



GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
OFFICE OF THE DEVELOPMENT COMMISSIONER
NOIDA SPECIAL ECONOMIC ZONE
NOIDA DADRI ROAD, PHASE-II, NOIDA - 201305
DISTT. GAUTAM BUDH NAGAR (UTTAR PRADESH)

फ. स.10/191/2008-सेज/

दिनांक: 15/12/2016

1. निदेशक, वाणिज्य विभाग, वाणिज्य एवं उद्योग मंत्रालय, भारत सरकार, उद्योग भवन, नई दिल्ली-110001।
2. संयुक्त महानिदेशक विदेश व्यापार, उद्योग भवन, तिलक मार्ग, जयपुर (राजस्थान)।
3. आयुक्त आयुक्त, (सीआईटी-तृतीय-जयपुर), न्यू सेंट्रल रेवेन्यू बिल्डिंग, स्टैचू सर्किल, सी-स्कीम, जयपुर (राजस्थान)।
4. आयुक्त केन्द्रीय उत्पाद शुल्क, जयपुर-1, न्यू सेंट्रल रेवेन्यू बिल्डिंग, स्टैचू सर्किल, सी-स्कीम, जयपुर (राजस्थान)।
5. प्रबंध निदेशक, रीको लिमिटेड, उद्योग भवन तिलक मार्ग, जयपुर (राजस्थान)।
6. उपसचिव (आई एफ - 1), बैंकिंग प्रभाग, आर्थिक मामलों का विभाग, वित्त मंत्रालय, भारत सरकार, तृतीय तल, जीवन दीप बिल्डिंग संसद मार्ग, नई दिल्ली।
7. आयुक्त, उद्योग विभाग, उद्योग भवन, तिलक मार्ग, जयपुर (राजस्थान)।
8. महाप्रबंधक, रीको लिमिटेड, उद्योग भवन तिलक मार्ग, जयपुर (राजस्थान)।
9. महिंद्रा वर्ल्ड सिटी (जयपुर) लिमिटेड (विकासकर्ता), 411, नीलकंठ टावर, भवानी सिंह मार्ग, सी स्कीम, जयपुर-302001 (राजस्थान)।

विषय: दिनांक 09/12/2016 को अपराह्न 02:30 बजे सम्मेलन हॉल, प्रशासनिक भवन, नोएडा विशेष आर्थिक क्षेत्र, नोएडा में आयोजित होने वाली महिंद्रा वर्ल्ड सिटी (जयपुर) लिमिटेड एस ई जेड के अनुमोदन समिति की बैठक का कार्यवृत्त - एतद् संबंधी।

महोदय,

उपरोक्त विषय के सन्दर्भ में डा० एन बी सिंघल, विकास आयुक्त, नोएडा विशेष आर्थिक क्षेत्र की अध्यक्षता में दिनांक 09/12/2016 को अपराह्न 02:30 बजे सम्मेलन हॉल, प्रशासनिक भवन, नोएडा विशेष आर्थिक क्षेत्र, नोएडा में आयोजित महिंद्रा वर्ल्ड सिटी (जयपुर) लिमिटेड विशेष आर्थिक क्षेत्र की अनुमोदन समिति की बैठक का कार्यवृत्त संलग्न है।

इसे विकास आयुक्त, नोएडा विशेष आर्थिक क्षेत्र, नोएडा का अनुमोदन प्राप्त है।

संलग्नक : उपरोक्त

भवदीय,

(प्रकाश चन्द उपाध्याय)
सहायक विकास आयुक्त

NOIDA SPECIAL ECONOMIC ZONE

Minutes of the meeting of the Approval Committee of SEZs of M/s. Mahindra World City (Jaipur) Ltd. held under the Chairmanship of Dr. L.B. Singhal, Development Commissioner (DC), Noida SEZ at 02.30 PM on 09/12/2016

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

1. Shri S.S. Shukla, Jt. Development Commissioner, NSEZ
2. Shri P.R. Sharma, Dy. Director, DIC, Jaipur
3. Shri R.C. Saini, Asstt. Commissioner, Central Excise, Jaipur-I.
4. Shri Manoj Sugoni, Asstt. Regional Manager, RIICO, Jaipur
5. Shri Vimal Mishra, DGM, Mahindra World City (Jaipur) Ltd. – Representative of Developer, Special Invitee.

2. Besides, during the meeting i) Shri R.K. Srivastava, DDC, ii) Shri Prakash Chand Upadhyay, ADC & iii) Shri J.C. Gupta, Specified Officer were also present to assist the Approval Committee.

3. At the outset, DC, NSEZ welcomed the participants. 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:-

1. Ratification of Minutes of last meeting of the Approval Committee:-

The Committee was informed that no reference against the decisions of the Approval Committee held on 21/10/2016 was received from any of the members of the Committee or Trade and therefore, Minutes of the meeting held on 21/10/2016 were ratified.

Item wise decisions on proposals included in agenda:

2. **M/s. Ratan Textiles- Ratification of the interim approvals dated 27.10.2016 & 24.11.2016 granted for export of handicraft items which was not in the approved authorized operation of the unit located in the Handicraft SEZ of M/s. Mahindra World City (Jaipur) Ltd. at Jaipur (Rajasthan).**

It was brought to the notice of the Approval Committee that vide its letter dated 26.10.2016, M/s. Ratan Textiles had requested to grant interim approval for export of handicraft items namely 'Aprons' & 'Pot Holder' for USD 22000/- approx. to their overseas customer, as these items did not exist in the approved item of manufacture in LOA of the unit. It was informed that keeping in view the urgency shown by the unit, the Development Commissioner, NSEZ had allowed interim approval for export of above items subject to its ratification by the Approval Committee. Approval was conveyed to the unit vide this office letter dated 27.10.2016.



It was further informed that the unit vide its another letter dated 24.11.2016 had once again requested to grant interim approval for export of handicraft items namely 'Placemats' & 'Chairpads' for USD 4441/- & USD 11784/- respectively, as these items were not mentioned in the approved items of manufacture, in its existing LOA. It was informed that keeping in view the urgency shown by the unit, the Development Commissioner, NSEZ had allowed interim approval for export of above items subject to its ratification by the Approval Committee. The interim approval was conveyed to the unit vide this office letter dated 24.11.2016.

Shri Sunit K. Jain, CEO & Shri Harish Makhija, Export Manager appeared before the Approval Committee on behalf of the unit and explained the requirement of aforesaid proposals for interim approval.

After due deliberations, the Approval Committee **ratified** the interim approvals dated 27.10.2016 & 24.11.2016 granted by the Development Commissioner, NSEZ to the unit.

3. Proposal of M/s. Ratan Textiles, a unit in Handicraft SEZ of M/s. Mahindra World City (Jaipur) Ltd. at Jaipur (Rajasthan) for inclusion of additional item of manufacture in LOA.

It was brought to the notice of the Approval Committee that the proposal of M/s. Ratan Textiles for inclusion of following additional item of manufacture in LOA dated 23.06.2009 was placed before the Approval Committee in its meeting held on 21.10.2016:-

SI. No. (i). All types of Handicrafts of metal item, wooden items, Bone Item, Stone items: Toys, Statues, Clocks, Paintings, Wall Panels, Accessories.

SI. No. (ii). Other handicraft items : Candles, Wax items, Terracotta items Ceramic Items, Handmade painting, incense sticks, Oil diffusers, Handicraft lights & Lamps, Handmade platters, Handmade photo frames etc.

SI. No. (iii). Handmade Paper Products : Handmade paper rapping sheets, handmade paper boxes, handmade paper dairies, basket bags, Hangings, Garlands, Photo frame, Dust Beans, Pen Stands, Desk Top Set, Magazine Holder, File holders, Memo Pads, Notice Board, Clip Board and handmade paper stationary items etc.

SI. No. (iv). All types to the printed and hand stitched fabrics, home furnishing, yardages, made-ups etc. like

a). Bed Linen: Quilts, Quilt cover, Blankets, Throws, Duvets, Duvet covers, Comforters, Bed spreads, Bed Covers, Bed Sheets, Pillows, Pillow Covers, Shams and Sham covers, Cushions & Cushion covers, Bed Runner, Bolster Covers, Mattress, Mattress covers, covers etc. All the stated articles either as individuals or as part of sets.

b). Table Linen: Table Covers, Table cloths, Mats, Napkins, Runner, Coasters, Storage Bags and storage covers, Baskets etc.

c). Kitchen Linen: Apron, Oven Mitts, Pot Holders, Kitchen Towels, Tea Towel, Tea Cosys, Tray Covers, Bread Baskets, Kitchen Organizers, Seat Pads, Chair pads, Floor cushion, Pads, Towels, Bottle Bags etc.

d). Utility and General Purpose Linen: Curtains, Drapes, Sarongs, Shawls, Fillers, Bags, Pouches,

Purses, Processed Fabric in Rolls and cut lengths, Quilted fabric in roll or cut length, chair covers, Cases, Bath Robes, Shower Curtains, Room Slippers, Bath Slippers, Belts, Shower caps, Pyjama Sets, Proofs and mattress cushions, floor pads and floor cushions, Wall hangings, Hanging Shelves, Hangers, Soft Toys, Wardrobe organizers, Bed room organizers, Kitchen Organizers, Bath Room Organizers, Collapsible storage and organizers etc.

It was informed that the Approval Committee in its meeting held on 21.10.2016 had approved the additional items of manufacture proposed at Sl. No. (i), (ii) & (iii) above subject to submission of revised export / NFE projections requirement of additional capital goods / raw material, employment details in the format prescribed by DOC. Further, it was informed that the Approval Committee had directed the representatives of the unit to submit i). detailed write-up, ii) manufacturing process flow-chart & iii). ITC(HS) Code in respect of additional item of manufacture proposed at Sl. No. (iv) above.

It was informed that the unit vide its letter dated 22/11/2016 has submitted manufacturing process flow-chart & ITC (HS Code) of the following proposed item of manufacture which it actually wants to ship in coming months :-

S. No.	Proposed item of manufacture	ITC (HS-Code)
1.	Chairpad	9404
2.	Cushion	9404
3.	Curtain	6304/6303
4.	Apron	6209/6211/6304/6307
5.	Pot Holder	6216
6.	Kitchen Towel	6304
7.	Runner	6302/6304/9404
8.	Placemat	6304

It was further informed that the unit had provided copy of Certificate dated 11.11.2016 issued by EPCH certifying that the above items fall under the handicraft category. It was however, informed that the detailed write-up on proposed item of manufacture was not submitted. It was also brought to the notice of the Approval Committee that Specified Officer in its report dated 10.11.2016 has informed that the unit is already engaged in the manufacturing & export of some items not included in their LOA.

It was also informed that during the Approval Committee meeting held on 21.10.2016, a Committee consisting of i) Shri P.R. Sharma, Dy. Director, DIC, Govt. of Rajasthan, ii) Shri R.C. Saini, Asstt. Commissioner, Central Excise, Jaipur & iii) Shri J.C. Gupta, Specified Officer of Mahindra World City (Jaipur) Ltd. SEZ was constituted to visit the premises of M/s. Ratan Taextile and submit its detailed report on the operations carried out by the unit. Accordingly, the report of the said Committee was produced before the Approval Committee. The Committee had reported that the unit is engaged in manufacturing of (i) Chair Pads, (ii) Curtains (iii) Cushion (iv) Kitchen Towels, (v) Pot Holders (vi) Placemats (vii) Aprons and (viii) Runners and quilts from the bought out inputs viz. dyed and printed fabrics, cotton, felts etc. It was informed that there was no weaving and

processes of dyeing and printing of fabric in house. The Committee had mentioned that major hand work is cutting, sewing / threading of the manufacturing of the manufactured articles and no major work relating to ornamental and beautification of the items is done by hand so as to appear major contribution in the cost of manufactured items. The Approval Committee observed that the said Committee had stated that it cannot be said that the above items are handicrafts particularly in view of the following definition of handicraft given by the Hon'ble Supreme Court in the case of Collector of Central Excise Vs. Louis Shoppe (1996(83)ELT 13) as under:-

"It may be characterized as "handicrafts" if the following tests are satisfied:

- (1). *It must be predominantly made by hand. It does not matter if some machinery is also used in the process.*
- (2). *It must be graced with visual appeal in the nature of ornamentation or in-lay work or some similar work lending it an element of artistic improvement. Such ornamentation must be of a substantial nature and not a mere pretence."*

The said Committee had also mentioned that the CBEC vide Circular no. 3/2010-Cus. Dated 12.02.2010 has also clarified that above criteria should be adopted while treating any goods as handicrafts. Therefore in case of doubt, certificate from EPCH/Development Commissioner (Handicrafts) certifying these goods as handicrafts and shown by the unit to the Committee should be taken into consideration. The Committee recommended that in the matter of classification of items as Handicrafts, certificate given by the Development Commissioner (Handicrafts) to M/s. Ratan Textiles, can be considered for addition of items.

Shri Sunit K. Jain, CEO & Shri Harish Makhija, Export Manager appeared before the Approval Committee on behalf of the unit and explained the proposal. It was informed to them that after issuance of LOA they have exported items other than that were approved in the LOA. It was stated by them that manufacturing process of all those items is similar to that of the approved items in LOA. They also informed that all the items exported by them fall under the category of home furnishing and made ups only and are handicraft items for which they had initially applied for and this was categorically indicated in the application. The representatives of the unit requested to regularise the export of the items made by them from the SEZ Unit. They further requested for addition of aforesaid 8 (eight) items of manufacture in LOA.

It was informed to them that as per section 11(4) of the Foreign Trade (Development & Regulation) Act, 1992 there is a penalty provision to settle the cases where a person admits any contravention. The authorized representatives consented to settle the case as per section 11(4) of the FT(D&R) Act, 1992 for export of items not specifically mentioned in LOA.



After due deliberations, the Development Commissioner in consultation with members of the Approval Committee imposed a penalty of Rs.50,000/- on the unit in terms of section 11(4) of FT(D&R) Act, 1992 and regularized the export of items which were specifically not mentioned in LOA, in view of the position explained by the representatives of the firm in the Approval Committee.

As unit has given the flow chart in respect of above stated eight items along with the related ITC(HS) Code and photographs of these items duly certified by Development Commissioner (Handicrafts) / Export Promotion Council of Handicraft as handicraft items, the Approval Committee decided to include the aforesaid 8 (eight) handicraft items in LOA. It was also advised to the representatives that in future also they should follow the same process and submit the details of the specific items along with ITC(HS) Code, flow chart, photographs of the items duly certified by Development Commissioner (Handicrafts) / Export Promotion Council of Handicraft as handicraft items and request should be submitted well in time.

4. M/s. Systweak Software, a unit in IT/ITES SEZ of M/s. Mahindra World City (Jaipur) Ltd. at Jaipur (Rajasthan) – Proposal for revision in projections.

It was informed that the Approval Committee in its meeting held on 21.10.2016 had approved the proposal of M/s. Systweak Software for revision in projections of the current block of five years, as given below, which had been conveyed to the unit vide this office letter dated 31.10.2016:-

(Rs. in Lacs)

Particulars (for five years)	Existing Projection	Revised Projection
FOB value of exports	2600.00	93473.58
Foreign Exchange Outgo	220.00	57480.18
NFE Earnings	2380.00	35993.40
Imported Capital Goods	Nil	15.21
Indigenous Capital Goods	220.00	220.00
Imported Raw Material, Consumables, Components etc.	210.00	57464.97
Indigenous Raw Material, Consumables, Components etc.	10.00	10.00

It was further informed that the unit vide its letter dated 14.11.2016 has stated that due to misunderstanding earlier they had submitted revised projections as per the financial years beginning from 2011-12 to 2015-16. It was informed that the unit has now submitted revised projections for their current block of five years from DCP as 16.01.2012, as given below:-



Particulars (for five years)	Existing Projection	Revised Projection
FOB value of exports	2600.00	103513.81
Foreign Exchange Outgo	220.00	60837.91
NFE Earnings	2380.00	42675.90
Imported Capital Goods	Nil	62.56
Indigenous Capital Goods	220.00	220.00
Imported Raw Material, Consumables, Components etc.	210.00	60775.35
Indigenous Raw Material, Consumables, Components etc.	10.00	10.00

Shri Shrishail Rana, Proprietor of M/s. Systweak Software appeared before the Approval Committee and explained the proposal.

After due deliberations, the Approval Committee **approved** the proposal for revision in Export / import projections subject to execution of Bond-cum-LUT. The Approval Committee also directed the representative of the unit to submit detailed write-up on the activities carried out by the unit.

5. Proposal of the developer for cancellation of letter dated 01.04.2014 granted in respect of M/s. Bionic Hospitality Pvt. Ltd. to operate food court in the processing area of IT/ITES SEZ at Village- Kalwara, Tehsil – Sanganer, Distt – Jaipur (Rajasthan).

It was brought to the notice of the Approval Committee that M/s. Mahindra World City (Jaipur) Ltd., Developer had submitted a request for cancellation of letter dated 01.04.2014 issued to M/s. Bionic Hospitality Pvt. Ltd. to operate approved food court in the processing area of IT/ITES SEZ at Village Kalwara, Tehsil- Sanganer, Distt- Jaipur (Rajasthan). It was informed that the developer had submitted copy of mutual agreement signed with M/s. Bionic Hospitality Pvt. Ltd. for settlement of lease rent and vacation of premises.

Shri Vimal Mishra, DGM appeared before the Approval Committee on behalf of the developer and explained the proposal.

After due deliberations, the Approval Committee **approved** the proposal.

6. Proposal of M/s. Orvi Design Studio for inclusion of additional item of manufacture in LOA of its unit located in the Handicraft SEZ of M/s. Mahindra World City (Jaipur) Ltd. at Jaipur.

It was brought to the notice of the Approval Committee that M/s. Orvi Design Studio had submitted proposal for inclusion of following addition item of manufacture of LOA of its unit located in the Handicraft SEZ of M/s. Mahindra World City (Jaipur) Ltd., Jaipur:-

Existing Authorised Operation	Proposed additional Authorised Operation
Manufacturing of Handicraft Stone Tiles	All Handicraft and handcrafted items

It was informed that following documents / information are required to be submitted by unit and had been communicated to the unit vide email dated 05.12.2016:-

1. Rectified APRs since inception upto 2015-16 as per observation of CA firm along with APR for the year 2013-14 required to be submitted.
2. Details of existing & revised Export / NFE projections and requirement of additional capital goods / raw material, employment details also required to be submitted in the format prescribed by DOC.
3. Specific name of the proposed additional item of manufacture as well as manufacturing process flow-chart along with ITC (HS) Code of the proposed items required to be submitted.

Shri Ghanshyam Baheli, General Manager appeared before the Approval Committee on behalf of the unit and explained the proposal. He produced revised projections in the format prescribed by DOC. However, the same had not been properly filled up by the unit.

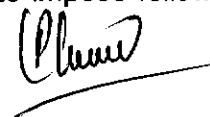
After due deliberations, the Approval Committee decided to defer the proposal and directed the representative of the unit to submit i) item-wise details of proposed additional items of manufacture ii) manufacturing process flow-chart & iii) ITC(HS) Code, iv) Certificate from Development Commissioner (Handicraft) or EPCH that proposed items are covered under the handicraft category / items, and v) corrected details of existing / revised projections in prescribed format.

7. Review of LOAs of units in the Engineering & related industries of M/s. Mahindra World City (Jaipur) Ltd., engaged into business of CRGO material in view of letter dated 01/03/2016 of Ministry of Steel.

It was informed that the Approval Committee in its meeting held on 15/07/2016 had reviewed LOAs of the following units in the Engineering & related industries of M/s. Mahindra World City (Jaipur) Ltd. engaged into the business of CRGO material in view of letter dated 01/03/2016 of Ministry of Steel wherein issues have been raised regarding import of non-prime, mills left over, scrap and spurious CRGO material in SEZs by some traders circumventing the Steel Control Order:-

1. M/s. Dynamic Powertech Pvt. Ltd.
2. M/s. Marson Industries Pvt. Ltd.
3. M/s. Topline Overseas

It was informed that the Approval Committee had decided to impose following conditions in the LOA of above three units:



- (i) Unit will import/purchase only prime CRGO.

- (ii) Unit will not be permitted to import non-prime, mills left over, scrap and spurious CRGO material.

It was further informed that in a similar case of M/s. Jagdamba Impex, a unit in NSEZ, the BOA in its meeting held on 09/11/2016 has decided as under:

"After deliberations, the Board ordered that the unit shall import only prime CRGO for the goods to be cleared to DTA and all the conditions specified in the Steel Products (Quality Control) Second Order dated 12/03/2012 of Ministry of Steel should be complied with in respect of such goods cleared to DTA. Accordingly, BOA remanded the appeal to DC, NSEZ for further action."

In light of the said BoA decision, Approval Committee **decided to impose** following additional condition in the LOA of above three units:

"The unit shall import only prime CRGO for the goods to be cleared to DTA and all the conditions specified in the Steel Products (Quality Control) Second Order dated 12/03/2012 of Ministry of Steel shall be complied with in respect of such goods cleared to DTA."

Decision on supplementary agenda item:-

1. **Proposal of M/s. Orvi Design Studio for approval of additional service namely 'Business Auxiliary Service' to carry on authorized operations by its unit located in the Handicraft SEZ of M/s. Mahindra World City (Jaipur) Ltd. at Jaipur.**

It was brought to the notice of the Approval Committee that M/s. Orvi Design Studio, a unit in the Handicraft sector SEZ of M/s. Mahindra World City (Jaipur) Ltd. located at Village Kalwara, Tehsil Sanganer, Jaipur (Rajasthan) had submitted a proposal for approval of additional service namely "Business Auxiliary Service" in addition to the list of 66 nos. default services issued by the Approval Committee, in terms of Notification No. 12/2013-ST dated 01.07.2013. It was informed that the unit in its proposal had stated that for manufacturing of Handicraft Stone Tiles, they have to send some of their procured raw material i.e. Sand Stone, Slate Stone etc. to other units for necessary processing and these units charging service tax on these job work bills..

Shri Ghanshyam Baheli, General Manager appeared before the Approval Committee on behalf of the unit and explained the requirement of proposed service.

After due deliberations, the Approval Committee **approved** the proposal.



2. Request of M/s. Mahindra World City (Jaipur) Ltd., Developer to grant permission for shifting of Customs Office at vertical Spine road in the IT/ITES SEZ at Village- Kalwara, Tehsil – Sanganer, Distt – Jaipur (Rajasthan).

It was brought to the notice of the Approval Committee that M/s. Mahindra World City (Jaipur) Ltd., Developer had submitted a request for permission for shifting of Customs Office & existing IT Gate at Vertical Spine Road. It was informed that the developer had furnished map showing existing / revised location of Custom Office and Customs entry gate as well as proposed layout plan for Custom Office.

It was further informed that Specified Officer of the SEZ had been requested vide this office email dated 05.12.2016 to furnish his comments on the proposed shifting of Customs Office & existing gate. Accordingly, Specified Officer vide its letter dated 06.12.2016 has given his 'No Objection' for shifting of Customs Office at vertical spine road subject to fulfillment of the following conditions :-

- (i) Existing IT/ITES entry & exit gate has to be closed.
- (ii) Complete and proper fencing of the Zone must be completed.
- (iii) In proposed layout plan all cabins are of small size without attached toilets. There is no provision for cabin of Specified Officer, waiting room, conference hall, record room and receipt and dispatch room. Thus the plan layout should be revised accordingly.
- (iv) Permission of final shifting of the office premises would be given after completion of proposed office building with all the amenities and subject to satisfaction of the Specified Officer.

Shri Vimal Mishra, DGM appeared before the Approval Committee on behalf of the developer and explained the proposal.

After due deliberations, the Approval Committee **approved** the proposal.

Meeting ended with a vote of thanks to the Chair.



(S. S. Shukla)

Joint Development Commissioner



(Dr. L.B. Singhal)
Development Commissioner