.

(b) Details of services mentioned at para-V of Form-F and those in the project report are different.

(c) Infrastructure requirements filled in the wrong column at Para No. VIII.

2.5 Mr. Vijay Kumar, Director of the unit appeared before the Approval Committee to explain about the proposal. He promised to provide the information/documents observed to be deficient.

2.6 The Approval Committee after due deliberations approved the proposal of the unit for setting up of the SEZ unit in M/s. Quarkcity India Pvt. Ltd. (SEZ), SAS Nagar, Mohali subject to providing the CPC code of the services and clarifications on the observations raised and rectifying any deficiencies.

Agenda Item No 3: - Proposal for Deletion of area- regarding;

3.1 Sub: -M/s Carthaginian Ventures Private [LOA No QSEZ/Unit/04/02/18/649 dated 02.07.2018] - Deletion in Area – Reg.

3.1.1 It was informed to the Approval Committee that M/s Carthaginian Ventures Private Limited was granted LOA No. QSEZ/Unit/04/02/18/649 dated 02.07.2018 for setting up a unit in Quarkcity India Private Limited, IT/ITES SEZ at Mohali (Punjab). This LOA was granted to provide "Information Technology & Information Technology Enabled Services" and had a validity upto 06th Nov., 2023.

3.1.2 The Unit vide its letter dated 7th Dec., 2022 submitted proposal for partial deletion of area as per details below:

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Name of the Unit	M/s Carthaginian Ventures Private Limited		
LOA No & date	LOA No QSEZ/Unit/04/02/18/649 dated 02.07.2018.		
Date of Commencement	07.11.2018		
LOA Valid up to	06.11.2023		
Date of Expansion in area	30.09.2021		
Whether Bond-cum-LUT received/ Accepted	No		
Present approved area & location of the unit	996 Sqft. Ground Floor.		
Area proposed for deletion	700 Sqft. Ground Floor.		
Whether No Objection of SEZ Developer for deletion of proposed area submitted	Yes Unit has submitted No Objection letter dated 06 th September, 2022 from the SEZ Developer for deletion of the area.		
Reasons for decrease in area	Due to unforeseen attrition of our sales and marketing personnel in December 2022 and January 2023.		
Change in projections due to reduction of area, if any	No change in projections. Our financial projections and nature of operations remain unchanged.		
Year wise performance of the unit during current block (as per APRs)	(Rs. In lakhs)		
	Year	FOB value of export	NFE earning
	2018-19	42.69	42.69
	2019-20	139.77	139.77
	2020-21		
	2021-22		

3.1.3 The Developer has given No Objection Certificate (NOC) for partial deletion in the area of the SEZ unit vide its letter dated 06.09.2022.

3.1.4 There were following observations about the proposal:-

(a) Bond-cum-LUT has not been submitted by the unit after the expansion of the area in 2021.

(b) APRs for the year 2020-21 and 2021-22 are not submitted by the unit.

(c) No Objection Certificate from the Specified Officer (Customs) is not obtained regarding deletion in the area of the SEZ unit.

3.1.5 Mr. Rahul Kumar Vijn, Director of the SEZ unit appeared before the Approval Committee to explain the proposal and informed that the unit has

already submitted APRs for the year 2020-21 and 2021-22. The promised to comply with other observations.

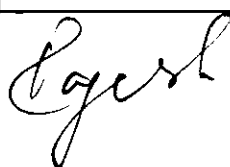
3.1.6 The Approval Committee after due deliberations approved the request of the unit for partial deletion in the area of the SEZ unit subject to providing clarifications on the above observations and rectifying any deficiencies.

3.2 Sub: -M/s Congruex Asia Pacific LLP [LOA No QSEZ/Unit/04/04/2017/584 dated 27.12.2017] - Deletion in Area – Reg.

3.2.1 It was informed to the Approval Committee that M/s Congruex Asia Pacific LLP was granted LOA No QSEZ/Unit/04/04/2017/584 dated 27.12.2017 for setting up a unit in the Quarkcity India Pvt. Ltd., IT/ITES SEZ at Mohali (Punjab). The LOA was granted to provide "Information Technology & Information Technology Enabled Services" and had a validity upto 28th December, 2027.

3.2.2 The Unit vide its letter dated 16th Dec., 2022 has submitted a proposal for partial deletion of the area. The details are as given below:

Name of the Unit	M/s Congruex Asia Pacific LLP
LOA No & date	LOA No QSEZ/Unit/04/04/2017/584 dated 27.12.2017.
Date of Commencement	29.12.2017
LOA Valid up to	28 th December, 2027
Whether Bond-cu-LUT received/ Accepted	Yes
Present approved area & location of the unit	47322 Sqft. 12 th Floor
Area proposed for deletion	19146 Sqft. 12 th Floor
Whether No Objection of SEZ Developer for deletion of proposed area submitted	Yes, Unit has submitted two No Objection letters dated 08 th December, 2022 from the SEZ Developer for deletion of the area.
Reasons for decrease in area	Due to COVID-19 pandemic in March 2020, employees were permitted to work from home to maintain business continuity, Further, permission for 90% of employees to work from home granted by the O/o Development Commissioner under rule 43 A of of SEZ rules 2006. Our financial projections and nature of operations remain unchanged.
Change in projections due to reduction of area, if any	No change in projections.
Year wise performance of	(Rs. In lakhs)



the unit during current block (as per APRs)	Year	FOB	NFE
	2019-20	4033.72	4033.72
	2020-21	6995.19	6995.19
	2020-21	14687.63	14687.63
Employment	1936		

3.2.3 The Developer has given No Objection Certificate (NOC) for partial deletion in the area of the SEZ unit vide its letters dated 08.12.2022.

3.2.4 The Unit has not obtained NOC from the Specified Officer (Customs) regarding deletion in the area of the SEZ unit.

3.2.5 Mr. Davis Mathai, Vice president Operations and authorized signatory of the SEZ unit appeared before the Approval Committee to explain the proposal. He assured the Committee that the unit would comply the procedural requirements.

3.2.6 The Approval Committee after due deliberations approved the request of the unit for partial deletion in the area of the SEZ unit subject to the clarification on the observations and rectification of deficiencies.

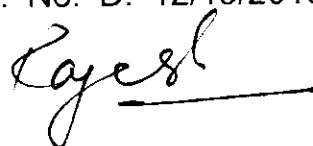
Agenda Item No 4: -

Sub: - Proposal of addition of input services input - M/s Sunny View Estates Pvt. Ltd. Co-developer- regarding;

4.1 It was informed to the Approval Committee that M/s Sunny View Estates Pvt. Ltd. (Co-Developer) of M/s Quarkcity India Pvt. Ltd. Vide letter dated 29th November, 2022 has applied for approval of the following input services: -

S. No.	SAC Code	SAC Description	Service Purpose/Use
1.	997221	Property management services on a fee/commission basis or contract basis	Being SEZ co-Developer, our authorized operations are leasing the premises to different SEZ units. The real estate agents assist us in leasing out the SEZ premises to different SEZ units. Therefore, real estate agent services are very much required for the authorized operations of SEZ co-developer.
2	997222	Building sales on a fee/commission basis or contract basis	

4.2 It was informed to the Approval Committee that the Ministry of Commerce vide its Notification No. F. No. D. 12/19/2013- SEZ dated 19th



November, 2013 had approved a list of services which may be permitted by all Unit Approval Committee's (UAC's) as default authorized services. Further, in the Para 3 of this notification, it is mentioned that other services which are not included in the uniform list may be decided by the UAC on merit.

4.3 It was informed to the Approval Committee that M/s Sunny View Estates Pvt. Ltd. (Co-Developer) had been granted approval for real estate agent services vide this office letter no. F-2/7/2005-SEZ/2005/480 dated 31st March, 2016. The approval was granted before the implementation of GST.

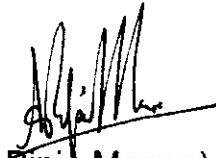
4.4 It was informed to the Approval Committee that the Ministry of Commerce vide its Notification No. F. No. D. 12/19/2013- SEZ dated 2nd January, 2018 reiterated the default authorized operations as approved earlier.

4.5 Mr. Jatinder Singh, Authorized representative of the Co- Developer appeared before the Approval Committee and explained the proposal. However, he was unable to provide reasons as to why the second service (SAC 997222) falls under the ambit of the SEZ Act and Rules.

4.6 The Approval Committee after due deliberations approved the addition of only the "Property management services" (SAC Code 997221) as an input service to the co-developer.

The meeting ended with a vote of thanks to the Chair.


(Surender Malik)
Jt. Development Commissioner


(A. Bipin Menon)
Development Commissioner