

Minutes of the Approval Committee (AC) of Pvt. SEZs in Mohali / Chandigarh region held under the Chairmanship of Dr. L.B. Singhal, Development Commissioner (DC), Noida SEZ at 12 P.M. on 28.02.2020 in the Conference Hall of M/s. Infosys Ltd., Chandigarh.

The following members of AC were present during the meeting:

1. Shri Rajiv Lochan, Income Tax Officer, Mohali.
2. Shri H.P. Singh, Supdt. Customs, Ludhiana.
3. Shri Pawan Kumar Katyal, D.G.M., PSIEC, Govt. of Punjab, Chandigarh.
4. Shri Vishav Bandhu, Dy. Director, Dir. of Indts., Govt. of Punjab, Chandigarh.
5. Shri Parmod Kumar, Authorized Represented M/s Quarkcity SEZ Developer Mohali.

Besides, during the meeting i) Shri Devendra Bahuguna, Asstt. Development Commissioner, ii) Shri Ajay Pahooja, Specified Officer, iii) Ms. Vaishali Chandhok, Authorized Officer and iv) Ms. Shirley Sood, Authorized Officer were also present to assist the AC.

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

AGENDA ITEM NO. 1

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

The Committee was informed that no reference against the decision of the Approval Committee held on 24.01.2020 was received from any of the members of the Committee or Trade and therefore, Minutes of the meeting held on 24.01.2020 were ratified.

AGENDA ITEM NO. 2

Sub: LOA No. QSEZ/Unit/04/04/2017/584 Dated 27.05.2017 - M/s. Congruex Asia Pacific LLP – Incorporation of name of Service in the Letter of Approval – Reg.

2.1 The request of M/s. Congruex Asia Pacific LLP for incorporation of Engineering Service with CPC code 8672 was discussed and deliberated at length by the Approval Committee.

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2.2 Mr. Akshay Aggarwal appeared before the Approval Committee to explain the proposal.

2.3 The Committee observed that as per Public Notice No. 7 dated 11.5.2018 it seems that benefit of SEIS has been extended for the financial year 2018-19 only. In case request of the unit to include CPC code is agreed then the benefit would be admissible in respect of export of services mentioned in the LOA from the date of incorporation in LOA. Hence Committee decided that first it may be verified whether the benefit of SEIS is extended beyond 1.4.2019 or not.

2.4 Committee also noticed that the services have been as mentioned in unit's Project Report and also mentioned in Form F as 1. Engineering & Design Services and 2. Graphic Information Services. Neither in the Project Report nor in the Application (Form-F) unit had mentioned Central Product Classification (hereinafter referred to as CPC code) as given in Appendix- 3D of Handbook of Procedure and corresponding International Standard Industrial Classification Code (hereinafter referred as ISIC Code) as mentioned in the list of CPC code on DGFT website. Subsequently also they had not indicated CPC Code in any of their communication to this Office. Under Service Exports from India Scheme (hereinafter referred as SEIS) benefit is admissible only in respect of services as given along with CPC Code in Appendix-3D of the Handbook of Procedure. Accordingly, after the approval by the Approval Committee the Letter of Approval for IT/ITES was issued to the unit with the request to convey their acceptance within 45 days. Even at that stage unit did not raise any objection or requested for inclusion of CPC Code for specific services and the Unit conveyed its acceptance of terms and conditions of the Letter of Approval.

2.5 The Committee also noticed that now applicant has requested for incorporation of Engineering Services with CPC Code 8672 in their Letter of Approval. Even now they have indicated 4 digit CPC Code only, which is a general heading of Engineering Services within the generic 4 digit CPC Code of Engineering services. There are specific 5 digit CPC Code along with generic 4 digit CPC Code of Engineering services along with specific ISIC Code for specific Engineering Services. Hence the unit is required to give specific 5 digit CPC Code along with ISIC code.

2.6 Even for consideration of this request, Committee noted that it needs to be seen whether proposed service falls under 8672 or not. It is seen from the details for the CPC Code given on the DGFT website that CPC Code 8672 is 4 digit generic code and the details of the service covered under 8672 are given in 5 digit codes. Accordingly the unit was advised to give specific 5 digit CPC code

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and also mention ISIC Code to ensure and verify that proposed service is covered under CPC Code 8672.

2.7 Approval Committee also decided that on receipt of information from applicant and after verification of the facts whether SEIS benefit has been extended for the financial year 2019-20 or not, the request of the unit may be examined and decision taken on file and the same may be informed to the Approval Committee.

AGENDA ITEM NO. 3

Sub: Proposal for setting up an SEZ unit by M/s. RAJ & SAM MARKETING LLP the QUARK CITY, IT/ITES SEZ at A-40-A, Phase VIII-B, Industrial Area, Mohali, Punjab.

3.1 It was brought to the notice of Approval Committee that M/s. RAJ & SAM MARKETING LLP applied for setting up a SEZ Unit in terms of Rules 17 of SEZ Rules, 2006 in prescribed Form 'F' in the premises of M/s. Quarkcity India Pvt. Ltd. (SEZ). The details of the proposed SEZ unit are as under:

1	Name of the applicant unit	RAJ & SAM MARKETING LLP
2	Registered Office Address	STREET NO 11(R), DOGAR BASTI, FARIDKOT, PUNJAB ,INDIA
3	Address of the unit SEZ	Stilt Floor, Landmark Plaza Quarkcity SEZ, Quarkcity India Private Limited, A-40A, Industrial Focal Point, Phase VIII Extension, Mohali, Punjab.
4	Director of the Company & their background	The company is a LLP firm incorporated on 16.01.2020 Following are the Directors of the Company: 1. Pushpinder Pal Singh: He is Graduate having 3 years experience in Affiliate Market and mainly serving for Platinum Click Bank, USA 2. Rajbeer Singh mainly serving for Platinum Click Bank, USA

*Minutes of the Approval Committee (AC)
Of private SEZs in Mohali & Chandigarh region
at 12:00 P.M on 28.02.2020*

5	Permanent Account no. of the applicant Company.	ABAFR7695D
6	In case promoters have existing unit under 100% EOU or a unit in DTA, Details of item of manufacture and annual turnover during the preceding three years.	NO
7	Whether copy of Balance Sheet of the Company/IT returns of the directors furnished.	IT returns of Pushpinder Pal Singh & Rajbeer Singh for A.Y. FY 2018-19 & 2019-20 enclosed.
8	Whether copy of MOA, in case of Pvt/Public Ltd. Co. has been Submitted.	Yes
9	Whether proof of address/resident of Promoter(s) has been furnished. Nature of document to be indicated.	1. Pushpinder Pal Singh –Aadhar Card & Pan Card 2. Rajbeer Singh - Aadhar Card & Pan Card
10	Whether the proposed service figure in the objective of Memorandum & Articles of Association, if yes in which part.	Yes
11	Activity/Services in the Zone envisaged	IT/ITES (computer software services, including information enabled services such as back-office operations,)
12	Whether proposal envisages permission for sub contracting/ part production in DTA	NO
13	In case of partnership firm, the partnership deed is registered or not.	It is LLP Firm
14	Marketing arrangements envisaged?	To be submitted

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15	Employment envisaged.	Men – 3 Women – 2
16	Requirement of Space	250 SQ. Ft. (To be verified)
17	Investment in Plant & Machinery: (Lakhs)	5.00
	a. Imported	0.00
	b. Indigenous	5.00
18	Raw material envisaged during five years project period:	
	a. Imported (Capital goods)	
	b. indigenous (Capital goods)	5.00 Lakhs
	c. Raw material, components, consumables, packing material, fuel etc (Indigenous)	
	Total :	
19	FOB value of exports during first five years	Rs. 2510.00Lakhs – (115.00+520.00+580.00+620.00+675.00)
20	NFE on the basis of Foreign exchange outflow and inflow	Rs. 2510.00Lakhs – (115.00+520.00+580.00+620.00+675.00)
21	Financial arrangement envisaged, source of finance including status of promoter(s)	Authorized 1.00 Lakh
		Subscribed 1.00 Lakh
		Paid up Capital 0.00
		Pattern of Share holding in the Paid-up Capital
22	Whether the item proposed to be manufactured envisaged	Not required being exempted for IT/ITES Companies.

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	pollutions?	
23	Whether proposal is for manufacturing, trading or services?	Services.
24	Whether provisional offer allotment of Space from the developer enclosed.	Yes

3.2 The Committee was informed that the proposal of M/s. RAJ & SAM MARKETING LLP for setting up a SEZ unit at Quarkcity India Pvt. Ltd. (SEZ), SAS Nagar, Mohali was placed before the Approval Committee meeting held on 24.01.2020 where it was deferred and directed the Partner of the firm Mr. Pushpinder Pal Singh to submit requisite documents to substantiate their claim for making an export of 25 crores with engaging five employees from a premises of 250 Sq. Ft. only.

3.3 The Unit has provided following documents:

- i) Copy of Exports Invoices of proprietorship firm owned by one of designated partner in the Unit.
- ii) Certificate issued by HDFC Bank regarding remittances received by proprietorship firm owned by one of designated partners, in foreign currency.
- iii) Copy of GST certificate proprietorship firm owned by one of designated partners in purpose Unit.
- iv) Brief note on nature of services to be offered/ rendered from proposed SEZ Unit.
- v) Turnover certificate duly certified by Chartered Accountant of proprietorship firm owned by one of designated partner in purpose Unit.
- vi) Details of proprietorship firm owned by one of designated partners in purpose Unit.
- vii) GSTR-3B summery report for the period from 01.04.2019 to 31.12.2019 duly certified by CA for the proprietorship firm owned by one of designated partners in purpose Unit.
- viii) Form-26AS stating advanced tax paid for INR 12 Lac and equalization levy foreign amount of 10.20 Lac paid by proprietorship firm owned by one of designated partner in purpose Unit.

3.4 It was brought to the notice of the Approval Committee that:

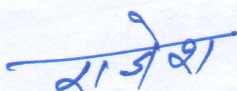
- i) That Click Bank is a market place for vendors and affiliates having its HQ at Boise Idaho, USA. For sales and promotion of products Click bank is a platform which gives opportunity to affiliates as well as vendors through Facebook or various different traffic sources such as Email marketing, Google Ads, Bing Ads & Native Advertising etc.
- ii) That M/s. Raj & Sam Marketing LLP is affiliate of Click bank. They are in sales promotion of various products on Click Bank thorough Facebook Advertising for variety of Vendors for Health & Fitness Niche such as
 - 1. Big Diabetes lie (E book)
 - 2. Halki Diabetes Remedy (E Book & Physical)
 - 3. Diabetes Freedom (E Book)

The above e-books also enhance sales through their additional physical products available in market which is termed as Upsells.

- iii) That for sale of any product Click bank provides a unique link of that specific product/vendor to the affiliate and by developing content/animation for that product and promoting the same on Facebook to enhance its sales; the affiliate would earn commission through Click Bank. For scaling up sales, Affiliates do constant analysis and testing of Ads plus creation of new content (Images /Website/Copy/Viewers) of a particular product. The following earnings were made by M/s.Raj& Sam Marketing LLP through Click Bank/Max Bounty:

- 1. 01.04.2018 – 31.03.2019 Rs. 21,30,683/-
- 2. 01.04.2019 - 31.12.2019 Rs. 3,39,24,895/-

- a) That the above turnover figures are duly certified by Chartered Accountant.
- b) That Invoices for the above amount were also submitted by the unit. The GSTIN No. 03KEAPS0932B1ZY as mentioned in the invoices was checked and found active and valid.
- c) That Foreign Exchange remittance certificate by HDFC bank for above amounts has also been submitted by the unit



- d) GSTR3B summary report for the period 01.04.2019 - 31.12.2019 for Rs. 3,39,24,895/- is also submitted by the unit.
- e) That Form 26 AS (Annual Tax Statement) for Advance Tax paid for the FY 2019-20 valued at Rs. 12 lacs is also submitted by the unit. Besides this it also mentions payment of equalization levy of Rs. 10.20 lacs. (Equalization levy is a direct tax to be paid @ 6% on amount paid to foreign entity.)
- f) That GST Certificate of Mr. Pushpinder Pal Singh, Partner is also submitted
- g) That the services to be rendered by the unit is Computer software services including Information enabled services such as Back Office operations, Content Development and animation are well covered under Rule 76 of the SEZ Rules, 2006

3.5 Mr. Pushpinder Pal Singh appeared before the Approval Committee to explain their project.

3.6 After due deliberations the Approval Committee approved the project.

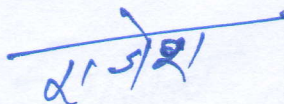
Table Agenda No. 1

Sub: LOA No. QSEZ/Unit/04/01/14/266 dated 17.02.2014 & QSEZ/Unit/04/01/14/266/701 dated 22.02.2019 – expansion in area of M/s. Fidelity Information Services Pvt. Ltd. – Reg

1.1 The Approval Committee was informed that M/s. Fidelity Information Services Pvt. Ltd. an approved and functioning unit of Quarkcity India Pvt. Ltd. has applied for expansion in the area of their SEZ unit from existing 66436 Sq. ft. to 82436 Sq. Ft by way of acquiring 16000 Sq. Ft. at 6th floor of the SEZ building, the detail is are as under:

Area occupied prior to reduction	Area proposed for expansion	Total Area
1 st Floor comprising of 1860 Sq. Ft. and 5 th Floor comprising of 64576 Sq. Ft. = (66436 Sq. Ft.) .	16000 Sq. Ft. at 6 th Floor of the SEZ Building.	82436 Sq. Ft.

1.2 It was informed to the Committee that the unit vide its letter dated 25.02.2020 stated that they are in need of some more area considering the business requirements and accordingly they have identified an area of 16000 Sq. Ft. at 6th Floor of the SEZ building. The Developer vide its letter dated 15.02.2020 gave its consent for the above space to the unit.



1.3 On account of expansion in area the projection of the unit will be as under:

Rs. (in Lacs)		
Particulars (for five years)	Existing Projection	Revised Projection
Projected FOB value of exports	37473.62	95735.21
Foreign Exchange Outgo	2072.45	4184.90
NFE over a period of 5 years	35401.17	91550.31
Indigenous CG	179.00	531.60
Manpower	1045	1270

1.4 Mr. Kuljinder Pal Singh Bhatia, VP, IT Group & Mr. Mashesh Chandra appeared before the Approval committee to explain their proposal.

1.5 The Approval Committee after due deliberations approved the proposal of the unit for expansion in area by 16000 Sq. Ft. at 6th Floor of the SEZ building subject to execution of Bond-cum LUT. The Committee also directed to place before it the proposal for review of the performance of the unit for block of 5 years i.e. 2014-19 in terms of Rule 54 of the SEZ Rules, 2006.

Table Agenda No.2

Sub: Proposal of the Developer, M/s. Quarkcity India Pvt. Ltd. for allotment of built up space to M/s. ICICI Bank for Opening its Branch at 1st floor of the SEZ building with a space of 1000 Sq. Ft. in the processing area of M/s. Quarkcity India Pvt. Ltd. IT/ITES SEZ located at SAS Nagar, Mohali

2.1 It was brought to the notice of Approval Committee that M/s. Quarkcity India Pvt. Ltd., Developer vide its letter dated 25.02.2020 received in this office on 27.02.2020 has submitted a proposal for allotment of 1000 Sq. ft. at 1st Floor of the SEZ Building in the processing area of IT/ITES SEZ SAS Nagar, Mohali on lease basis to M/s. ICICI Bank for opening its Millennial Branch for the day to day online financial transactions of employees working in the SEZ. The Following documents were submitted by M/s. ICICI Bank for consideration and approval of the proposal:

- (a) Provisional offer of space 1000 Sq. Ft at 1st Floor area from the Developer to M/s. ICICI Bank Ltd.
- (b) An undertaking on Rs.100/- stamp paper from M/s. ICICI Bank Limited to the effect that they will maintain proper record of the

goods purchase / sold or service provided as per relevant provisions of revenue Deptt. of State and / or Central Government as the case may be. The company will obtain requisite license and other clearances as applicable in the State/Centre prior to commencement of proposed Services'. They will procure all materials without any Indirect and direct tax benefit available under SEZ scheme.

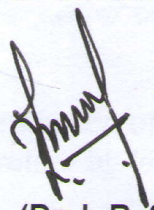
- (c) Copy of GST Registration, GSTIN Registration No. 03AAACI1195H1ZW of M/s. ICICI Bank Ltd.
- (d) Pan No. AAACI1195H of ICICI Bank Ltd.
- (e) Consolidated summary Statement of Assets & Liabilities of M/s. ICICI Bank Ltd. for the financial year 2018-19.
- (f) Authorization letter in favour of Mr. Badal Bhatia by M/s. ICICI Bank Ltd.

2.2 It was informed to the Committee that in terms of proviso of Sub Rule 5 of Rule (11) of the SEZ Rules, 2006, the Developer may, with the prior approval of the Approval Committee, grant land or built up space on lease basis, 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. The allotment of space for Banks/ATM falls within the consolidated list of default authorized operation (Instruction No. 50) which can be undertaken by the Developer/Co-Developer by default from the date of notification as conveyed by the Ministry of Commerce & Industry vide letter No. F.5/1/2010-SEZ dated 15th March, 2010. Accordingly Developer/co-Developer can have space earmarked for Bank/ATM and then lease out to concerned Bank. Deptt. of Commerce has also issued Instruction No. 95 dated 11.06.2019, which even permit unit to have ATM etc subject to conditions mentioned therein.

2.3 Mr. Sudhir Pandey & Mr. Badal Bhatia representative of M/s. ICICI Bank appeared before the Approval Committee to explain their proposal.

2.4 The Approval Committee after due deliberations approved the proposal of M/s. Quarkcity India Pvt. Ltd., Developer for allotment of built-up space of 1000 Sq. Ft. at 1st floor of the SEZ Building in the processing area of IT/ITES SEZ at SAS Nagar, Mohali on lease basis to M/s. ICICI Bank Limited, subject to the condition that no tax/duty including service tax exemption shall be available to M/s. ICICI Bank Limited to setup and operate a Millennial Branch in the 1st Floor of SEZ's Processing Area and it would be exclusively for persons working in the SEZ. It shall also subject to obtain all statutory approvals from State Government/Central Government/Reserve Bank of India, as applicable.

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


(Dr. L.B. Singhal)
Development Commissioner

